

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Aquaculture

Bill Number(s): [HB 149](#) / [SB 404](#)

Entire Bill

Partial Bill:

Sponsor(s): Senator Rodriguez, Representative Tuck

Month/Year Impact Begins: July 1, 2022

Date of Analysis: 11/3/2021

Section 1: Narrative

a. Current Law:

Section 1. Paragraph (c) of subsection (6) of section 193.461, Florida Statutes, currently reads: 193.461 Agricultural lands; classification and assessment; mandated eradication or quarantine program; natural disasters. —

(6) (c)1. For purposes of the income methodology approach to assessment of property used for agricultural purposes, irrigation systems, including pumps and motors, physically attached to the land shall be considered a part of the average yields per acre and shall have no separately assessable contributory value.

2. Litter containment structures located on producing poultry farms and animal waste nutrient containment structures located on producing dairy farms shall be assessed by the methodology in subparagraph 1.

3. Structures or improvements used in horticultural production for frost or freeze protection, which are consistent with interim measures or best management practices adopted by the Department of Agriculture and Consumer Services pursuant to s. 510.93 or s. 403.067(7)(c), shall be assessed by the methodology in subparagraph 1.

4. Screened enclosed structures used in horticultural production for protection from pests and diseases or to comply with state or federal eradication or compliance agreements shall be assessed by the methodology described in subparagraph 1.

b. Proposed Change:

Adds subparagraph 5. For purposes of the income methodology approach to assessment of land used in the production of aquaculture products, structures and equipment are considered a part the average yields per acre and have no separately assessable contributory value.

Section 2. This act shall take effect July 1, 2022.

Section 2: Description of Data and Sources

Aquaculture market research

Previous aquaculture impact analysis

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

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

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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 2021P 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)	\$ -	\$ (1.2 M)
2023-24	\$ (8.4 M)	\$ (7.5 M)	\$ (4.2 M)	\$ (3.5 M)	\$ (1.7 M)	\$ (1.2 M)
2024-25	\$ (8.1 M)	\$ (7.5 M)	\$ (4.0 M)	\$ (3.5 M)	\$ (1.5 M)	\$ (1.2 M)
2025-26	\$ (7.8 M)	\$ (7.5 M)	\$ (3.8 M)	\$ (3.5 M)	\$ (1.4 M)	\$ (1.2 M)
2026-27	\$ (7.5 M)	\$ (7.5 M)	\$ (3.5 M)	\$ (3.5 M)	\$ (1.2 M)	\$ (1.2 M)

List of affected Trust Funds:

Ad Valorem

Section 5: Consensus Estimate (Adopted: 11/05/2021): The Conference adopted the high estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(2.7)	0.0	(4.7)	0.0	(7.5)
2023-24	(3.1)	(2.7)	(5.3)	(4.7)	(8.4)	(7.5)
2024-25	(3.0)	(2.7)	(5.1)	(4.7)	(8.1)	(7.5)
2025-26	(2.9)	(2.7)	(4.9)	(4.7)	(7.8)	(7.5)
2026-27	(2.7)	(2.7)	(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)

Summary of All Impacts

School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ -	\$ (2.0 M)	\$ -	\$ (1.2 M)	\$ -	\$ (0.7 M)
2023-24	\$ (3.1 M)	\$ (3.1 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (0.6 M)	\$ (0.6 M)
2024-25	\$ (3.0 M)	\$ (3.0 M)	\$ (1.5 M)	\$ (1.5 M)	\$ (0.6 M)	\$ (0.6 M)
2025-26	\$ (2.9 M)	\$ (2.9 M)	\$ (1.4 M)	\$ (1.4 M)	\$ (0.5 M)	\$ (0.5 M)
2026-27	\$ (2.7 M)	\$ (2.7 M)	\$ (1.3 M)	\$ (1.3 M)	\$ (0.5 M)	\$ (0.5 M)

Non-School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ -	\$ (3.4 M)	\$ -	\$ (2.1 M)	\$ -	\$ (1.3 M)
2023-24	\$ (5.3 M)	\$ (5.3 M)	\$ (2.7 M)	\$ (2.7 M)	\$ (1.0 M)	\$ (1.0 M)
2024-25	\$ (5.1 M)	\$ (5.1 M)	\$ (2.5 M)	\$ (2.5 M)	\$ (1.0 M)	\$ (1.0 M)
2025-26	\$ (4.9 M)	\$ (4.9 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (0.9 M)	\$ (0.9 M)
2026-27	\$ (4.7 M)	\$ (4.7 M)	\$ (2.2 M)	\$ (2.2 M)	\$ (0.8 M)	\$ (0.8 M)

Total Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ -	\$ (7.5 M)	\$ -	\$ (3.5 M)	\$ -	\$ (1.2 M)
2023-24	\$ (8.4 M)	\$ (7.5 M)	\$ (4.2 M)	\$ (3.5 M)	\$ (1.7 M)	\$ (1.2 M)
2024-25	\$ (8.1 M)	\$ (7.5 M)	\$ (4.0 M)	\$ (3.5 M)	\$ (1.5 M)	\$ (1.2 M)
2025-26	\$ (7.8 M)	\$ (7.5 M)	\$ (3.8 M)	\$ (3.5 M)	\$ (1.4 M)	\$ (1.2 M)
2026-27	\$ (7.5 M)	\$ (7.5 M)	\$ (3.5 M)	\$ (3.5 M)	\$ (1.2 M)	\$ (1.2 M)

New Aquaculture Structures and Equipment TPP Projection

Aquaculture investment	585,000,000	336,600,000	\$ 166,970,469
<i>Replacement Cost New Year 1</i>	\$ 55,656,823	\$ 55,656,823	\$ 55,656,823
<i>Replacement Cost New Year 2</i>	264,671,589	140,471,589	55,656,823
<i>Replacement Cost New Year 3</i>	264,671,589	140,471,589	55,656,823

	High	Middle	Low
% Used in Production	95%	90%	85%
<i>Used in Production Year 2021</i>	-	-	-
<i>Used in Production Year 2022</i>	251,438,009	126,424,430	47,308,300
<i>Used in Production Year 2023</i>	251,438,009	126,424,430	47,308,300

Tax Val by Roll year	High	Middle	Low
2022	251,438,009	126,424,430	47,308,300
2023	502,876,018	252,848,859	94,616,599
2024	502,876,018	252,848,859	94,616,599
2025	502,876,018	252,848,859	94,616,599
2026	502,876,018	252,848,859	94,616,599

TPP Depreciation schedule		Depreciable life		
Effective age		20	15	10
1		97%	95%	92%
2		93%	90%	84%
3		90%	85%	76%
4		86%	79%	67%
5		82%	73%	58%
6		78%	68%	49%
7		74%	62%	39%

