

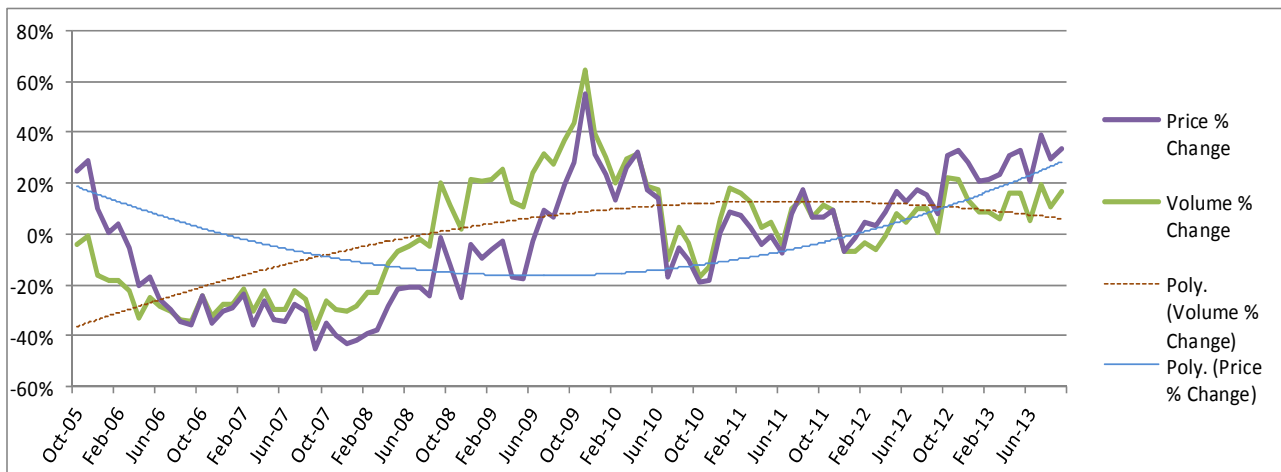
Documentary Stamp Tax Executive Summary Conference held: December 6, 2013

Driven largely by housing market conditions, the new forecast confirms that Florida is clearly on the path to normal patterns of construction and real estate activity. Fundamentals are improving, and they are expected to pick up moderately in the near future and then follow a more tapered upward trend. Major drivers of the source—construction activity, real estate prices and transaction volume—are all expected to grow robustly through the end of Fiscal Year 2013-14 and then moderately throughout the rest of the forecast.

Total Documentary Stamp Tax receipts for Fiscal Year 2013-14 (\$1.9 billion) are expected to grow 15.5 percent from fiscal year 2012-13 receipts (\$1.64 billion). In Fiscal Year 2013-14, total expected receipts will achieve 46.77 percent of the collection level at its height—the 2005-06 fiscal year.

The boom, characterized by double-digit growth in home sales and price appreciation, played a significant role in Florida’s past collection performance. Current data provides a fairly optimistic picture for the existing home market, with year-over year sales achieving the seventeenth month of increase and roughly 94 percent of the peak year volume. Year over year median sales prices have increased robustly for the past fiscal year; however, they have recently begun to drift slightly downwards and are still substantially below the nation as a whole. The peak to trough decline in the median home price for an existing home had reached its nadir at 52.19 percent in January 2011, and now stands at 33.65 percent. Data shows both median price and volume have trended upward since the trough.

Year Over Year Median Sales Price and Volume



Source: Florida Association of Realtors

Total construction expenditures have been increasing since the fourth quarter of 2011. For the first time since the end of the Housing Boom, there is an upside risk associated with the new construction forecast. The “shadow inventory” of homes that are in foreclosure or carry delinquent or defaulted mortgages may contain a significant number of “ghost” homes that are distressed beyond realistic use, in that they have not been physically maintained or are located in distressed pockets that will not come back in a reasonable timeframe. This means that the existing housing supply has become two-tiered—viable homes and seriously distressed homes. To the extent that the number of viable homes is limited, new construction may come back quicker than currently expected.

