

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Affordable Housing – Area of Critical State Concern

Bill Number(s): CS/SB7074

Entire Bill

Partial Bill: Section 15

Sponsor(s): N/A

Month/Year Impact Begins: January 2024

Date(s) Conference Reviewed: February 28, 2024

Section 1: Narrative

- a. **Current Law:** Section 196.1978, Florida Statutes, provides an ad valorem exemption for certain affordable housing properties with more than 70 units, that have rent set within provided limits, and that are newly constructed.
- b. **Proposed Change:** 196.1978(3)(b)2.b. is created which allows newly constructed multifamily projects within an area of critical state concern as designated by 380.0552 or chapter 28-36, Florida Administrative Code, to have the unit limit reduced from more than 70 to more than 10. Both the statute and administrative code relate only to Monroe County.

Section 2: Description of Data and Sources

- 2022F Real Property (NAL) Roll data
- Apartment Pricing Market Research:
 - Various apartment websites and Apartments.com
 - Individual links can be found in accompanying spreadsheet
- Conversations with Florida Housing Finance Corporation's (FHFC's) Office of Multifamily Development
- Distribution of bedrooms for renter-occupied units: Census.gov Table B25042 Tenure by Bedrooms, 2021 ACS 1-year estimates
 - [B25042: TENURE BY BEDROOMS - Census Bureau Table](#)
- Florida Housing Finance Corporation: Florida Housing Rental Programs - 2022 MTSP Income and Rent Limits, 4/18/2022
 - <https://www.floridahousing.org/owners-and-managers/compliance/rent-limits>
- List of FHFC properties: Florida Housing Data Clearinghouse—Assisted Housing Inventory Property List (Sheet 2)
 - <http://flhousingdata.shimberg.ufl.edu/assisted-housing-inventory/results?nid=1>
- Median Household Income by County: Florida Health Charts
 - <https://www.flhealthcharts.gov/ChartsReports/rdPage.aspx?rdReport=NonVitalIndRateOnly.DataViewer&cid=293>
- Median Income and Income Distribution: 2021 ACS 1-Year Estimates Table S1901
 - <https://data.census.gov/table?q=household+income+in+florida&tid=ACSST1Y2021.S1901>
- Rental-occupied bedroom distribution: ACS 2021 1-Yr data
- Rent Limits: Florida Housing Finance Corporation: Florida Housing Rental Programs - 2022 MTSP Income and Rent Limits, 4/18/2022
 - <https://www.floridahousing.org/owners-and-managers/compliance/rent-limits>
- Rental Rate Information: Smart Asset: "How Much Should I Charge for Rent?"
 - <https://smartasset.com/mortgage/how-much-you-should-charge-for-rent#:~:text=The%20amount%20of%20rent%20you,%242%2C000%20and%20%242%2C750%20each%20month.>
- Residential Non-homestead Taxable Value Growth Rates: August 2022 Ad Valorem Revenue Estimating Conference (AV REC)
 - <http://edr.state.fl.us/Content/conferences/advalorem/index.cfm>
- Survey Cost per Unit: information received from Office of Economic and Demographic Research
 - [Impact adopted January 19, 2024](#)

Section 3: Methodology (Include Assumptions and Attach Details)

The methodology of the [impact adopted](#) on June 23, 2023 was applied in Monroe county, but lowered the unit limit to 10. Based on the adopted methodology, there were no properties in areas of critical state concern that would choose to lower their rent to the level necessary to receive the exemption, and thus the impact of that portion is zero. Based on an [impact adopted January 19, 2024](#), some amount of property will be affected, and a negative indeterminate impact was adopted and is presented below.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Affordable Housing – Area of Critical State Concern

Bill Number(s): CS/SB7074

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			(**)	(**)		
2025-26			(**)	(**)		
2026-27			(**)	(**)		
2027-28			(**)	(**)		
2028-29			(**)	(**)		

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/28/2024) The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2025-26	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2026-27	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2027-28	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2028-29	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Affordable Housing – Remedial and Clarifying

Bill Number(s): CS/SB7074

Entire Bill

Partial Bill: Section 16

Sponsor(s): N/A

Month/Year Impact Begins: January 2024

Date(s) Conference Reviewed: February 28, 2024

Section 1: Narrative

- a. **Current Law:** Section 196.1979, Florida Statutes, provides counties and municipalities the option to provide certain ad valorem exemptions on affordable housing within certain criteria.
- b. **Proposed Change:** A number of clarifying and remedial changes are made to 196.1979, including “(7) When determining the value of a unit for purposes of applying an exemption pursuant to this section, the property appraiser must include in such valuation the proportionate share of the residential common areas, including the land, fairly attributable to such unit.”

Section 2: Description of Data and Sources

Section 3: Methodology (Include Assumptions and Attach Details)

All of the changes either had no revenue impact or clarified the law to be what was already in practice. As such, there is no fiscal impact.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			\$0	\$0		
2025-26			\$0	\$0		
2026-27			\$0	\$0		
2027-28			\$0	\$0		
2028-29			\$0	\$0		

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/28/2024) The Conference adopted the proposed estimate

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Affordable Housing – Opt-Out

Bill Number(s): CS/SB7074

Entire Bill

Partial Bill: Section 18

Sponsor(s): N/A

Month/Year Impact Begins: January 2024

Date(s) Conference Reviewed: February 28, 2024

Section 1: Narrative

- a. **Current Law:** Section 196.1978, Florida Statutes, provides an ad valorem exemption for certain affordable housing properties with more than 70 units, that have rent set within provided limits, and that are newly constructed. Specifically, a 75% exemption is available for units serving those up to 120% of median annual adjusted gross income in the area, and a 100% exemption is available for units serving those up to 80% of median annual adjusted gross income in the area.

420.6075 requires the Shimberg Center for Housing Studies to produce an annual housing report to assist in research and planning for affordable housing.

- b. **Proposed Change:** The bill provides an option to opt out of the 75% exemption for those taxing authorities which the report required by 420.6075 identifies as having more units available at the 120% income level than renters.

Section 2: Description of Data and Sources

2022F Real Property (NAL) Roll data

Apartment Pricing Market Research:

Various apartment websites and Apartments.com

Conversations with Florida Housing Finance Corporation's (FHFC's) Office of Multifamily Development

Distribution of bedrooms for renter-occupied units: Census.gov Table B25042 Tenure by Bedrooms, 2021 ACS 1-year estimates

[B25042: TENURE BY BEDROOMS - Census Bureau Table](#)

Florida Housing Finance Corporation: Florida Housing Rental Programs - 2022 MTSP Income and Rent Limits, 4/18/2022

<https://www.floridahousing.org/owners-and-managers/compliance/rent-limits>

List of FHFC properties: Florida Housing Data Clearinghouse—Assisted Housing Inventory Property List (Sheet 2)

<http://flhousingdata.shimberg.ufl.edu/assisted-housing-inventory/results?nid=1>

Median Household Income by County: Florida Health Charts

<https://www.flhealthcharts.gov/ChartsReports/rdPage.aspx?rdReport=NonVitalIndRateOnly.DataViewer&cid=293>

Median Income and Income Distribution: 2021 ACS 1-Year Estimates Table S1901

<https://data.census.gov/table?q=household+income+in+florida&tid=ACST1Y2021.S1901>

Rental-occupied bedroom distribution: ACS 2021 1-Yr data

Rent Limits: Florida Housing Finance Corporation: Florida Housing Rental Programs - 2022 MTSP Income and Rent Limits, 4/18/2022

<https://www.floridahousing.org/owners-and-managers/compliance/rent-limits>

Rental Rate Information: Smart Asset: "How Much Should I Charge for Rent?"