2021 Millage Rates	
Nonschool	10.8009
School	6.2797

School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ (1.5 M)	\$ (2.7 M)	\$ (0.8 M)	\$ (1.2 M)	\$ (0.3 M)	\$ (0.4 M)
2023-24	\$ (3.0 M)	\$ (2.7 M)	\$ (1.5 M)	\$ (1.2 M)	\$ (0.5 M)	\$ (0.4 M)
2024-25	\$ (2.9 M)	\$ (2.7 M)	\$ (1.4 M)	\$ (1.2 M)	\$ (0.5 M)	\$ (0.4 M)
2025-26	\$ (2.8 M)	\$ (2.7 M)	\$ (1.3 M)	\$ (1.2 M)	\$ (0.4 M)	\$ (0.4 M)
2026-27	\$ (2.7 M)	\$ (2.7 M)	\$ (1.2 M)	\$ (1.2 M)	\$ (0.4 M)	\$ (0.4 M)

Non-School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ (2.6 M)	\$ (4.6 M)	\$ (1.3 M)	\$ (2.1 M)	\$ (1.9 M)	\$ (1.9 M)
2023-24	\$ (5.2 M)	\$ (4.6 M)	\$ (2.5 M)	\$ (2.1 M)	\$ (1.9 M)	\$ (1.9 M)
2024-25	\$ (5.0 M)	\$ (4.6 M)	\$ (2.4 M)	\$ (2.1 M)	\$ (1.9 M)	\$ (1.9 M)
2025-26	\$ (4.8 M)	\$ (4.6 M)	\$ (2.2 M)	\$ (2.1 M)	\$ (1.9 M)	\$ (1.9 M)
2026-27	\$ (4.6 M)	\$ (4.6 M)	\$ (2.1 M)	\$ (2.1 M)	\$ (1.9 M)	\$ (1.9 M)

Total Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ (4.2 M)	\$ (7.2 M)	\$ (2.1 M)	\$ (3.3 M)	\$ (2.2 M)	\$ (2.3 M)
2023-24	\$ (8.2 M)	\$ (7.2 M)	\$ (4.0 M)	\$ (3.3 M)	\$ (2.5 M)	\$ (2.3 M)
2024-25	\$ (7.9 M)	\$ (7.2 M)	\$ (3.8 M)	\$ (3.3 M)	\$ (2.4 M)	\$ (2.3 M)
2025-26	\$ (7.6 M)	\$ (7.2 M)	\$ (3.5 M)	\$ (3.3 M)	\$ (2.4 M)	\$ (2.3 M)
2026-27	\$ (7.2 M)	\$ (7.2 M)	\$ (3.3 M)	\$ (3.3 M)	\$ (2.3 M)	\$ (2.3 M)

NAICS Code Group 1125 TPP impact

112511 Finfish Farming and Fish Hatcheries
112512 Shellfish Farming
112519 Other Aquaculture - Alligator, algae, frog, seaweed, or turtle

NAICS Codes	Total Just Value	JV Leasehold Improvements	JV Furniture Fixture & Equipment	Tax Value	Number of Accounts	Inclusion Factor
112511	\$ 60,009,679	\$ 58,223	\$ 59,951,456	\$ 59,186,435	81	100%
112512	\$ 1,004,286	\$ 149,113	\$ 855,173	\$ 681,688	54	100%
112519	\$ 17,108,598	\$ 162,178	\$ 16,946,420	\$ 15,483,843	170	100%
Total	\$ 78,122,563	\$ 369,514	\$ 77,753,049	\$ 75,351,966	305	

Total 2021 Taxable Value of FFE and Leasehold Improvements	\$ 75,351,966
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Additional Impact for New Aquaculture Investment			
Percent Used in Production			
	High	Middle	Low
%	95%	90%	85%

Additional Depreciated Tax Val for New Aquaculture Expected Investments			
Tax Val by Roll year	High	Middle	Low
2022	243,894,869	120,103,208	43,523,636
2023	477,732,217	233,885,195	83,262,607
2024	460,131,557	221,242,752	75,693,279
2025	442,530,896	207,336,065	67,650,868
2026	422,415,855	192,165,133	59,135,374
2027	402,300,815	178,258,446	50,619,881

2021 Millage Rates	
Nonschool	10.8009
School	6.2797

School Impact							
Year	High		Middle		Low		
	Cash	Recurring	Cash	Recurring	Cash	Recurring	
2022-23	\$ -	\$ (2.0 M)	\$ -	\$ (1.2 M)	\$ -	\$ (0.7 M)	
2023-24	\$ (3.0 M)	\$ (3.0 M)	\$ (1.5 M)	\$ (1.5 M)	\$ (0.5 M)	\$ (0.5 M)	
2024-25	\$ (2.9 M)	\$ (2.9 M)	\$ (1.4 M)	\$ (1.4 M)	\$ (0.5 M)	\$ (0.5 M)	
2025-26	\$ (2.8 M)	\$ (2.8 M)	\$ (1.3 M)	\$ (1.3 M)	\$ (0.4 M)	\$ (0.4 M)	
2026-27	\$ (2.7 M)	\$ (2.7 M)	\$ (1.2 M)	\$ (1.2 M)	\$ (0.4 M)	\$ (0.4 M)	

Non-School Impact							
Year	High		Middle		Low		
	Cash	Recurring	Cash	Recurring	Cash	Recurring	
2022-23	\$ -	\$ (3.4 M)	\$ -	\$ (2.1 M)	\$ -	\$ (1.3 M)	
2023-24	\$ (5.2 M)	\$ (5.2 M)	\$ (2.5 M)	\$ (2.5 M)	\$ (0.9 M)	\$ (0.9 M)	
2024-25	\$ (5.0 M)	\$ (5.0 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (0.8 M)	\$ (0.8 M)	
2025-26	\$ (4.8 M)	\$ (4.8 M)	\$ (2.2 M)	\$ (2.2 M)	\$ (0.7 M)	\$ (0.7 M)	
2026-27	\$ (4.6 M)	\$ (4.6 M)	\$ (2.1 M)	\$ (2.1 M)	\$ (0.6 M)	\$ (0.6 M)	

Total Impact							
Year	High		Middle		Low		
	Cash	Recurring	Cash	Recurring	Cash	Recurring	
2022-23	\$ -	\$ (7.2 M)	\$ -	\$ (3.3 M)	\$ -	\$ (1.0 M)	
2023-24	\$ (8.2 M)	\$ (7.2 M)	\$ (4.0 M)	\$ (3.3 M)	\$ (1.4 M)	\$ (1.0 M)	
2024-25	\$ (7.9 M)	\$ (7.2 M)	\$ (3.8 M)	\$ (3.3 M)	\$ (1.3 M)	\$ (1.0 M)	
2025-26	\$ (7.6 M)	\$ (7.2 M)	\$ (3.5 M)	\$ (3.3 M)	\$ (1.2 M)	\$ (1.0 M)	
2026-27	\$ (7.2 M)	\$ (7.2 M)	\$ (3.3 M)	\$ (3.3 M)	\$ (1.0 M)	\$ (1.0 M)	

