

Revenue Estimating Conference
Article V Fees & Transfers
Executive Summary
July 23, 2024

Overall revenue collections for Article V Fees and Transfers during the 2023-24 fiscal year came in modestly above the estimates adopted by the Revenue Estimating Conference on December 20, 2023, but performance across the system was unequal. County Court was a combined 5.9% above estimate; Circuit Court Other was 7.6% above estimate; Family Court was -0.9% below estimate; Traffic Court was 1.2% above estimate; and the miscellaneous collection of Other was -2.6% below estimate. Foreclosure filings are treated separately and underperformed by -0.9%. The revenues available to the Clerks rose above expectations by \$7.0 million, or 1.5%. The net overage across the judicial system (County Court, Circuit Court, Family Court, Traffic Court, and Clerks) led to a combined gain of \$8.2 million, or 1.2%.

Adopted July 23, 2024, the new forecast for Article V Fees and Transfers was revised mostly upward relative to the previous forecast. The revised estimates reflect actual revenue collections for the 2023-24 fiscal year and adjustments made for changes enacted during the 2024 Legislative Session which have now been embedded in the old and new forecasts. The most notable change relates to the shifting of fees from the General Revenue Fund to the Clerk's Fine and Forfeiture Funds. In addition, there was a minor upward adjustment to Clerk's fees from the changes to fines for railroad crossing violations. These positive adjustments to the Clerk's fees were partially offset by shifting interest earned on the Clerk's Fine and Forfeiture funds to County trust funds.

In the end, the forecast did not change for four revenue categories: Removal of Tenant Action; Family Court Marriage Dissolution; Appeals; and Counterclaims. Reductions were made to the forecast for Family Court Base Fees; Circuit Court Probate; Mediation/Marriage License/Other; and Chapter 2008-111 Fees. In contrast, County Court Claims \$2,500 to \$15,000; County Court Claims above \$15,000; County Court Foreclosure; County Court Additional Fees; Traffic Court Allocated Civil Penalties; Violations/Red Light Ticket/Unlawful Speed; Circuit Court Base Fees; Circuit Court Additional Fees; Other Revenue to the Clerks; and 10% of Fines to the Clerks of Court were increased throughout their forecasts.

During the December 2023 Conference cycle, the downward adjustments to the foreclosure-related variables resulted from a revised activity-based forecast that took into account the relatively low number of homes that were currently delinquent or in foreclosure. Shaping the level of future foreclosures was the Conference's assumption that the heightened foreclosure activity throughout most of the prior decade, as well as the significant refinancing opportunities in the recent past, had likely affected the forecast for years to come. While the December forecast began a gradual return to normal levels, the last year of the forecast was still below the Conference's long-term expectations. The July revision to the estimates took into account new information on the large percentage of seriously delinquent mortgaged homes that are still protected from foreclosure, whether through forbearance, loss mitigation or bankruptcy. These protections have been suppressing the initiation of foreclosure actions since the early months of the decade. Since the protections are now beginning to lift, the Conference decided to keep future foreclosure filings at

the prior forecast levels, even though FY 2023-24 came in below expectations. The annual changes to filings are shown below:

| Foreclosure Filings | December 2023 REC | July 2024 REC | Forecast Diff |
|---------------------|-------------------|---------------|---------------|
| 2024-25 | 38,926 | 38,926 | -- |
| 2025-26 | 40,570 | 40,570 | -- |
| 2026-27 | 41,276 | 41,276 | -- |
| 2027-28 | 41,657 | 41,657 | -- |
| 2028-29 | 41,840 | 41,840 | -- |
| 2029-30 | n/a | 42,023 | n/a |

The Conference also discussed several issues involving the clerks of court. Most importantly, state law (s. 28.37(4)(b), F.S.) requires that not less than 50% of the cumulative excess of all fines, fees and charges be transferred to General Revenue no later than February 1, 2022, and each year thereafter. Based on the new forecast, \$17.8 million is expected to be transferred by the February 2025 deadline.

Cumulatively, the new forecast for Article V is higher than the prior forecast throughout the period. The impact on specific funds, however, varies in magnitude. For the major funds, the new forecast results in the following near-term changes:

- Direct receipts into the General Revenue Fund were increased by \$0.5 million in FY 2024-25 and by \$0.5 million in FY 2025-26. In addition to the direct receipts, the prior forecast projected a transfer of \$5.4 in FY 2024-25, while the new forecast includes a higher transfer of \$17.8 million. Combining the two sources of revenue, the net changes relative to the prior forecast were increases of \$12.9 million for FY 2024-25 and \$0.5 million in FY 2025-26.
- The State Courts Revenue Trust Fund was increased by \$4.7 million in FY 2024-25 and by \$4.6 million in FY 2025-26.
- The Clerks' Fine and Forfeiture Funds was increased by \$9.6 million in FY 2024-25 and by \$10.6 million in FY 2025-26.