<https://smartasset.com/mortgage/how-much-you-should-charge-for-rent#:~:text=The%20amount%20of%20rent%20you,%24%2C000%20and%20%24%2C750%20each%20month.>

Residential Non-homestead Taxable Value Growth Rates: August 2022 Ad Valorem Revenue Estimating Conference (AV REC)

<http://edr.state.fl.us/Content/conferences/advalorem/index.cfm>

Survey Cost per Unit: information received from Office of Economic and Demographic Research

Shimberg Center For Housing Studies 2023 Annual Report

[Impact Adopted June 23, 2023](#)

Section 3: Methodology (Include Assumptions and Attach Details)

County opt-out eligibility was determined using the Shimberg report. The 2023 methodology evaluating the impact of 196.1978 was replicated, and a duplicate version was created were all counties eligible to opt-out did so. The difference between the analyses is the maximum potential impact of the bill. If all eligible counties opted out, the table below would be the impact.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Affordable Housing – Opt-Out

Bill Number(s): CS/SB7074

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			\$0	\$110.4 M		
2025-26			\$134.6 M	\$134.6 M		
2026-27			\$159.8 M	\$159.8 M		
2027-28			\$185.9 M	\$185.9 M		
2028-29			\$214.0 M	\$214.0 M		

Because the impact is at the discretion of local governments, the impact is positive indeterminate. The language first impacts the 2025 roll, so the Fiscal Year 2024-25 cash impact is \$0.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			\$0	0/**		
2025-26			0/**	0/**		
2026-27			0/**	0/**		
2027-28			0/**	0/**		
2028-29			0/**	0/**		

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/28/2024) The Conference adopted a zero/positive indeterminate impact with a cash impact of zero in Fiscal Year 2024-25.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	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/**
2026-27	0.0	0.0	0.0	0.0	0/**	0/**	0/**	0/**
2027-28	0.0	0.0	0.0	0.0	0/**	0/**	0/**	0/**
2028-29	0.0	0.0	0.0	0.0	0/**	0/**	0/**	0/**

	A	B	C	D	E	F	G
1	School Impact						
2		High		Middle		Low	
3		Cash	Recurring	Cash	Recurring	Cash	Recurring
4	2023-24			\$0	\$31.3 M		
5	2024-25			\$37.4 M	\$37.4 M		
6	2025-26			\$45.6 M	\$45.6 M		
7	2026-27			\$54.1 M	\$54.1 M		
8	2027-28			\$63.0 M	\$63.0 M		
9	2028-29			\$72.5 M	\$72.5 M		
10							
11	Non-School Impact						
12		High		Middle		Low	
13		Cash	Recurring	Cash	Recurring	Cash	Recurring
14	2023-24			\$0	\$61.2 M		
15	2024-25			\$73.0 M	\$73.0 M		
16	2025-26			\$89.0 M	\$89.0 M		
17	2026-27			\$105.7 M	\$105.7 M		
18	2027-28			\$122.9 M	\$122.9 M		
19	2028-29			\$141.5 M	\$141.5 M		
20							
21	Total Impact						
22		High		Middle		Low	
23		Cash	Recurring	Cash	Recurring	Cash	Recurring
24	2023-24			\$0	\$92.5 M		
25	2024-25			\$110.4 M	\$110.4 M		
26	2025-26			\$134.6 M	\$134.6 M		
27	2026-27			\$159.8 M	\$159.8 M		
28	2027-28			\$185.9 M	\$185.9 M		
29	2028-29			\$214.0 M	\$214.0 M		

	N	O	P
1	County	Units minus Renters, <=120%	Eligible to Opt-Out
2	Alachua	3,351	1
3	Baker	4,418	1
4	Bay	1,151	1
5	Bradford	865	1
6	Brevard	6,565	1
7	Broward	(33,237)	0
8	Calhoun	36	1
9	Charlotte	(579)	0
10	Citrus	(620)	0
11	Clay	4,418	1
12	Collier	(1,247)	0
13	Columbia	865	1
14	Miami-Dade	(61,721)	0
15	DeSoto	(1,469)	0
16	Dixie	865	1
17	Duval	4,418	1
18	Escambia	(612)	0
19	Flagler	(357)	0
20	Franklin	36	1
21	Gadsden	36	1
22	Gilchrist	865	1
23	Glades	(1,469)	0
24	Gulf	36	1
25	Hamilton	865	1
26	Hardee	(1,469)	0
27	Hendry	(1,469)	0
28	Hernando	3,994	1
29	Highlands	(1,469)	0
30	Hillsborough	3,994	1
31	Holmes	36	1
32	Indian River	10	1
33	Jackson	36	1
34	Jefferson	36	1
35	Lafayette	865	1
36	Lake	799	1
37	Lee	(1,135)	0
38	Leon	2,293	1
39	Levy	865	1
40	Liberty	36	1
41	Madison	865	1
42	Manatee	3,057	1
43	Marion	3,216	1
44	Martin	683	1
45	Monroe	(61,721)	0
46	Nassau	4,418	1
47	Okaloosa	1,338	1
48	Okeechobee	10	1
49	Orange	799	1
50	Osceola	799	1
51	Palm Beach	(7,728)	0
52	Pasco	3,994	1
53	Pinellas	3,994	1
54	Polk	248	1
55	Putnam	4,418	1
56	St. Johns	4,418	1
57	St. Lucie	683	1
58	Santa Rosa	(612)	0
59	Sarasota	3,057	1
60	Seminole	799	1
61	Sumter	387	1
62	Suwannee	865	1
63	Taylor	865	1
64	Union	865	1
65	Volusia	(357)	0
66	Wakulla	36	1
67	Walton	36	1
68	Washington	36	1

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Construction Work in Progress

Bill Number(s): CS/SB7074

Entire Bill

Partial Bill: Sections 2 & 3

Sponsor(s): N/A

Month/Year Impact Begins: January 2024 Tax Roll

Date(s) Conference Reviewed: February 28, 2024

Section 1: Narrative

a. Current Law: Section 192.001, Florida Statutes, indicates that tangible personal property (TPP) that is construction work in progress shall be deemed substantially completed when connected with the preexisting, taxable, operational system or facility.

“Construction work in progress” consists of those items of tangible personal property commonly known as fixtures, machinery, and equipment when in the process of being installed in new or expanded improvements to real property and whose value is materially enhanced upon connection or use with a preexisting, taxable, operational system or facility.

b. Proposed Change: The following is added to 192.001:

“For the purposes of tangible personal property constructed or installed by an electric utility, construction work in progress shall be deemed substantially completed upon the earlier of when all permits or approvals required for commercial operation have been received or approved, or 1 year after the construction work in progress has been connected with the preexisting, taxable, operational system or facility.”

Section 2: Description of Data and Sources

2023 Millage and Taxes Levied Report, 2023 Final Data Book published by Property Tax Oversight

Results of the Ad Valorem Estimating Conference, January 5, 2023

2022 and 2023 Final NAP TPP Tax Roll

[2021 Session impact of proposed language](#)

Section 3: Methodology (Include Assumptions and Attach Details)

The effective impact of this language is that, for some equipment installed by an electric utility, the TPP would be due 1-year later. Between the 2022 and 2023 roll years, based on NAICS 2211, electric utilities had approximately \$14.1 billion in taxable equipment added.

An impact adopted in 2021 took approximately the lowest 80% of values and assumed 15% of those would qualify for this delay. Based on the 2022 and 2023 NAP rolls, the impacted taxable value is \$168,776,843. Applying the millage rates results in a tax impact of \$2.76 million if the language had been in effect in 2023. This is grown over the forecast horizon using the TPP growth rate from the latest ad valorem estimating conference to arrive at the high impact.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			\$(2.9 M)	\$(2.9 M)		
2025-26			\$(3.0 M)	\$(3.0 M)		
2026-27			\$(3.1 M)	\$(3.1 M)		
2027-28			\$(3.2 M)	\$(3.2 M)		
2028-29			\$(3.4 M)	\$(3.4 M)		

Revenue Distribution: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Construction Work in Progress