Real Property NAICS Code 1125 Group Impact

Commercial Property for Aquaculture (matched from TPP)

JV_RESD_NON_RESD	\$	14,410,491	School Value
AV_RESD_NON_RESD	\$	13,729,437	Non-School Value

2021 Millage Rates	
Nonschool	10.8009
School	6.2797

School Impact		
Year	Middle	
	Cash	Recurring
2022-23	\$ -	\$ (0.09 M)
2023-24	\$ (0.09 M)	\$ (0.09 M)
2024-25	\$ (0.09 M)	\$ (0.09 M)
2025-26	\$ (0.09 M)	\$ (0.09 M)
2026-27	\$ (0.09 M)	\$ (0.09 M)

Non-School Impact		
Year	Middle	
	Cash	Recurring
2022-23	\$ -	\$ (0.15 M)
2023-24	\$ (0.15 M)	\$ (0.15 M)
2024-25	\$ (0.15 M)	\$ (0.15 M)
2025-26	\$ (0.15 M)	\$ (0.15 M)
2026-27	\$ (0.15 M)	\$ (0.15 M)

Total Impact		
Year	Middle	
	Cash	Recurring
2022-23	\$ -	\$ (0.24 M)
2023-24	\$ (0.24 M)	\$ (0.24 M)
2024-25	\$ (0.24 M)	\$ (0.24 M)
2025-26	\$ (0.24 M)	\$ (0.24 M)
2026-27	\$ (0.24 M)	\$ (0.24 M)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Education Properties Exemption

Bill Number(s): [HB243](#)

Entire Bill

Partial Bill:

Sponsor(s): Representative Roth

Month/Year Impact Begins: July 1, 2022

Date of Analysis: October 29, 2021

Section 1: Narrative

a. Current Law: Chapter 196.198 currently states, “Educational institutions within this state and their property used by them or by any other exempt entity or educational institution exclusively for educational purposes are exempt from taxation. Sheltered workshops providing rehabilitation and retraining of individuals who have disabilities and exempted by a certificate under s. (d) of the federal Fair Labor Standards Act of 1938, as amended, are declared wholly educational in purpose and are exempt from certification, accreditation, and membership requirements set forth in s. 196.012. Those portions of property of college fraternities and sororities certified by the president of the college or university to the appropriate property appraiser as being essential to the educational process are exempt from ad valorem taxation. The use of property by public fairs and expositions chartered by chapter 616 is presumed to be an educational use of such property and is exempt from ad valorem taxation to the extent of such use. Property used exclusively for educational purposes shall be deemed owned by an educational institution if the entity owning 100 percent of the educational institution is owned by the identical persons who own the property, or if the entity owning 100 percent of the educational institution and the entity owning the property are owned by the identical natural persons. Land, buildings, and other improvements to real property used exclusively for educational purposes shall be deemed owned by an educational institution if the entity owning 100 percent of the land is a nonprofit entity and the land is used, under a ground lease or other contractual arrangement, by an educational institution that owns the buildings and other improvements to the real property, is a nonprofit entity under s. 501(c)(3) of the Internal Revenue Code, and provides education limited to students in prekindergarten through grade 8. Land, buildings, and other improvements to real property used exclusively for educational purposes are deemed owned by an educational institution if the educational institution that currently uses the land, buildings, and other improvements for educational purposes is an educational institution described in s. 212.0602, and, under a lease, the educational institution is responsible for any taxes owed and for ongoing maintenance and operational expenses for the land, buildings, and other improvements. For such leasehold properties, the educational institution shall receive the full benefit of the exemption. The owner of the property shall disclose to the educational institution the full amount of the benefit derived from the exemption and the method for ensuring that the educational institution receives the benefit. Notwithstanding ss. 196.195 and 196.196, property owned by a house of public worship and used by an educational institution for educational purposes limited to students in preschool through grade 8 shall be exempt from ad valorem taxes. If legal title to property is held by a governmental agency that leases the property to a lessee, the property shall be deemed to be owned by the governmental agency and used exclusively for educational purposes if the governmental agency continues to use such property exclusively for educational purposes pursuant to a sublease or other contractual agreement with that lessee. If the title to land is held by the trustee of an irrevocable inter vivos trust and if the trust grantor owns 100 percent of the entity that owns an educational institution that is using the land exclusively for educational purposes, the land is deemed to be property owned by the educational institution for purposes of this exemption. Property owned by an educational institution shall be deemed to be used for an educational purpose if the institution has taken affirmative steps to prepare the property for educational use. The term “affirmative steps” means environmental or land use permitting activities, creation of architectural plans or schematic drawings, land clearing or site preparation, construction or renovation activities, or other similar activities that demonstrate commitment of the property to an educational use.”

b. Proposed Change: Educational institutions within this state and their property used by them or by any other exempt entity or educational institution exclusively for educational purposes are exempt from taxation. Sheltered workshops providing rehabilitation and retraining of individuals who have disabilities and exempted by a certificate under s. (d) of the federal Fair Labor Standards Act of 1938, as amended, are declared wholly educational in purpose and are exempt from certification, accreditation, and membership requirements set forth in s. 196.012. Those portions of property of college fraternities and sororities certified by the president of the college or university to the appropriate property appraiser as being essential to the educational process are exempt from ad valorem taxation. The use of property by public fairs and expositions chartered by chapter 616 is presumed to be an educational use of such property and is exempt from ad valorem taxation to the extent of such use. Property used exclusively for educational purposes shall be deemed owned by an educational institution if the entity owning 100 percent of the educational institution is owned by the identical persons who own the property, ~~or~~ if the entity owning 100 percent of the educational institution and the entity owning the property are owned by the identical natural persons, or if the educational institution is a lessee that owns the leasehold interest in a bona fide lease having an original term of 98 years or

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Education Properties Exemption

Bill Number(s): [HB243](#)

more. Land, buildings, and other improvements to real property used exclusively for educational purposes shall be deemed owned by an educational institution if the entity owning 100 percent of the land is a nonprofit entity and the land is used, under a ground lease or other contractual arrangement, by an educational institution that owns the buildings and other improvements to the real property, is a nonprofit entity under s. 501(c)(3) of the Internal Revenue Code, and provides education limited to students in prekindergarten through grade 8. Land, buildings, and other improvements to real property used exclusively for educational purposes are deemed owned by an educational institution if the educational institution that currently uses the land, buildings, and other improvements for educational purposes is an educational institution described in s. 212.0602, and, under a lease, the educational institution is responsible for any taxes owed and for ongoing maintenance and operational expenses for the land, buildings, and other improvements. For such leasehold properties, the educational institution shall receive the full benefit of the exemption. The owner of the property shall disclose to the educational institution the full amount of the benefit derived from the exemption and the method for ensuring that the educational institution receives the benefit. Notwithstanding ss. 196.195 and 196.196, property owned by a house of public worship and used by an educational institution for educational purposes limited to students in preschool through grade 8 shall be exempt from ad valorem taxes. If legal title to property is held by a governmental agency that leases the property to a lessee, the property shall be deemed to be owned by the governmental agency and used exclusively for educational purposes if the governmental agency continues to use such property exclusively for educational purposes pursuant to a sublease or other contractual agreement with that lessee. If the title to land is held by the trustee of an irrevocable inter vivos trust and if the trust grantor owns 100 percent of the entity that owns an educational institution that is using the land exclusively for educational purposes, the land is deemed to be property owned by the educational institution for purposes of this exemption. Property owned by an educational institution shall be deemed to be used for an educational purpose if the institution has taken affirmative steps to prepare the property for educational use. The term “affirmative steps” means environmental or land use permitting activities, creation of architectural plans or schematic drawings, land clearing or site preparation, construction or renovation activities, or other similar activities that demonstrate commitment of the property to an educational use.”