However, foreclosure activity remains daunting. Quoting from RealtyTrac, “Florida foreclosure activity in the third quarter (CY 2013) decreased 8 percent from a year ago following six consecutive quarters with annual increases in foreclosure activity, but the state still posted the nation’s highest foreclosure rate during the quarter. A total of 70,902 Florida properties had foreclosure filings in the third quarter, down 7 percent from the previous quarter and a rate of one in every 126 housing units—more than twice the national average.”

The Conference remains concerned that the foreclosure rate and inventory of unsold residential properties in Florida (including those foreclosures) are still high. In this regard, foreclosures are expected to add more units to the supply of housing, dampening the average sales price of homes on the market. In addition, the relatively low average sales prices for foreclosed homes depress values for neighboring property, hampering the maximum value of other sales. While short sales have been significantly increasing in some states, this is not yet the case in Florida. There were 6,809 short sales in September 2012, and 4,910 in September 2013. To the extent short sales increase in the future, the foreclosure pipeline will be reduced.

The Conference expects the turnaround in Florida housing is being led by low home prices that attract buyers and clear the inventory, coupled with the long-run sustainable demand caused by continued population growth and household formation that has been pent-up.

While recent revenue gains have been bolstered by increased refinancing activity, including activity induced by the federal Home Affordable Refinance Program (HARP), this activity is expected to slow over the next year. However, Documentary Stamp Tax collections are still expected to show healthy growth over the entire forecast period. The expected 15.5 percent increase this year over last year, will be followed by 9.0 percent growth in Fiscal Year 2014-15 and moderating growth in Fiscal Years 2015-16 through 2023-24.