Bill Number(s): CS/SB7074

Section 5: Consensus Estimate (Adopted: 02/28/2024) The Conference adopted the proposed estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(1.1)	(1.1)	(1.8)	(1.8)	(2.9)	(2.9)
2025-26	(1.1)	(1.1)	(1.9)	(1.9)	(3.0)	(3.0)
2026-27	(1.1)	(1.1)	(2.0)	(2.0)	(3.1)	(3.1)
2027-28	(1.2)	(1.2)	(2.1)	(2.1)	(3.2)	(3.2)
2028-29	(1.2)	(1.2)	(2.1)	(2.1)	(3.4)	(3.4)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	(2.9)	(2.9)	(2.9)	(2.9)
2025-26	0.0	0.0	0.0	0.0	(3.0)	(3.0)	(3.0)	(3.0)
2026-27	0.0	0.0	0.0	0.0	(3.1)	(3.1)	(3.1)	(3.1)
2027-28	0.0	0.0	0.0	0.0	(3.2)	(3.2)	(3.2)	(3.2)
2028-29	0.0	0.0	0.0	0.0	(3.4)	(3.4)	(3.4)	(3.4)

2023 Aggregate Millage Rates	
School	5.99
Non-School	10.38

2022 to 2023 Increase in TPP Value	\$ 14,101,603,083
lowest 80% of values	\$ 1,125,178,954
Percent That Qualify	15%
Taxable Value Impact	\$ 168,776,843
2023 School Impact	\$ 1,011,361
2023 Non-School Impact	\$ 1,751,769

Roll Year	TPP	Growth
2024	\$ 178,591,813,599	4.1%
2025	\$ 185,795,112,497	4.0%
2026	\$ 193,283,950,901	4.0%
2027	\$ 201,069,750,391	4.0%
2028	\$ 209,164,389,410	4.0%
2029	\$ 217,580,221,540	4.0%

Impact on School						
	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			\$(1.1 M)	\$(1.1 M)		
2025-26			\$(1.1 M)	\$(1.1 M)		
2026-27			\$(1.1 M)	\$(1.1 M)		
2027-28			\$(1.2 M)	\$(1.2 M)		
2028-29			\$(1.2 M)	\$(1.2 M)		

Impact on Non-School						
	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			\$(1.8 M)	\$(1.8 M)		
2025-26			\$(1.9 M)	\$(1.9 M)		
2026-27			\$(2.0 M)	\$(2.0 M)		
2027-28			\$(2.1 M)	\$(2.1 M)		
2028-29			\$(2.1 M)	\$(2.1 M)		

Total Impact						
	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			\$(2.9 M)	\$(2.9 M)		
2025-26			\$(3.0 M)	\$(3.0 M)		
2026-27			\$(3.1 M)	\$(3.1 M)		
2027-28			\$(3.2 M)	\$(3.2 M)		
2028-29			\$(3.4 M)	\$(3.4 M)		

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Renewable Energy Source Devices

Bill Number(s): CS/SB7074

Entire Bill

Partial Bill: Sections 6 & 7

Sponsor(s): N/A

Month/Year Impact Begins: January 2025

Date(s) Conference Reviewed: February 28, 2024

Section 1: Narrative

- a. **Current Law:** Section 193.624, Florida Statutes, provides that for the purposes of determining the assessed value of real property, renewable energy source devices are treated uniquely. For residential purposes, if installed after January 1, 2013, they are not to be considered. For all other properties, if installed after January 1, 2018, only 20% of the just value is to be considered. The list of renewable energy source devices does not include equipment related to biogas.

Section 192.182, Florida Statutes, indicates that tangible personal property that is a renewable energy source device under 193.624 are 80 percent exempt from taxation.

Section 366.91, Florida Statutes, includes the following definitions:

(a) "Biogas" means a mixture of gases produced by the biological decomposition of organic materials which is largely comprised of carbon dioxide, hydrocarbons, and methane gas.

(f) "Renewable natural gas" means anaerobically generated biogas, landfill gas, or wastewater treatment gas refined to a methane content of 90 percent or greater which may be used as a transportation fuel or for electric generation or is of a quality capable of being injected into a natural gas pipeline.

- b. **Proposed Change:** "Pipes, equipment, structural facilities, structural support, and any other machinery integral to the interconnection, production, storage, compression, transportation, processing, collection, and conversion of biogas from landfill waste; livestock farm waste, including manure; food waste; or treated wastewater into renewable natural gas as defined in s. 366.91." are added to the list of renewable energy source devices to be treated as described in 193.624.

Section 2: Description of Data and Sources

2023 Millage and Taxes Levied Report, 2023 Final Data Book published by Property Tax Oversight

Results of the Ad Valorem Estimating Conference, January 5, 2023

2023 Final NAL Real Property Tax Roll

Discussion with DEP and DACS

Discussion with Industry Professionals

Landfill Methane Outreach Program, Landfill and Project Database, US Environmental Protection Agency

[Dependence on Policy Revenue Poses Risks for Investments in Dairy Digesters, California Agriculture Volume 72 #4](#)

Section 3: Methodology (Include Assumptions and Attach Details)

There are two primary types of businesses that would adopt renewable energy source devices as indicated by the bill: landfills and dairy farms. The department is aware of one landfill with equipment and improvements that would qualify as renewable energy source devices under the proposed language but not the current law and one that will be coming on the roll for 2024. The TPP and real property values for the known landfill are identified in the workpapers. There are 73 other known landfills that could adopt such a process, but the current one is a pilot program. The middle assumes that for the first two years, the current landfills will be the only ones with such equipment, in years three and four one additional landfill will come online, and in year five two more additional landfills will come online.

Regarding dairy farms, the department is aware of one dairy farm in the state with such equipment. For it, the agricultural land is taxable at a rate of \$260/acre today. If such a structure were installed, they would be taxable at a rate of \$2,500/acre, of which 80% or \$2,000 would be exempted by the bill. It is unlikely that such a structure would require more than 1 acre of land on a dairy farm. According to an article published by the University of California, the cost of the dairy upgrade in 2018 was \$4.8 million. Adjusted for inflation this is \$5.8 million in 2023 dollars using the CPI index for all consumers. There is a \$25,000 exemption applied to all TPP. There are 35 additional known largescale dairy farms (700+ mature cattle) in Florida. The middle

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Renewable Energy Source Devices

Bill Number(s): CS/SB7074

assumes that for the first two years, the current dairy farm will be the only one with such equipment, in years three and four two additional dairy farms will come online, and in year five two more additional dairy farms will come online.

The TPP and real property values are multiplied by 80% and the appropriate school and non-school millage rates to arrive at the impact. The real property impact is grown by the nonresidential taxable value growth rate and the TPP by the TPP growth rate, both from the most recent Ad Valorem Estimating Conference. The bill first impacts the 2025 tax roll.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			\$0	\$(1.3 M)		
2025-26			\$(0.5 M)	\$(1.3 M)		
2026-27			\$(0.7 M)	\$(1.3 M)		
2027-28			\$(0.8 M)	\$(1.3 M)		
2028-29			\$(1.3 M)	\$(1.3 M)		

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/28/2024) The Conference adopted the proposed estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	(0.5)	0.0	(0.8)	0.0	(1.3)
2025-26	(0.2)	(0.5)	(0.3)	(0.8)	(0.5)	(1.3)
2026-27	(0.3)	(0.5)	(0.5)	(0.8)	(0.7)	(1.3)
2027-28	(0.3)	(0.5)	(0.5)	(0.8)	(0.8)	(1.3)
2028-29	(0.5)	(0.5)	(0.8)	(0.8)	(1.3)	(1.3)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	0.0	(1.3)	0.0	(1.3)
2025-26	0.0	0.0	0.0	0.0	(0.5)	(1.3)	(0.5)	(1.3)
2026-27	0.0	0.0	0.0	0.0	(0.7)	(1.3)	(0.7)	(1.3)
2027-28	0.0	0.0	0.0	0.0	(0.8)	(1.3)	(0.8)	(1.3)
2028-29	0.0	0.0	0.0	0.0	(1.3)	(1.3)	(1.3)	(1.3)