Section 2: Description of Data and Sources

2015F-2020F NAL Files

2021P NAL File

Section 3: Methodology (Include Assumptions and Attach Details)

It is believed that this change would impact only one parcel at this time. This specific parcel was identified in the NAL rolls from 2015 through 2021 to determine its taxable value and the growth of this value. The parcel’s taxable value ranged from \$1.2-1.6m during this period. Multiplying the 2021P taxable value by the 2021 average statewide millage rates produced a tax liability of \$25,013.

The middle and low estimates assume that this is the only parcel qualifying for this additional exemption criteria. To account for potential additional parcels, the high estimate multiplies the impact by 3.

The average growth rate of this parcel’s value from 2015 to 2020 was 4.82%; the value dropped in 2021, lowering the five-year average growth rate to 2.28%. The higher growth rate was used to calculate the high and middle estimates; the lower average was used to calculate the low estimate.

Section 4: Proposed Fiscal Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ -	\$ (78,657)	\$ -	\$ (26,219)	\$ -	\$ (25,584)
2023-24	\$ (82,450)	\$ (82,450)	\$ (27,483)	\$ (27,483)	\$ (26,168)	\$ (26,168)
2024-25	\$ (86,426)	\$ (86,426)	\$ (28,809)	\$ (28,809)	\$ (26,766)	\$ (26,766)
2025-26	\$ (90,593)	\$ (90,593)	\$ (30,198)	\$ (30,198)	\$ (27,378)	\$ (27,378)
2026-27	\$ (94,962)	\$ (94,962)	\$ (31,654)	\$ (31,654)	\$ (28,003)	\$ (28,003)

List of affected Trust Funds:

Ad Valorem

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Education Properties Exemption

Bill Number(s): [HB243](#)

Section 5: Consensus Estimate (Adopted: 11/05/2021) The Conference adopted the high estimate. Though the total local impact is (\$0.1m), the school impact is negative insignificant and the non-school impact is insignificant for the first two years and then rounds to (\$0.1m) in the last four years of the 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	(0.1)	0.0	(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)

HB243: Education Properties Exemption

Growth				
	JV, AV, TV		% Change	5-Year Average
2015	\$ 1,244,561			
2016	\$ 1,315,673		5.71%	
2017	\$ 1,400,247		6.43%	
2018	\$ 1,456,930		4.05%	
2019	\$ 1,490,188		2.28%	
2020	\$ 1,574,213		5.64%	4.82%
2021	\$ 1,464,392		-6.98%	2.28%

2021P Statewide Millage Rates		
	School	6.2797
	Nonschool	10.8009

2021 Tax Liability		
	School	\$ 9,195.94
	Nonschool	\$ 15,816.75
	Total	\$ 25,012.69

Assumptions			
	High	Middle	Low
Growth Rate	4.82%	4.82%	2.28%
Number of Similar Parcels	3	1	1

HB243: Education Properties Exemption

School Impact			
	High	Middle	Low
2021-22	\$ (27,588)	\$ (9,196)	\$ (9,196)
2022-23	\$ (28,918)	\$ (9,639)	\$ (9,406)
2023-24	\$ (30,313)	\$ (10,104)	\$ (9,621)
2024-25	\$ (31,774)	\$ (10,591)	\$ (9,841)
2025-26	\$ (33,307)	\$ (11,102)	\$ (10,065)
2026-27	\$ (34,913)	\$ (11,638)	\$ (10,295)

Non School Impact			
	High	Middle	Low
2021-22	\$ (47,450)	\$ (15,817)	\$ (15,817)
2022-23	\$ (49,738)	\$ (16,579)	\$ (16,178)
2023-24	\$ (52,137)	\$ (17,379)	\$ (16,548)
2024-25	\$ (54,651)	\$ (18,217)	\$ (16,926)
2025-26	\$ (57,287)	\$ (19,096)	\$ (17,312)
2026-27	\$ (60,049)	\$ (20,016)	\$ (17,708)

Total Impact			
	High	Middle	Low
2021-22	\$ (75,038)	\$ (25,013)	\$ (25,013)
2022-23	\$ (78,657)	\$ (26,219)	\$ (25,584)
2023-24	\$ (82,450)	\$ (27,483)	\$ (26,168)
2024-25	\$ (86,426)	\$ (28,809)	\$ (26,766)
2025-26	\$ (90,593)	\$ (30,198)	\$ (27,378)
2026-27	\$ (94,962)	\$ (31,654)	\$ (28,003)

HB243: Education Properties Exemption

School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ -	\$ (28,918)	\$ -	\$ (9,639)	\$ -	\$ (9,406)
2023-24	\$ (30,313)	\$ (30,313)	\$ (10,104)	\$ (10,104)	\$ (9,621)	\$ (9,621)
2024-25	\$ (31,774)	\$ (31,774)	\$ (10,591)	\$ (10,591)	\$ (9,841)	\$ (9,841)
2025-26	\$ (33,307)	\$ (33,307)	\$ (11,102)	\$ (11,102)	\$ (10,065)	\$ (10,065)
2026-27	\$ (34,913)	\$ (34,913)	\$ (11,638)	\$ (11,638)	\$ (10,295)	\$ (10,295)

Non-School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ -	\$ (49,738)	\$ -	\$ (16,579)	\$ -	\$ (16,178)
2023-24	\$ (52,137)	\$ (52,137)	\$ (17,379)	\$ (17,379)	\$ (16,548)	\$ (16,548)
2024-25	\$ (54,651)	\$ (54,651)	\$ (18,217)	\$ (18,217)	\$ (16,926)	\$ (16,926)
2025-26	\$ (57,287)	\$ (57,287)	\$ (19,096)	\$ (19,096)	\$ (17,312)	\$ (17,312)
2026-27	\$ (60,049)	\$ (60,049)	\$ (20,016)	\$ (20,016)	\$ (17,708)	\$ (17,708)

Total Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ -	\$ (78,657)	\$ -	\$ (26,219)	\$ -	\$ (25,584)
2023-24	\$ (82,450)	\$ (82,450)	\$ (27,483)	\$ (27,483)	\$ (26,168)	\$ (26,168)
2024-25	\$ (86,426)	\$ (86,426)	\$ (28,809)	\$ (28,809)	\$ (26,766)	\$ (26,766)
2025-26	\$ (90,593)	\$ (90,593)	\$ (30,198)	\$ (30,198)	\$ (27,378)	\$ (27,378)
2026-27	\$ (94,962)	\$ (94,962)	\$ (31,654)	\$ (31,654)	\$ (28,003)	\$ (28,003)

REVENUE ESTIMATING CONFERENCE

Tax: Article V Fees

Issue: Clerks of the Circuit Court

Bill Number(s): SB 552 and HB 397

Entire Bill

Partial Bill: Sections 1, 2, 4, and 6 of SB 552 and 1, 2, 4, and 7 of HB 397

Sponsor(s): Senator Boyd and Representative Clemons

Month/Year Impact Begins: 07/01/2022

Date of Analysis: 11/05/2021

Section 1: Narrative

- a. Current Law:** Section 28.241, F.S. sets the filing fees for a party instituting a civil action in circuit court related to real property or mortgage foreclosure. When the claim value is more than \$50,000 but less than \$250,000, the filing fee is \$900, \$705 of which is deposited into the General Revenue Fund. When the claim value is more than \$250,000, the filing fee is \$1,900, \$1,705 of which is deposited into the General Revenue Fund. Section 28.246, F.S. allows the clerk of the circuit court to accept partial payments for court related fees, service charges, costs, and fines. The monthly payment amount is presumed to correspond to the person's ability to pay if the amount does not exceed two percent of the person's annual net income divided by twelve. Section 34.041, F.S. states that a party who files a pleading in an original civil action for affirmative relief by cross-claim, counterclaim, counter petition or third-party complaint or who files a notice of cross-appeal, notice of joinder, or motion to intervene as an appellant, cross-appellant, or petitioner, shall pay the clerk of court a fee of \$295 if the relief sought exceeds \$2,500 but does not exceed \$15,000 and \$395 if the relief sought by the party is greater than \$15,000. The clerk shall deposit the \$295 fee into the General Revenue Fund. Section 318.14, F.S. states that when an individual elects to appear before an official contesting a noncriminal traffic infraction, if the infraction proven the official may impose a penalty not to exceed \$500.
- b. Proposed Change:** Section 28.241, F.S. is revised so that half of the amount from foreclosure filings fees when the claim value is more than \$50,000 but less than \$250,000 and more than \$250,000 currently deposited into the General Revenue Fund is instead deposited into the Clerk's Fine and Forfeiture Funds. Section 28.246, F.S. is revised so that a payment plan's monthly payment is presumed to correspond to the person's ability to pay if the amount does not exceed two percent of the person's annual net income divided by twelve or \$25, whichever is greater. Any amount required by the Clerk as down payment to initially establish a payment plan shall be either 10% of the total amount owed or \$100, whichever is less. Section 34.041, F.S. is revised so that the \$295 counterclaim filing fee currently deposited into the General Revenue Fund is instead deposited into the Clerk's Fine and Forfeiture Funds. Section 318.14, F.S. is revised so that when an individual elects to appear before an official contesting a noncriminal traffic infraction, if the infraction is proven the official may impose a penalty not to exceed \$500 but no less than the amount of the civil penalty provisions of section 318.18, F.S.

Section 2: Description of Data and Sources

Contact with staff from HSMV, OSCA, and CCOC

07/21/2021 Article V REC

Section 3: Methodology (Include Assumptions and Attach Details)

Filing Fees (sections 1 and 4 of SB 552 and HB 397)

Revisions to sections 28.241, F.S. and 34.041, F.S. in the bill would redirect fees from the General Revenue Fund to the Clerk's Fine and Forfeiture Funds, resulting in a negative impact to General Revenue and a positive impact to Local trust funds. The fees being redirected are derived directly from the most recent Article V REC. The General Revenue portion and Clerk's portion of those fees is calculated according to current law and the proposed changes. The first year's cash impact is reduced for the one month lag from activity to fund distribution.

Payment Plans (section 2 of SB 552 and HB 397)

The bill makes the following changes to payment plans:

- Changes the presumption that an individual is able to pay from the monthly amount being less than two percent of the person's annual income divided by twelve to the greater of two percent of the person's annual income divided by twelve and \$25.
- Any amount required by the Clerk as down payment to initially establish a payment plan shall be either 10% of the total amount owed or \$100, whichever is less.

With lack of data regarding the current status of various payments plans (i.e. amount being paid, length of the plan, original fine amount, etc.) the impact is indeterminate. When considering all of the changes to payment plans, the positive impacts will likely exceed the negative ones, resulting in a net indeterminate positive impact.

REVENUE ESTIMATING CONFERENCE

Tax: Article V Fees

Issue: Clerks of the Circuit Court

Bill Number(s): SB 552 and HB 397

Traffic Violations (section 6 of SB 552 and section 7 of HB 397)

Under current law, when a person accused of a noncriminal traffic violation elects to appear before a designated official and the violation is determined to have occurred, the official may impose a penalty not to exceed \$500. It is possible for an individual to commit a traffic violation, appear before a designated official who determines the violation occurred, and then have the penalty imposed be less than the initial fine. The bill requires that the penalty imposed be no less than the amount of the civil penalty in section 318.18, F.S., ensuring that no individual is imposed a lower fine than they otherwise would have received had they not elected to appear before an official. In these instances, there will be a positive impact to various state and local funds. According to Clerk’s staff, it is unknown how often the scenario mentioned above currently plays out. The high impact is positive indeterminate while the low scenario is positive insignificant.

Section 4: Proposed Fiscal Impact

Filing Fees (sections 1 and 4 of SB 552 and HB 397)

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			(15.9)	(17.4)		
2023-24			(14.9)	(14.9)		
2024-25			(15.1)	(15.1)		
2025-26			(15.2)	(15.2)		
2026-27			(15.3)	(15.3)		

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			15.9	17.4		
2023-24			14.9	14.9		
2024-25			15.1	15.1		
2025-26			15.2	15.2		
2026-27			15.3	15.3		

Payment Plans (section 2 of SB 552 and HB 397)

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

Traffic Violations (section 6 of SB 552 and section 7 of HB 397)

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

List of affected Trust Funds:

- Various state and local trust funds
- General Revenue Fund
- Clerk’s Fine and Forfeiture Funds

REVENUE ESTIMATING CONFERENCE

Tax: Article V Fees

Issue: Clerks of the Circuit Court

Bill Number(s): SB 552 and HB 397

Section 5: Consensus Estimate (Adopted: 11/5/2021): The Conference adopted the proposed impact for Filing Fees and indeterminate impacts for Payment Plans and Traffic Violations.