	A	B	C	D	E	F	G
1	2023 Aggregate Millage Rates						
2	School	5.97					
3	Non-School	10.53					
4							
5		2023					
6	Taxable Value of Known Real Property (landfill)	\$ 116,325					
7	Taxable Value of Known TPP (landfill)	\$ 10,486,496					
8	Other Landfills	73					
9	Dairy Farm Ag Land Value per Acre	\$ 260					
10	Dairy Farm Ag Land Value per Acre if Converted	\$ 2,500					
11	RP Dairy Farm TV Impact per Acre	\$ 2,000					
12	Additional Dairy Farms	35					
13	2018 Dairy Upgrade Cost	\$ 4,792,000	https://calag.ucanr.edu/archive/?article=ca.2018a0037				
14	TPP Avg Value Per Dairy Farm CPI Adjusted	\$ 5,790,120					
15							
16				Known Landfill (pilot)			
17	Growth Rates	TV NonRes	TPP	RP - TV	TPP - TV		
18	2024	3.21%	4.08%	\$ 120,064	\$ 10,913,877		
19	2025	5.64%	4.03%	\$ 126,833	\$ 11,354,076		
20	2026	5.11%	4.03%	\$ 133,309	\$ 11,811,724		
21	2027	4.96%	4.03%	\$ 139,921	\$ 12,287,520		
22	2028	4.46%	4.03%	\$ 146,163	\$ 12,782,190		
23	2029	4.17%	4.02%	\$ 152,259	\$ 13,296,487		
24							
25	Assumptions	Year 5	Year 3 & 4	Year 1 & 2			
26	Acres of Dairy Farm Converted	5	3	1			
27	Number of Dairy Farms with Conversion	5	3	1			
28	Landfills with Conversion	5	3	2			

	A	B	C	D	E	F	G
65							
66	Impact on School						
67		High		Middle		Low	
68		Cash	Recurring	Cash	Recurring	Cash	Recurring
69	2024-25			\$0	\$(0.5 M)		
70	2025-26			\$(0.2 M)	\$(0.5 M)		
71	2026-27			\$(0.3 M)	\$(0.5 M)		
72	2027-28			\$(0.3 M)	\$(0.5 M)		
73	2028-29			\$(0.5 M)	\$(0.5 M)		
74							
75	Impact on Non-School						
76		High		Middle		Low	
77		Cash	Recurring	Cash	Recurring	Cash	Recurring
78	2024-25			\$0	\$(0.8 M)		
79	2025-26			\$(0.3 M)	\$(0.8 M)		
80	2026-27			\$(0.5 M)	\$(0.8 M)		
81	2027-28			\$(0.5 M)	\$(0.8 M)		
82	2028-29			\$(0.8 M)	\$(0.8 M)		
83							
84	Total Impact						
85		High		Middle		Low	
86		Cash	Recurring	Cash	Recurring	Cash	Recurring
87	2024-25			\$0	\$(1.3 M)		
88	2025-26			\$(0.5 M)	\$(1.3 M)		
89	2026-27			\$(0.7 M)	\$(1.3 M)		
90	2027-28			\$(0.8 M)	\$(1.3 M)		
91	2028-29			\$(1.3 M)	\$(1.3 M)		

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Treatment of Errors Oriented to Homestead/Granny Flats/Seniors

Bill Number(s): CS/SB 7074

Entire Bill

Partial Bill: Sections 5, 8, 10, 12, 14, and 19

Sponsor(s): N/A

Month/Year Impact Begins: 2025 Real Property Tax Roll

Date(s) Conference Reviewed: February 28, 2024

Section 1: Narrative

- a. **Current Law:** Section 193.155, Florida Statutes, indicates that if an error is made in the assessment of a homestead property, be it either the property appraiser (PA) had a material mistake of fact or there was new construction that the PA was unaware of, the PA must recalculate the just and assessed values for all years going back to when the mistake first occurred and back taxes are due on the difference. Further, if the PA grants a homestead assessment limitation as a result of a clerical mistake or omission, the property owner may not be assessed a penalty or interest.

193.703 indicates that if a reduction in assessment is applied for living quarters of parents or grandparents due to a clerical mistake or omission by the PA, the property owner may not be assessed a penalty or interest.

196.011 indicates that any parcel the PA determines to have received a homestead exemption within the prior ten years that was not entitled to is subject to taxes, interest, and penalties.

196.075 indicates that if an exemption is granted for persons 65 and older due to a clerical mistake or omission by the PA, the property owner may not be assessed a penalty or interest.

196.161 indicates that when an estate is being probated or administered in another state and the deceased was a resident of that other state and was granted a homestead exemption in Florida, there shall be a lien against the property subject to taxes exempted, penalty, and interest. Further, if a homestead exemption is granted due to a clerical mistake or omission by the PA, the property owner may not be assessed a penalty or interest.

- b. **Proposed Change:** Section 193.155, Florida Statutes, is amended such that if an error is made in the assessment of a homestead property, be it either the property appraiser (PA) had a material mistake of fact or there was new construction that the PA was unaware of, the PA recalculates just value and assessed value in the year the mistake occurred, grow it to the year the mistake is discovered, and **no back taxes can be collected**. Further, if the PA grants a homestead assessment limitation as a result of a clerical mistake or omission, the property owner may not be assessed **unpaid taxes**, penalty, or interest.

193.703 is amended such that if a reduction in assessment is applied for living quarters of parents or grandparents due to a clerical mistake or omission by the PA, the property owner may not be assessed **unpaid taxes**, penalty, or interest.

196.011 is amended such that any parcel the PA determines to have received a homestead exemption within the prior ten years that was not entitled to is subject to unpaid taxes, penalty, and interest, **unless the exemption was granted as a result of an error by the property appraiser**.

196.075 is amended such that if an exemption is granted for persons 65 and older due to a clerical mistake or omission by the PA, the property owner may not be assessed **unpaid taxes**, penalty, or interest.

196.161 is amended such that when an estate is being probated or administered in another state and the deceased was a resident of that other state and was granted a homestead exemption in Florida, there shall be a lien against the property subject to taxes exempted, penalty, and interest, **unless the exemption was granted as a result of an error by the property appraiser**. Further, if a homestead exemption is granted due to a clerical mistake or omission by the PA, the property owner may not be assessed **unpaid taxes**, penalty, or interest.

Section 2: Description of Data and Sources

2023 Millage and Taxes Levied Report, 2023 Final Data Book published by Property Tax Oversight
Results of the Ad Valorem Estimating Conference, January 5, 2023
Discussion with Property Appraisers

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Treatment of Errors Oriented to Homestead/Granny Flats/Seniors

Bill Number(s): CS/SB 7074

Section 3: Methodology (Include Assumptions and Attach Details)

Data was requested in 2023 and responses were received from the PAs of Broward, Miami-Dade, Palm Beach, and Pinellas counties. This data represents the back taxes assessed in recent years of the variety that would be eliminated by the bill language. The majority of the backtaxes data received was from Miami-Dade and represented approximately 0.24 percent of their total collections. The middle estimate assumes that 2 percent of the remaining value in the state (value in counties we did not receive data from) would assess backtaxes at the 0.24 percent rate found in Miami-Dade. This translates to a 10.3% share-up of the given data. Further, the middle estimate uses the 2-year average value from the history as the starting point.

The data did not include errors in assessment related to living quarters of parents or grandparents (P/G) or person aged 65 and older (65+). To account for this, the share of backtaxes assessed related to homesteads in 2021 to the total value of homestead exemptions was calculated as 0.49%. This is applied to the total 2023 P/G and 65+ exemption amounts to arrive at the high taxable value impact. Because some amount of the backtaxes were due on homestead assessment limitations and not just the exemption, that share may be overstated. The middle takes half of it and the low assumes zero. Millage rates are applied and the homestead, P/G, and 65+ impacts are summed and grown forward using the taxable value growth rates from the Ad Valorem Conference are used to grow the estimate. The bill first applies to the 2025 property tax roll.