Filing Fees (sections 1 and 4 of SB 552 and HB 397)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(15.9)	(17.4)	0.0	0.0	15.9	17.4	0.0	0.0
2023-24	(14.9)	(14.9)	0.0	0.0	14.9	14.9	0.0	0.0
2024-25	(15.1)	(15.1)	0.0	0.0	15.1	15.1	0.0	0.0
2025-26	(15.2)	(15.2)	0.0	0.0	15.2	15.2	0.0	0.0
2026-27	(15.3)	(15.3)	0.0	0.0	15.3	15.3	0.0	0.0

Payment Plans (section 2 of SB 552 and HB 397)

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

Traffic Violations (section 6 of SB 552 and section 7 of HB 397)

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

	A	B	C	D	E	F
1	SB 552 and HB 397 Impact (millions)					
2	Current Forecast					
3		2022-23	2023-24	2024-25	2025-26	2026-27
4	\$700 of \$900 FCLR Filing Fee to GR	\$ 22.6	\$ 19.7	\$ 19.9	\$ 20.1	\$ 20.2
5	\$930 of \$1,900 FCLR Filing Fee to GR	\$ 11.6	\$ 9.5	\$ 9.6	\$ 9.7	\$ 9.8
6	\$295 Counterclaim To GR	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
7						
8	GR	\$ 34.5	\$ 29.5	\$ 29.8	\$ 30.1	\$ 30.3
9	Clerks	\$ -	\$ -	\$ -	\$ -	\$ -
10						
11	New Forecast					
12		2022-23	2023-24	2024-25	2025-26	2026-27
13	\$350 of \$900 FCLR Filing Fee to GR	\$ 11.3	\$ 9.8	\$ 9.9	\$ 10.0	\$ 10.1
14	\$350 of \$900 FCLR Filing Fee to Clerk	\$ 11.3	\$ 9.8	\$ 9.9	\$ 10.0	\$ 10.1
15	\$465 of \$1,900 FCLR Filing Fee to GR	\$ 5.8	\$ 4.8	\$ 4.8	\$ 4.8	\$ 4.9
16	\$465 of \$1,900 FCLR Filing Fee to Clerk	\$ 5.8	\$ 4.8	\$ 4.8	\$ 4.8	\$ 4.9
17	\$295 Counterclaim To Clerk	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
18						
19	GR	\$ 17.1	\$ 14.6	\$ 14.8	\$ 14.9	\$ 15.0
20	Clerks	\$ 17.4	\$ 14.9	\$ 15.1	\$ 15.2	\$ 15.3
21						
22	Change					
23		2022-23	2023-24	2024-25	2025-26	2026-27
24	GR	\$ (17.4)	\$ (14.9)	\$ (15.1)	\$ (15.2)	\$ (15.3)
25	Clerks	\$ 17.4	\$ 14.9	\$ 15.1	\$ 15.2	\$ 15.3

REVENUE ESTIMATING CONFERENCE

Tax: Article V Fees

Issue: Court-related Payment Plans and Community Service

Bill Number(s): SB 310

Entire Bill

Partial Bill:

Sponsor(s): Wright

Month/Year Impact Begins: 07/01/2022

Date of Analysis: 11/05/2021

Section 1: Narrative

- a. **Current Law:** Section 28.246, F.S. allows the clerk of the circuit court to accept partial payments for court related fees, service charges, costs, and fines. The monthly payment amount is presumed to correspond to the person’s ability to pay if the amount does not exceed two percent of the person’s annual net income divided by twelve.
- b. **Proposed Change:** Section 28.246, F.S. is revised so that a payment plan’s monthly payment is presumed to correspond to the person’s ability to pay if the amount does not exceed two percent of the person’s annual net income divided by twelve or \$25, whichever is greater. The court may, on its own motion or by petition, waive, modify, or convert the outstanding fees, service charges, court costs, or fines to community service if the court determines that the individual is indigent or, due to compelling circumstances, is unable to comply with the terms of payment.

Section 2: Description of Data and Sources

Contact with staff from OSCA and CCOC

Section 3: Methodology (Include Assumptions and Attach Details)

The bill makes the following changes to payment plans:

- Changes the presumption that an individual is able to pay from the monthly amount being less than two percent of the person’s annual income divided by twelve to the greater of two percent of the person’s annual income divided by twelve and \$25.
- The court may waive, modify, or convert the outstanding obligation to community service.

With lack of data regarding the current status of various payments plans (i.e. amount being paid, length of the plan, original fine amount, etc.) the impact is indeterminate. Further, the language which allows the court to waive or modify the remaining financial obligations, if determined indigent or for compelling circumstances, would likely have a negative impact on the collection of outstanding balances; however, uncertainty with the amount of outstanding balances to be waived and discretion of the courts to waive or modify amounts inhibits the ability to assign a specific number on this impact. When considering all of the changes to payment plans, the negative impacts will likely exceed the positive ones, resulting in a net indeterminate negative impact.

Section 4: Proposed Fiscal Impact

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

List of affected Trust Funds:

Various state and local trust funds
General Revenue Fund

REVENUE ESTIMATING CONFERENCE

Tax: Article V Fees

Issue: Court-related Payment Plans and Community Service

Bill Number(s): SB 310

Section 5: Consensus Estimate (Adopted: 11/05/2021): The Conference adopted the proposed estimate.

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

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: 3 Day Holiday on Energy Star & WaterSense Products

Bill Number(s): SB 356/ HB 201

Entire Bill

Partial Bill:

Sponsor(s): Senator Jones, Representative Daley

Month/Year Impact Begins: April 22 – April 24, 2022

Date of Analysis: November 5, 2021

Section 1: Narrative

a. Current Law: There are currently no exemptions for energy efficient products.

b. Proposed Change: Energy Star and WaterSense products sales tax holiday.—

(1) The tax levied under chapter 212, Florida Statutes, may not be collected during the period from 12:01 a.m. on April 22, 2022, through 11:59 p.m. on April 24, 2022, on the retail sale of a new Energy Star product or a WaterSense product.

(2) As used in this section, the term:

(a) “ENERGY STAR product” means a room air conditioner, air 18 purifier, ceiling fan, clothes washer, clothes dryer, dehumidifier, dishwasher, freezer, refrigerator, water heater, swimming pool pump, or package of light bulbs designated by the United States Environmental Protection Agency and the United States Department of Energy by April 1, 2022, as meeting or exceeding each agency’s requirements under the ENERGY STAR program. Each product must be affixed with an ENERGY STAR label.

(b) “WaterSense product” means a bathroom sink faucet, faucet accessory, high-efficiency toilet or urinal, showerhead, or weather- or sensor-based irrigation controller that is recognized as water efficient by the WaterSense program.

Effective date: Upon becoming a law.

Section 2: Description of Data and Sources

Revenue Estimating Conference Impact, Proposed Language, 02/05/2016,

<http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/ pdf/page502-507.pdf>

IBIS World, 33522 Major Household Appliance Manufacturing in the US Industry Report, May 2021.

IBIS World, 33521 Small Household Appliance Manufacturing in the US Industry Report, September 2021.