On February 2, 2024, the conference beheld [a similar bill](#), adopted the proposed estimate, and noted: *“however, notes that the language in the bill may cause taxpayer behavioral changes by removing an incentive for the taxpayer to disclose known errors to the property appraiser. This would lead to a higher impact than shown in the middle.”*

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	\$0	\$(24.2 M)	\$0	\$(23.9 M)	\$0	\$(23.5 M)
2025-26	\$(25.9 M)	\$(25.9 M)	\$(25.5 M)	\$(25.5 M)	\$(25.1 M)	\$(25.1 M)
2026-27	\$(27.5 M)	\$(27.5 M)	\$(27.1 M)	\$(27.1 M)	\$(26.6 M)	\$(26.6 M)
2027-28	\$(29.2 M)	\$(29.2 M)	\$(28.7 M)	\$(28.7 M)	\$(28.2 M)	\$(28.2 M)
2028-29	\$(30.8 M)	\$(30.8 M)	\$(30.3 M)	\$(30.3 M)	\$(29.8 M)	\$(29.8 M)

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/28/2024) The Conference adopted the middle estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	(8.9)	0.0	(14.9)	0.0	(23.9)
2025-26	(9.4)	(9.4)	(16.1)	(16.1)	(25.5)	(25.5)
2026-27	(9.9)	(9.9)	(17.2)	(17.2)	(27.1)	(27.1)
2027-28	(10.5)	(10.5)	(18.2)	(18.2)	(28.7)	(28.7)
2028-29	(11.0)	(11.0)	(19.3)	(19.3)	(30.3)	(30.3)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	0.0	(23.9)	0.0	(23.9)
2025-26	0.0	0.0	0.0	0.0	(25.5)	(25.5)	(25.5)	(25.5)
2026-27	0.0	0.0	0.0	0.0	(27.1)	(27.1)	(27.1)	(27.1)
2027-28	0.0	0.0	0.0	0.0	(28.7)	(28.7)	(28.7)	(28.7)
2028-29	0.0	0.0	0.0	0.0	(30.3)	(30.3)	(30.3)	(30.3)

	A	B	C	D	E	F	G
1	Roll Year	Homestead-Related Back Taxes Owed	School Estimate	Non-School Estimate			
2	2020	\$ 11,527,365	\$ 4,219,249	\$ 7,308,117			
3	2021	\$ 18,670,822	\$ 6,833,898	\$ 11,836,924			
4							
5	Roll Year	Non-School TV	School TV				
6	2022	14.28%	20.07%				
7	2023	13.38%	14.79%				
8	2024	7.09%	4.78%				
9	2025	7.87%	5.15%				
10	2026	6.75%	5.31%				
11	2027	6.31%	5.55%				
12	2028	5.62%	5.11%				
13							
14	2023 Aggregate Millage Rates						
15	School	5.99					
16	Non-School	10.38					
17							
18	Assumptions	Middle					
19	Remaining State Value BackTaxed like Miami-Dade	2%					
20	Implied Share-up Rest of State	10.3%					
21	Use History	2-year average					
22							
23		Count	Taxable Value - High	Taxable Value - Middle	Taxable Value - Low		
24	2021 Total Homestead Exemption	4,955,905	\$ 234,341,652,496	\$ 234,341,652,496	\$ 234,341,652,496		
25	2021 Backtax Share of Total HX	24,118	0.49%	0.24%	0.00%		
26	2023 Parent/Grandparent Reduction	665	\$ 46,579,938	\$ 46,579,938	\$ 46,579,938		
27	2023 65+ Exemption	287,631	\$ 9,304,847,194	\$ 9,304,847,194	\$ 9,304,847,194		
28	2023 Exemption for P/G and 65+ in Error	1,403	\$ 45,509,637	\$ 22,754,819	\$ -		
29							
30	2023	School Impact	Non-School Impact				
31	Homestead In Error	8,402,201	\$ 13,681,650				
32	P/G and 65+ in Error - High	272,707	\$ 472,354				
33	P/G and 65+ in Error - Middle	136,354	\$ 236,177				
34	P/G and 65+ in Error - Low	-	\$ -				
35							
36	School Impact						
37		High		Middle		Low	
38		Cash	Recurring	Cash	Recurring	Cash	Recurring
39	2024-25	\$0	\$(9.1 M)	\$0	\$(8.9 M)	\$0	\$(8.8 M)
40	2025-26	\$(9.6 M)	\$(9.6 M)	\$(9.4 M)	\$(9.4 M)	\$(9.3 M)	\$(9.3 M)
41	2026-27	\$(10.1 M)	\$(10.1 M)	\$(9.9 M)	\$(9.9 M)	\$(9.7 M)	\$(9.7 M)
42	2027-28	\$(10.6 M)	\$(10.6 M)	\$(10.5 M)	\$(10.5 M)	\$(10.3 M)	\$(10.3 M)
43	2028-29	\$(11.2 M)	\$(11.2 M)	\$(11.0 M)	\$(11.0 M)	\$(10.8 M)	\$(10.8 M)
44							
45	Non-School Impact						
46		High		Middle		Low	
47		Cash	Recurring	Cash	Recurring	Cash	Recurring
48	2024-25	\$0	\$(15.2 M)	\$0	\$(14.9 M)	\$0	\$(14.7 M)
49	2025-26	\$(16.4 M)	\$(16.4 M)	\$(16.1 M)	\$(16.1 M)	\$(15.8 M)	\$(15.8 M)
50	2026-27	\$(17.5 M)	\$(17.5 M)	\$(17.2 M)	\$(17.2 M)	\$(16.9 M)	\$(16.9 M)
51	2027-28	\$(18.6 M)	\$(18.6 M)	\$(18.2 M)	\$(18.2 M)	\$(17.9 M)	\$(17.9 M)
52	2028-29	\$(19.6 M)	\$(19.6 M)	\$(19.3 M)	\$(19.3 M)	\$(18.9 M)	\$(18.9 M)
53							
54	Total Impact						
55		High		Middle		Low	
56		Cash	Recurring	Cash	Recurring	Cash	Recurring
57	2024-25	\$0	\$(24.2 M)	\$0	\$(23.9 M)	\$0	\$(23.5 M)
58	2025-26	\$(25.9 M)	\$(25.9 M)	\$(25.5 M)	\$(25.5 M)	\$(25.1 M)	\$(25.1 M)
59	2026-27	\$(27.5 M)	\$(27.5 M)	\$(27.1 M)	\$(27.1 M)	\$(26.6 M)	\$(26.6 M)
60	2027-28	\$(29.2 M)	\$(29.2 M)	\$(28.7 M)	\$(28.7 M)	\$(28.2 M)	\$(28.2 M)
61	2028-29	\$(30.8 M)	\$(30.8 M)	\$(30.3 M)	\$(30.3 M)	\$(29.8 M)	\$(29.8 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Insurance Taxes

Issue: Policy Premium Deductions and Credit

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

Entire Bill

Partial Bill:

Sponsor(s): N/A

Month/Year Impact Begins: July 2024

Date(s) Conference Reviewed: February 28th, 2024

Section 1: Narrative

- a. **Current Law:** Currently exists no mandatory premium deductions for insurers.
- b. **Proposed Change:** Creates a mandatory deduction equal to the value of the Premium Tax, the State Fire Marshal Assessment, and the FIGA assessment on coverage for a residential dwelling worth less than \$750,000. Another 1.75% deduction is for flood or excess flood coverage, both personal and commercial. The total value of deductions is allowed to be claimed as a credit with excess credit carrying forward a maximum of five years. The credit can only be generated by deductions to policies with effective dates between October 1, 2024, and September 30, 2025.

Section 2: Description of Data and Sources

National Flood Insurance Program – Policy Info by State

[\[https://nfipservices.floodsmart.gov/sites/default/files/nfip_policy-information-by-state_20231130.xlsx\]](https://nfipservices.floodsmart.gov/sites/default/files/nfip_policy-information-by-state_20231130.xlsx)

National Flood Insurance Program – 2020 Report

[\[https://cdn.nar.realtor/sites/default/files/documents/2020-flood-reports-florida-11-04-2020.pdf\]](https://cdn.nar.realtor/sites/default/files/documents/2020-flood-reports-florida-11-04-2020.pdf)

Miami Herald/The Insurance Information Institute

[\[https://www.miamiherald.com/news/business/real-estate-news/article269946847.html\]](https://www.miamiherald.com/news/business/real-estate-news/article269946847.html)

Florida Market Data available on the Florida Surplus – [\[https://www.fslso.com/Florida/MarketData/home\]](https://www.fslso.com/Florida/MarketData/home)

Write Your Own Flood Insurance Company List – [\[https://nfipservices.floodsmart.gov/wyo-program-list\]](https://nfipservices.floodsmart.gov/wyo-program-list)

DOR Return Data

Discussions with FIGA

Results of the January 2024 General Revenue Estimating Conference

Section 3: Methodology (Include Assumptions and Attach Details)

Part 1: Universal Drivers

Certain data elements are reused across multiple sections of this impact. The consistent base for these sections is the taxable premiums from the DR-908's Schedule X, lines 1, 7, and 9. These lines represent premium volume in Fire Residential, Residential Allied Lines, and Homeowners Multiple Peril, respectively. The Fire Marshal's assessment on these premiums is also pre-calculated here based on the tax rate of 1% and the percent of premium volumes treated as taxable for the Fire Marshal's tax.