IBIS World, 32711 Ceramics Manufacturing in the US Industry Report, April 2021.

IBIS World, 33341 Heating - Air Conditioning Equipment Manufacturing in the US Industry Report, April 2021.

IBIS World, 33511 Lighting - Bulb Manufacturing in the US Industry Report, July 2021.

IBIS World, OD4853 Swimming Pool Equipment Stores Industry Report, August 2021.

IBIS World, OD5328 Faucet Manufacturing Industry Report, September 2020.

IBIS World, 44411 Home Improvement Stores in the US Industry Report, May 2021.

U.S. Census Bureau, Decennial Census Population

Energy Star Unit Shipments, EPA,

https://www.energystar.gov/partner_resources/products_partner_resources/brand_owner_resources/unit_shipment_data/archive

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses the framework of the analysis for Proposed Language adopted at the February 2016 Revenue Estimating Conference. Version 1 replicates the 2016 approach and updates the data where available. Version 2 replaces the sales by NAICS code data from the Census Bureau with data from IBIS World. The estimate uses national demand data from various IBIS World reports on the products subject to the bill, shared to Florida based on population. Florida’s share is grown into the impact period using CPI. The amount of total appliance sales that are energy star certified varies by product and this is used to estimate a high, middle, and low estimate. It is assumed that consumers will either delay or speed up their purchases to take advantage of the 3 day holiday, and for this reason an additional 17 days are added.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: 3 Day Holiday on Energy Star & WaterSense Products

Bill Number(s): SB 356/ HB 201

Section 4: Proposed Fiscal Impact

The impact below shows the estimates from Version 2 only.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	(8.0)		(5.1)		(4.0)	
2022-23						
2023-24						
2024-25						
2025-26						

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

Section 5: Consensus Estimate (Adopted: 11/05/2021) The Conference adopted a modified estimate with 14 additional days and a 65 percent market penetration. This has a current fiscal year (FY 2021-22) cash impact. The total impact at the state rate is estimated to be (\$5m), and the local option rate estimated to be (\$0.7m). The General Revenue impact is (\$4.4m), while a negative insignificant amount impacts State Trust. There is a (\$1.3m) Total Local Impact, (\$0.1) to Revenue Sharing, (\$0.4) to Local Half Cent and (\$0.7m) for Local Option.

	GR		Trust		Revenue Sharing		Local Half Cent	
	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

	Local Option		Total Local		Total	
	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

	A	B	C	D	E
1	VERSION 2 - Replaced Census NAICS data with IBIS World data				
2	SB 356/ HB 201		Days	3	
3	Sales Tax Holiday for ENERGY STAR and WaterSense Products				
4					
5	I. US market size				
6	Refrigerators, freezers, washers, dryers, dishwashers, water heaters,				
7	& other major electrical and nonelectrical household appliances				
8	Domestic Demand	FY2020-21 (Millions \$)			
9	Major appliances	38,280			
10	Refrigerators, freezers, laundry equipment and other appliances	27,944	73% Report		
11					
12	Electric fans and Irrigation controllers				
13	Domestic Demand	FY2020-21 (Millions \$)			
14	Small appliances	17,367			
15	Electric fans	2,813	16% Report		
16	Other	1,494	8.6% Report		
17	Irrigation controllers	15	1.0% Assumption		
18					
19	Faucets & showerheads				
20	Domestic Demand	FY2018-19 (Millions \$)			
21	Faucets, total	6,993			
22	Lavatory and sink fittings, nonsingle-lever	1,427	20% Report		
23	Other	3,441	49% Report		
24	Showerheads	1,720	50% Assumption		
25					
26	Unitary air conditioner & air purifier				
27	Domestic Demand	FY2020-21 (Millions \$)			
28	Heating & Air Conditioning Equipment	55,959			
29	Unitary air conditioners	9,737	17.4% Report		
30	Air purification equipment	3,637	6.5% Report		
31					
32	Swimming pool pump				
33	Retail Revenue	FY2020-21 (Millions \$)			
34	Swimming Pool Equipment Stores	5,375			
35	Pool equipment and recreational items	1,666	31.0% Report		
36					
37	Toilet bowls				
38	Domestic Demand	FY2020-21 (Millions \$)			
39	Ceramics manufacturing	5,242			
40	Plumbing fixtures	1,751	33.4% Report		
41					
42	Light bulbs				
43	Domestic Demand	FY2020-21 (Millions \$)			
44	Lighting & Bulb manufacturing	1,920			
45	Light bulbs	1,540	80.2% Report		
46					
47	Sum, manufacturers' prices	50,342.28			
48					
49	Sales for retail, manufacturers' prices	29,199	58% Report	Major HH Ap	
50	(excluding Building, heavy construction, & special trade contractor, 23%,s and Businesses for end use,19%)				
51					
52	Wholesale margin	30,220	3.5% Report	TV & Applian	
53	Home improvement stores margins	34,391	13.8% Report	Home improv	
54	Add pool equipment				
55	Advantage buying	5,159	15.0%		
56					
57	Total US retail market for specified products	41,216			

	A	B	C	D	E
58					
59	II. Florida market				
60		2020			
61	US Pop.	331,449,281			
62	FL pop.	21,538,187			
63	FL % of US Population	6.50%			
64					
65					
66	FY2020-21	Total Sales (Millions \$)			
67	United States	\$ 41,216			
68	Florida (Shared by % US Pop.)	2,678			
69					
70	Grown by CPI to Impact period				
71	FY	Total Sales (Millions \$)	CPI		
72	2021-22	\$ 2,772	3.5%		
73					
74	III. Market penetration of Energy Star products				
75	% of total appliances on exempt list		100.0%		
76	% of Items of exempt list not covered by above report		0.0%		
77					
78	FY 2021-22	% of items Energy Star certified			
79		LOW	MIDDLE	HIGH	ADOPTED
80		Average	Clothes washers	Dehumidifiers	
81		41%	55%	88%	
82	Florida Sales (Millions \$)	\$ 1,141.0	\$ 1,524.6	\$ 2,439.4	\$ 1,801.8
83	Total impact - Sales Tax	\$ 68.5	\$ 91.5	\$ 146.4	\$ 108.1
84	Adjust annual to 1 day	\$ 0.2	\$ 0.3	\$ 0.4	\$ 0.3
85	3 day holiday	\$ 0.6	\$ 0.8	\$ 1.2	\$ 0.9
86	Additional Days	17	17	17	14
87	Additional days Impact	\$ 3.2	\$ 4.3	\$ 6.8	\$ 4.1
88	Total holiday (Millions \$)	\$ 3.8	\$ 5.1	\$ 8.0	\$ 5.0

	A	B	C	D
1	VERSION 1 - 2016 Impact - UPDATED			
2	SB 356/ HB 201		Days	3
3	Sales Tax Holiday for ENERGY STAR and WaterSense Products			
4				
5				
6	443141 Household Appliance Stores			
7	This U.S. industry comprises establishments known as appliance stores primarily engaged in retailing an array of new household appliances, such as refrigerators, dishwashers, ovens, irons, coffee makers, hair dryers, electric razors, room air-conditioners, microwave ovens, sewing machines, and vacuum cleaners, or retailing new appliances in combination with appliance repair services.			
8	FY	CPI	Updated	
9	2017-18	2.2%		
10	2018-19	2.1%		
11	2019-20	1.6%		
12	2020-21	2.2%		
13	2021-22	3.5%		
14				
15	US Pop.	325,122,128	Updated	
16	FL pop.	20,977,089	Updated	
17	FL % of US Population	6.45%		
18				
19				
20		Total Sales 443141		
21	2017	\$ 16,564,899,000	Updated	
22	Shared by FL% US Pop.	\$ 1,068,777,947		
23				
24				
25	Grow to Impact FY			
26	FY	Florida Sales		
27	2017-18	\$ 1,083,740,839		
28	2018-19	\$ 1,106,499,396		
29	2019-20	\$ 1,124,203,387		
30	2020-21	\$ 1,148,935,861		
31	2021-22	\$ 1,189,148,616		
32				
33	% of total appliances on exempt list	50.0%	Not updated	
34	% of Items of exempt list not covered by 443141	34.2%	Not updated	
35	% of items energy star certified	41.2%	Updated	
36				

	A	B	C	D
37	Total impact - Sales Tax Collections			
38	2021-22		\$ 19.04	Updated
39	Adjust annual to day impact		\$ 0.1	Updated
40				
41	3 day holiday	3	\$ 0.2	Updated
42	Additional days	17	\$ 0.9	Updated
43	Dryers		\$ 0.1	Not updated
44	Total holiday		\$ 1.1	
45				
46		Middle		
47		Cash	Recurring	
48	2021-22	\$ (1.1 M)		

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Vacation Rentals

Bill Number(s): SB 512/HB 325

Entire Bill

Partial Bill:

Sponsor(s): Senator Burgess/Representative Fischer

Month/Year Impact Begins: January 1st 2023

Date of Analysis: November 5th 2021

Section 1: Narrative

a. Current Law: Advertising platforms are not defined under current law.

Transient Rentals are currently taxable under Section 212.03 F.S.

Excerpted from Paragraph 212.03 (1) (a) F.S.: "It is hereby declared to be the legislative intent that every person is exercising a taxable privilege who engages in the business of renting, leasing, letting, or granting a license to use any living quarters or sleeping or housekeeping accommodations in, from, or a part of, or in connection with any hotel, apartment house, roominghouse, tourist or trailer camp, mobile home park, recreational vehicle park, condominium, or timeshare resort. For the exercise of such taxable privilege, a tax is hereby levied in an amount equal to 6 percent of and on the total rental charged for such living quarters or sleeping or housekeeping accommodations by the person charging or collecting the rental. Such tax shall apply to hotels, apartment houses, roominghouses, tourist or trailer camps, mobile home parks, recreational vehicle parks, condominiums, or timeshare resorts, whether or not these facilities have dining rooms, cafes, or other places where meals or lunches are sold or served to guests."

Excerpted from Subsection 212.03 (2) F.S.: "...The same duties imposed by this chapter upon dealers in tangible personal property respecting the collection and remission of the tax; the making of returns; the keeping of books, records, and accounts; and the compliance with the rules and regulations of the department in the administration of this chapter shall apply to and be binding upon all persons who manage or operate hotels, apartment houses, roominghouses, tourist and trailer camps, and the rental of condominium units, and to all persons who collect or receive such rents on behalf of such owner or lessor taxable under this chapter."

b. Proposed Change: The Proposed Language provides the new definition for "Advertising platform" replacing the current subsection 509.013(1) F.S.,: "Advertising platform" means a person who:

(a) Provides an online application, software, website, or system through which a vacation rental located in this state is advertised or held out to the public as available to rent for transient occupancy;

(b) Provides or maintains a marketplace for the renting of a vacation rental for transient occupancy; and

(c) Provides a reservation or payment system that facilitates a transaction for the renting of a vacation rental for transient occupancy and for which the person collects or receives, directly or indirectly, a fee in connection with the reservation or payment service provided for the rental.

Paragraph 212.03 (2) (b) is created: If a guest uses a payment system on or through an advertising platform, as defined in s. 509.013, to pay for the rental of a vacation rental located in this state, the advertising platform shall collect and remit taxes as provided in this paragraph.

(b) A local law, ordinance, or regulation may regulate activities that arise when a property is used as a vacation rental if the law, ordinance, or regulation applies uniformly to all residential properties without regard to whether the property is used as a vacation rental as defined in s. 509.242, the property is used as a long-term rental subject to chapter 83, or the property owner chooses not to rent the property. However, a local law, ordinance, or regulation may not prohibit vacation rentals or regulate the duration or frequency of rentals

1. An advertising platform, as defined in s. 509.013, that owns, operates or manages a vacation rental or that is related within the meaning of s. 1504, s. 267(b), or s. 707(b) of the Internal Revenue Code of 1986, to a person that owns, operates, or manages a vacation rental shall collect and remit all taxes due under this section and ss. 125.0104, 125.0108, 205.044, 212.0305, and 212.055 related to the rental.

2. An advertising platform to which subparagraph 1. does not apply shall collect and remit all taxes due from the owner, operator or manager under this section and ss. 125.0104, 125.0108, 205.044, 212.0305, and 212.055 related to the rental. Of the total amount paid by the lessee or rentee, the amount retained by the advertising platform for reservation or payment service is not taxable under this section and ss. 125.0104, 125.0108, 205.044, 212.0305, and 212.055.

In order to facilitate the remittance of such taxes, the department and counties that have elected to self-administer the taxes imposed under chapter 125 must allow advertising platforms to register, collect, and remit such taxes.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Vacation Rentals
Bill Number(s): SB 512/HB 325

Section 2: Description of Data and Sources

Section 3: Methodology (Include Assumptions and Attach Details)

The proposed changes do not appear to provide for planning opportunities that do not currently exist in the market today. The middle estimate shows a zero impact for the proposed language under the assumptions that there will be no business model changes or material changes to the amount collected due to the proposed language. However, the tax base is quite large (over \$20 billion), so even small changes at the margins of the industry may generate an impact above the significance level. There are also a variety of organizational structures between the owners, the operators, and the platforms. For these two reasons, it is not possible to quantify what changes, if any, may occur outside of the middle estimate. Therefore, the proposed impact uses a positive indeterminate for the high estimate and a negative indeterminate for the low estimate.

This bill has appeared before the conference twice before. On both occasions, the middle impact was adopted as the bill does not make a concerted effort to change current law/current administration.

Section 4: Proposed Fiscal Impact

State Impact

	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: Sales Tax Group

Section 5: Consensus Estimate (Adopted: 11/05/2021) The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	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

	Local Option		Total Local		Total	
	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