Also included in this section is 80% qualification rate adopted by the conference to represent the proportion of premiums covering a residential dwelling with less than \$750,000 in coverage. This 80% is set up as a lever that affects the direct impacts, but if it were to be changed, the carryover simulation driving Part 6 would need to be rerun.

Finally, the Schedule X growth rates used to drive previous IPT Impacts are found here. These rates underlie the adopted IPT forecast from the January 2024 General Revenue Estimating Conference.

Across this impact, it is assumed that the credits taken would only affect the March 1st payment with return, and not be felt through the quarterly installment payments. Therefore, the full impact from the CYx tax year is placed in FYx+1.

Part 2: 1.75% Deduction

The 1.75% deduction on under-cap coverage of a residential dwelling is first calculated for Calendar Year 2022.

$(\text{Line 1 Volume} + \text{Line 7 Volume} + \text{Line 9 Volume}) \times 80\% \times 1.75\% = \text{CY22 Value of 1.75\% Reduction}$

This value is then grown to CY25 levels by the Schedule X growth rates. To account for the split effective window (Oct-1-24 to Sep-30-25) 25% of the CY24 value and 75% of the CY25 value are taken as the direct impact. Holding the assumptions made in Part 1 unchanged, the total impact for Part 2 is \$308.5 M.

Part 3: Deduction for State Fire Marshal Assessment

The total value of the CY22 assessments is first multiplied by the 80% qualification rate, then grown through CY25 by the assumed Schedule X growth rates. To account for the split effective window (Oct-1-24 to Sep-30-25) 25% of the CY24 value and 75% of the CY25 value are taken as the direct impact. Holding the assumptions made in Part 1 unchanged, the total impact for Part 3 is \$40.1 M.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Insurance Taxes

Issue: Policy Premium Deductions and Credit

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

Part 4: Deduction for the Florida Insurance Guaranty Association

The total premium volume is CY22 is first multiplied by the 80% qualification rate, then grown through CY25 by the assumed Schedule X growth rates. To account for the split effective window (Oct-1-24 to Sep-30-25) 25% of the CY24 value and 75% of the CY25 value are taken as the affected premium volume.

From here, assumptions need to be drawn. FIGA assessments are made on an “as needed” basis, so there is little predictability to them. First and foremost, it is assumed that any FIGA assessment made that effects the impact will be consistent over the duration of the impact. This means that while it is possible for a FIGA assessment to expire 2 months (as an example) into the impact window, it is assumed that this will not happen. Second, a High/Middle/Low impact table is created to demonstrate the effect different assessments will have on the impact. There exists currently a 1% levy with an unknown expiration date, so the Middle assumes that 1% continues throughout the entire impact. The Low assumes this 1% expires before October 1, 2024, and the High assumes the opposite, that an additional 1% is assessed before October 1, 2024.

With these assumptions in hand, the direct impact across the High/Middle/Low is the affected premium split multiplied by the assumed FIGA rates. Assuming these assumptions hold, the total impact for Part 4 is \$352.5 M in the high, \$176.3 M in the middle, and \$0 in the low.

Part 5: Deduction for Flood and Excess Flood Coverage

This impact cannot be deduced from DR-908 data and therefore rests on 3rd party data and assumptions. The impact process described below has been seen and adopted by conference before, most recently on February 23rd, 2023.

There are 3 methods of acquiring flood insurance in Florida. The first method, under which most policies are written, is the National Flood Insurance Program’s (NFIP) “Write Your Own Program,” a cooperative of private insurance companies and FEMA. Applying the 1.75% tax rate that would be exempt under the proposed change, the impact of the NFIP policies alone would be - \$22,533,422.

The second method is through Surplus Lines. These policies are subject to a different and higher tax rate than the other 2 methods and would not be exempt under this change. The Florida Surplus Lines Service Office has data available on the number of properties and the premium values for flood insurance.

The third method is private insurers writing their own flood policies. There is no data available for this method, and an estimate for the number of policies and cost per policy must be produced. According to a 2020 NFIP report, there are 4,110,395 properties at high risk of flooding and 4,832,882 at high or moderate risk of flooding. For the impact, the displayed impact uses exclusively high-risk properties. It is assumed that 50% of these properties go without Flood Insurance. Applying this percentage to the at-risk properties arrives at an estimate of the total number of flood policies in the state, and subtracting the known NFIP and Surplus Lines policies from it arrives at an estimate of policies written by private insurers. Multiplying the estimated number of policies under private insurers by the estimated average cost per policy for private insurers arrives and an estimate of premiums for private insurers. Adding this to the NFIP premiums and multiplying by the 1.75% tax rate arrives at an impact for the first year.

The first-year impact is grown through CY25 by the adopted total P&C growth rates driving the overall premium tax growth rates adopted at the January 2024 General Revenue Estimating Conference. To account for the split effective window (Oct-1-24 to Sep-30-25) 25% of the CY24 value and 75% of the CY25 value are taken as the direct impact. Holding the assumptions made above unchanged, the total impact for Part 5 is \$29.9 M.

Part 6: Carryover

The carryover math is driven by a return-based simulation, applying the changes made by this language to returns submitted for the 2022 Tax Year. Via this approach, each return can be evaluated individually to see if it would have generated enough credit to overwhelm its premium tax due after other credits, and thus generate carryover. The sticking point here is the credit generated from Flood Insurance deductions. As Flood Insurance is not separately itemized on the DR-908, there is no way to measure the potential flood credit generated on a single return. Instead, a new set of assumptions must be made.

First, it is assumed that the only flood insurance in the state is obtained through FEMA’s Write Your Own program. The companies named as servicers for the program are identified on FEMA’s website and can be identified in the return data. Next, the Flood Insurance first-year impact is split among the WYO-servicers by the proportion of P&C premiums among the service group. For example, if *Freedonia Flood Funding LLC* services the WYO program and they have 15% of the P&C premiums among all WYO-servicers, then they’ll receive 15% of the Part 5 first-year impact as “flood credit”. This flood credit is then added to other credits generated to evaluate the carryforward. Insurers not identified on the WYO company list receive “flood credit” of \$0.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Insurance Taxes

Issue: Policy Premium Deductions and Credit

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

The value of the carryover is calculated with 25% of the annual credit and 75% of the annual credit (called 3mo and 9mo respectively) to allow for evaluation of carryover in the two affected tax years. The 25%/3mo carryforward is grown to CY24 and the 75%/9mo carryforward is grown to CY25. From there, the High/Middle/Low show differing Carryforward Patterns. The high shows an extended tail, which puts credits still being claimed outside of the impact window. The middle shows a tighter pattern, where all the credit gets claimed within the impact window. The low shows the pattern adopted at the February 23rd, 2024, Impact conference of 75% in the first year and 25% in the second year.

Final Notes:

While it does not have an impact on state revenues, the 1.75% deduction evaluated in Part A and the Flood Deduction evaluated in Part 5 may apply to surplus lines. The credit can only be taken against Premium Tax liability, and no surplus lines providers pay Premium Tax, therefore it would be impossible for them to claim any credit.

The issues evaluated in this impact have been presented to the conference before.

Parts 2 & 6 - <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2024/pdf/page456-458.pdf>

Parts 2 & 3 - <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2024/pdf/page161-163.pdf>

Part 5 - <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2024/pdf/page440-442.pdf>

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(\$154.8) M		(\$119.7) M		(\$82.6) M	
2025-26	(\$457.5) M		(\$356.6) M		(\$249.8) M	
2026-27	(\$48.8) M		(\$47.2) M		(\$35.1) M	
2027-28	(\$35.0) M		(\$20.3) M		(\$11.0) M	
2028-29	(\$18.0) M		(\$10.9) M			

Revenue Distribution: Insurance Taxes

Section 5: Consensus Estimate (Adopted: 02/28/2024) The Conference adopted the middle estimate, but notes that if there is a new FIGA assessment impacting the period from October 1, 2024, through September 30, 2025, the impact would be higher. For example, an additional 1% assessment impacting the entire period would cause the negative impact to increase by -\$176.3 million over the forecast period.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(119.7)	0.0	0.0	0.0	0.0	0.0	(119.7)	0.0
2025-26	(356.6)	0.0	0.0	0.0	0.0	0.0	(356.6)	0.0
2026-27	(47.2)	0.0	0.0	0.0	0.0	0.0	(47.2)	0.0
2027-28	(20.3)	0.0	0.0	0.0	0.0	0.0	(20.3)	0.0
2028-29	(10.9)	0.0	0.0	0.0	0.0	0.0	(10.9)	0.0

	A	B	C	D	E	F	G	H	I	J
1	Part 1: Universal Drivers									
2	DR-908 Schedule X Data for CY2022						Schedule X Growth Rates			
3					Premium Volume	Fire Assessment		CY	Growth	
4	Line 1 - Fire Residential				520,616,801	4,841,736		2019	4.0%	
5	Line 7 - Residential Allied Lines				1,499,861,726	734,932		2020	10.4%	
6	Line 9 - Homeowner Multiple Peril				14,499,781,243	32,044,517		2021	9.6%	
7	Residential Policy Premiums				16,520,259,769	37,621,185		2022	21.6%	
8								2023	18.5%	Estimate
9	Prem. Insuring Dwellings < \$750,000				80%			2024	8.4%	Estimate
10								2025	5.1%	Estimate
11										
12	Part 2: 1.75% Deduction									
13	Residential Policy Premium Volume				16,520,259,769	=E7				
14	Qualifying Premium Volume				13,216,207,815	=E13*E9				
15	Value of 1.75% Reduction in CY22				231,283,637	=E14*0.0175				
17	in CY23				274,071,110	=E15*(1+18)				
18	in CY24				297,093,083	=E17*(1+19)				
19	in CY25				312,244,830	=E18*(1+10)				
21	Split Calculation - 25% of CY 24 Value				74,273,271	=E18*0.25				
22	Split Calculation - 75% of CY 25 Value				234,183,622	=E19*0.75				
24	Direct Impact in FY2024-25 (Millions)				74.27	=E21/1000000				
25	Direct Impact in FY2025-26 (Millions)				234.18	=E22/1000000				
26					308.46					
27										
28	Part 3: Deduction for State Fire Marshal Assessment									
29	Residential Fire Marshal Assesments				37,621,185	=F7				
30	Qualifying Assessments in CY22				30,096,948	=E29*E9				
32	in CY23				35,664,883	=E30*(1+18)				
33	in CY24				38,660,734	=E32*(1+19)				
34	in CY25				40,632,431	=E33*(1+10)				
36	Split Calculation - 25% of CY 24 Value				9,665,183	=E33*0.25				
37	Split Calculation - 75% of CY 25 Value				30,474,323	=E34*0.75				
39	Direct Impact in FY2024-25 (Millions)				9.67	=E36/1000000				
40	Direct Impact in FY2025-26 (Millions)				30.47	=E37/1000000				
41					40.14					
42										
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	A	B	C	D	E	F	G	H	I	J
51	Part 4: Deduction for Florida Insurance Guaranty Assosiation									
52	Residential Policy Premium Volume				16,520,259,769	=E7				
53	Qualifying Premium Volume in CY22				13,216,207,815	=E52*E9				
55	in CY23				15,661,206,261	=E53*(1+I8)				
56	in CY24				16,976,747,587	=E55*(1+I9)				
57	in CY25				17,842,561,714	=E56*(1+I10)				
59	Split Calculation - 25% of CY 24 Value				4,244,186,897	=E56*0.25				
60	Split Calculation - 75% of CY 25 Value				13,381,921,286	=E57*0.75				
62	<i>Assessment with Unknown Exp. Date</i>				1.0%	Informational Only		High	Middle	Low
63	FIGA Assessment Throughout Impact				See Table →			2.0%	1.0%	0.0%
65	Direct Impact FY2024-25 (Millions)				See Table →			84.88	42.44	-
66	Direct Impact FY2025-26 (Millions)				See Table →			267.64	133.82	-
67								352.52	176.26	-
68										
69	Part 5: 1.75% Deduction for Flood and Excess Flood Coverage									
70	<i>Adopted Methodology From Feb-23-2024</i>									
71	Assumptions				Adopted	Source				
72	NFIP Policies				1,710,539	National Flood Insurance Program -				
73	Surplus Lines Properties				84,495	Surplus Lines Service Office				
74	At Risk Properties				4,110,395	National Flood Insurance Program -				
75	Share of at Risk Without Flood Ins.				50%	Miami Herald / The Insurance				
76	Total with Flood Insurance				2,055,198	=E74*(1-E75)				
77	Policies with Private Insurers				260,164	=E76-E72-E73				
78	Total Premium with NFIP				\$ 1,287,624,135	National Flood Insurance Program -				
79	Total Premium with Surplus Lines				\$ 157,530,901	Surplus Lines Service Office				
80	Cost Per Policy, Private				\$ 1,000	Conference Adjusted				
81	Total Premium with Private Insurers				\$ 260,163,500	=E80*E77				
82	Total Premium Taxed at 1.75%				\$ 1,547,787,635	=E78+E81				
83	CY23 Tax Impact				\$ 27,086,284	=1.75%*E82				
84										
85	<i>Adopted Methodology Grown into Impact Window</i>							CY	Growth	
86	CY24 Tax Impact				28,827,932	=E83*(1+I87)		2023	12.03%	
87	CY25 Tax Impact				30,280,859	=E86*(1+I88)		2024	6.43%	
88								2025	5.04%	
89	<i>Accounting For Split Year of Deduction Program</i>									
90	Split Calculation - 25% of CY 24 Value				7,206,983	=E86*0.25				
91	Split Calculation - 75% of CY 25 Value				22,710,645	=E87*0.75				
92										
93	<i>Direct Impacts</i>									
94	Direct Impact in FY2024-25 (Millions)				7.21	=E90/1000000				
95	Direct Impact in FY2025-26 (Millions)				22.71	=E91/1000000				
96					29.92					
97										
98										

	A	B	C	D	E	F	G	H	I	J
99	Part 6: Carryover									
100	Direct Impact From...				CY2024	CY2025				
101	Part 2: Premium Tax				74,273,271	234,183,622				
102	Part 3: State Fire Marshal				9,665,183	30,474,323				
104	Part 4: FIGA Assessment HIGH				84,883,738	267,638,426				
105	Part 4: FIGA Assessment MIDDLE				42,441,869	133,819,213				
106	Part 4: FIGA Assessment LOW				-	-				
108	Part 5: Flood and Excess Flood				7,206,983	22,710,645		Total		
109	Total High Direct Estimate				176,029,175	555,007,016		731.04		
110	Total Middle Direct Estimate				133,587,306	421,187,803		554.78		
111	Total Low Direct Estimate				91,145,437	287,368,590		378.51		
112										
113	<p>The carryover "simulation" is a direct measurement of IPT returns. Using data from the 2022 Tax Year, the changes made by the law are applied and the potential for carryover is measured on a return-by-return basis. The complication to this methodology is the Flood Insurance Credit, which cannot be directly measured on the return. Instead, we isolate the writers of Flood Policies as identified HERE: https://nfipservices.floodsmart.gov/wyo-program-list</p> <p>These writers then have their carryover calculated as normal, but have the CY23 Flood Insurance Impact from Part 5 proportionally split by their share of P&C Premium Volume within the Flood Writer group. Their share of the flood impact is added to their available credit and carryover is determined on this new figure.</p>									
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146	Part 6.1 HIGH Estimate Carryover										
147	High Estimate FIGA Assessment				2.0%	=H63					
149	3mo CY22 Flood Writer Credit Coverage				9,773,800	Return Simulation					
150	9mo CY22 Flood Writer Credit Coverage				39,267,719	Return Simulation					
152	3mo CY22 Other Writer Credit Coverage				9,773,800	Return Simulation					
153	9mo CY22 Other Writer Credit Coverage				39,267,719	Return Simulation					
155	Total 3mo Credit Coverage in CY22				19,547,600	=E149+E152					
156	in CY23				19,547,601	=E155+(1+I8)					
157	in CY24				21,189,600	=E156*(1+I9)					
159	Total 9mo Credit Coverage in CY22				78,535,437	=E150+E153					
160	in CY23				93,064,493	=E159*(1+I8)					
161	in CY24				100,881,911	=E160*(1+I9)					
162	in CY25				106,026,888	=E161*(1+I10)					
163	Carryforward Pattern										
164	Tax Year	Total		CY24 Carryforward	CY25 Carryforward	Year 1	40%				
165	2024	-		-	-	Year 2	30%				
166	2025	8,475,840		8,475,840	-	Year 3	15%				
167	2026	48,767,635		6,356,880	42,410,755	Year 4	10%				
168	2027	34,986,506		3,178,440	31,808,066	Year 5	5%				
169	2028	18,022,993		2,118,960	15,904,033	Year 6	0%				
170	2029	11,662,169		1,059,480	10,602,689	Year 7	0%				
171	2030	5,301,344		-	5,301,344	Year 8	0%				
172	2031	-		-	-	Year 9	0%				
173				21,189,600	106,026,888	Year 10	0%				
174				=SUM(E165:E172)	=SUM(F165:F172)		100%				
175											
176	Tax Year	Direct Impact		Credit Coverage	Carryforward Used	Total					
177	2024	(176,029,175)		21,189,600	-	(154,839,575)					
178	2025	(555,007,016)		106,026,888	(8,475,840)	(457,455,968)					
179	2026	-		-	(48,767,635)	(48,767,635)					
180	2027	-		-	(34,986,506)	(34,986,506)					
181	2028	-		-	(18,022,993)	(18,022,993)					
182	2029	-		-	(11,662,169)	(11,662,169)					
183	2030	-		-	(5,301,344)	(5,301,344)					
184	2031	-		-	-	-					
185											
186				Fiscal Year	Cash						
187				FY 2024-25	(154.84)						
188				FY 2025-26	(457.46)						
189				FY2026-27	(48.77)						
190				FY2027-28	(34.99)						
191				FY2028-29	(18.02)						
192				Total	(714.07)						

	A	B	C	D	E	F	G	H	I	J	
193	Part 6.2 Middle Estimate Carryover										
194	Middle Estimate FIGA Assessment				1.0%	=I63					
196	3mo CY22 Flood Writer Credit Coverage				6,939,478	Return Simulation					
197	9mo CY22 Flood Writer Credit Coverage				26,990,079	Return Simulation					
199	3mo CY22 Other Writer Credit Coverage				6,939,478	Return Simulation					
200	9mo CY22 Other Writer Credit Coverage				26,990,079	Return Simulation					
202	Total 3mo Credit Coverage in CY22				13,878,955	=E196+E199					
203	in CY23				13,878,957	=E202+(1+I8)					
204	in CY24				13,878,958	=E203+(1+I9)					
206	Total 9mo Credit Coverage in CY22				53,980,157	=E197+E200					
207	in CY23				63,966,487	=E206*(1+I8)					
208	in CY24				69,339,671	=E207*(1+I9)					
209	in CY25				72,875,995	=E208*(1+I10)					
210										Carryforward Pattern	
211	Tax Year	Total		CY24 Carryforward	CY25 Carryforward		Year 1	60%			
212	2024	-		-	-		Year 2	25%			
213	2025	8,327,375		8,327,375	-		Year 3	15%			
214	2026	47,195,336		3,469,739	43,725,597		Year 4	0%			
215	2027	20,300,842		2,081,844	18,218,999		Year 5	0%			
216	2028	10,931,399		-	10,931,399		Year 6	0%			
217	2029	-		-	-		Year 7	0%			
218	2030	-		-	-		Year 8	0%			
219	2031	-		-	-		Year 9	0%			
220				13,878,958	72,875,995		Year 10	0%			
221				=SUM(E212:E219)	=SUM(F212:F219)			100%			
222											
223	Tax Year	Direct Impact	Credit Coverage	Carryforward Used	Total						
224	2024	(133,587,306)	13,878,958	-	(119,708,348)						
225	2025	(421,187,803)	72,875,995	(8,327,375)	(356,639,183)						
226	2026	-	-	(47,195,336)	(47,195,336)						
227	2027	-	-	(20,300,842)	(20,300,842)						
228	2028	-	-	(10,931,399)	(10,931,399)						
229	2029	-	-	-	-						
230	2030	-	-	-	-						
231	2031	-	-	-	-						
232											
233				Fiscal Year	Cash						
234				FY 2024-25	(119.71)						
235				FY 2025-26	(356.64)						
236				FY2026-27	(47.20)						
237				FY2027-28	(20.30)						
238				FY2028-29	(10.93)						
239				Total	(554.78)						

	A	B	C	D	E	F	G	H	I	J	
240	Part 6.3 Low Estimate Carryover										
241	Low Estimate FIGA Assessment				0.0%	=J63					
243	3mo CY22 Flood Writer Credit Coverage				4,257,032	Return Simulation					
244	9mo CY22 Flood Writer Credit Coverage				16,268,337	Return Simulation					
246	3mo CY22 Other Writer Credit Coverage				4,257,032	Return Simulation					
247	9mo CY22 Other Writer Credit Coverage				16,268,337	Return Simulation					
249	Total 3mo Credit Coverage in CY22				8,514,064	=E243+E246					
250	in CY23				8,514,065	=E249+(1+I8)					
251	in CY24				8,514,066	=E250+(1+I9)					
253	Total 9mo Credit Coverage in CY22				32,536,673	=E244+E247					
254	in CY23				38,555,958	=E253*(1+I8)					
255	in CY24				41,794,658	=E254*(1+I9)					
256	in CY25				43,926,186	=E255*(1+I10)					
257										Carryforward Pattern	
258	Tax Year	Total		CY24 Carryforward	CY25 Carryforward	Year 1	75%				
259	2024	-		-	-	Year 2	25%				
260	2025	6,385,550		6,385,550	-	Year 3	0%				
261	2026	35,073,156		2,128,517	32,944,639	Year 4	0%				
262	2027	10,981,546		-	10,981,546	Year 5	0%				
263	2028	-		-	-	Year 6	0%				
264	2029	-		-	-	Year 7	0%				
265	2030	-		-	-	Year 8	0%				
266	2031	-		-	-	Year 9	0%				
267				8,514,066	43,926,186	Year 10	0%				
268				=SUM(E259:E266)	=SUM(F259:F266)		100%				
269											
270	Tax Year	Direct Impact		Credit Coverage	Carryforward Used	Total					
271	2024	(91,145,437)		8,514,066	-	(82,631,371)					
272	2025	(287,368,590)		43,926,186	(6,385,550)	(249,827,954)					
273	2026	-		-	(35,073,156)	(35,073,156)					
274	2027	-		-	(10,981,546)	(10,981,546)					
275	2028	-		-	-	-					
276	2029	-		-	-	-					
277	2030	-		-	-	-					
278	2031	-		-	-	-					
279											
280					Fiscal Year	Cash					
281					FY 2024-25	(82.63)					
282					FY 2025-26	(249.83)					
283					FY2026-27	(35.07)					
284					FY2027-28	(10.98)					
285					FY2028-29	-					
286					Total	(378.51)					