Documentary Stamp Tax Collections and Distributions
December 2013 GR Adopted

Statutory %'s	\$ Caps	F.S.	Statutory % Distributions	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
			Total Documentary Stamp Tax Collections	1,261.6	1,643.4	1,898.0	2,069.3	2,246.1	2,365.5	2,473.8	2,549.5	2,622.0	2,687.1	2,766.3	2,861.8	2,972.9
		201.15	DOR Administrative Costs	7.7	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
8.00%		201.15	Less: General Revenue Service Charge	101.0	131.4	151.8	165.5	179.7	189.2	197.9	204.0	209.8	215.0	221.3	228.9	237.8
			Net Available for Distribution	1,154.3	1,501.7	1,736.4	1,894.0	2,056.6	2,166.5	2,266.1	2,335.7	2,402.4	2,462.3	2,535.2	2,623.1	2,725.3
63.31%		201.15(1)	Distribution for General Revenue and Debt Service	730.8	950.7	1,099.3	1,199.1	1,302.0	1,371.6	1,434.7	1,478.7	1,521.0	1,558.9	1,605.0	1,660.7	1,725.4
		201.15(1)(a)&(b)	P2000/Florida Forever/Everglades Restoration Debt Service	425.8	403.1	172.5	172.6	172.5	172.7	172.8	172.8	173.0	172.9	151.3	140.4	120.4
New % Share	\$ Caps		GR Share Available for Distribution After Debt Service	305.0	547.6	926.8	1,026.5	1,129.5	1,198.9	1,261.9	1,305.9	1,348.0	1,386.0	1,453.7	1,520.3	1,605.0
0.2300%	3.25	201.15(1)(c)	Dept. of Economic Opportunity Grants & Donations Trust Fund	0.7	1.3	2.1	2.4	2.6	2.8	2.9	3.0	3.1	3.2	3.3	3.3	3.3
0.0000%		201.15(1)(c)	State Economic Enhancement and Development Trust Fund	0.0	50.0	65.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
38.2000%	541.75	201.15(1)(c)	State Transportation Trust Fund	116.3	159.2	289.0	317.1	356.5	383.0	407.1	423.8	440.0	454.4	466.8	466.8	466.8
2.1200%	30.0	201.15(1)(c)	Ecosystem Management & Restoration Trust Fund	6.5	11.6	19.7	21.8	24.0	25.4	26.8	27.7	28.6	29.4	30.0	30.0	30.0
0.0200%	0.3	201.15(1)(c)	General Inspection Trust Fund, oyster management and restoration	0.061	0.110	0.190	0.210	0.230	0.240	0.250	0.260	0.270	0.280	0.290	0.300	0.300
40.57%	657.3	201.15(1)(c)	Total Distributions From GR Share After Debt Service	123.6	222.2	376.0	416.4	458.3	486.4	512.0	529.8	546.9	562.3	575.3	575.3	575.3
		201.15(1)(d)	General Revenue by Formula After Other Distributions	181.0	325.4	550.8	610.1	671.2	712.5	749.9	776.1	801.1	823.7	878.4	945.0	1,029.7
		201.15(16)	Additional General Revenue due to Trust Fund Caps	19.6	47.5	86.0	112.3	139.1	157.9	174.5	186.4	197.4	207.4	219.3	233.5	250.1
		373.59(8)(a),(b),(c)	Transfer from Water Management Lands Trust Fund	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
			Total General Revenue	208.6	380.9	644.8	730.4	818.3	878.4	932.4	970.5	1,006.5	1,039.1	1,105.7	1,186.5	1,287.8
			Available for Other Distributions to Other Trust Funds	423.5	551.0	637.1	694.9	754.6	794.9	831.4	857.0	881.4	903.4	930.2	962.4	999.9
			10% Growth From Prior Year	9.9	34.7	23.5	15.8	16.3	11.0	10.0	7.0	6.7	6.0	7.3	8.8	10.2
Statutory %	Caps *															
7.56000%	84.9	201.15(2)	Land Acquisition Trust Fund (LATF)	78.6	81.2	80.4	79.8	79.8	79.4	79.4	79.1	79.1	79.1	79.2	79.3	79.4
1.94000%	26.0	201.15(3)	LATF - Coastal Lands Acquisition & Debt Service	11.4	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	
4.20000%	60.5	201.15(4)	Water Management Lands Trust Fund	48.4	62.0	61.5	61.2	61.2	61.0	60.9	60.8	60.8	60.8	60.8	60.9	60.9
3.12752%	na	201.15(5)	Conservation and Recreation Lands (CARL) Trust Fund	36.1	47.0	54.3	59.2	64.3	67.8	70.9	73.1	75.1	77.0	79.3	82.0	85.2
0.39248%	na	201.15(5)	State Game Trust Fund (from CARL) - Land Management	4.5	5.9	6.8	7.4	8.1	8.5	8.9	9.2	9.4	9.7	10.0	10.3	10.7
2.28000%	34.1	201.15(6)	Invasive Plant Control Trust Fund	26.3	34.2	34.6	34.5	34.5	34.4	34.3	34.3	34.3	34.2	34.3	34.3	34.3
0.50000%	9.3	201.15(7)	State Game Trust Fund - Lake Restoration 2020 Program	5.8	7.5	8.7	9.4	9.4	9.4	9.4	9.3	9.3	9.3	9.3	9.3	9.4
0.25000%	na	201.15(8)	Water Quality Assurance Trust Fund	2.9	3.8	4.3	4.7	5.1	5.4	5.7	5.8	6.0	6.2	6.3	6.6	6.8
0.25000%	na	201.15(8)	General Inspection Trust Fund	2.9	3.8	4.3	4.7	5.1	5.4	5.7	5.8	6.0	6.2	6.3	6.6	6.8
0.00000%	na	201.15(9)	State Economic Enhancement and Development Trust Fund	0.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
3.76500%	na	201.15(9)(a)	State Housing Trust Fund	43.4	39.05	47.88	53.81	59.93	64.07	67.82	70.44	72.95	75.21	77.95	81.26	85.11
3.76500%	na	201.15(9)(b)	Local Government Housing Trust Fund	43.4	39.05	47.88	53.81	59.93	64.07	67.82	70.44	72.95	75.21	77.95	81.26	85.11
0.00000%	na	201.15(10)	State Economic Enhancement and Development Trust Fund	0.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
1.08250%	na	201.15(10)(a)	State Housing Trust Fund	12.5	11.26	13.80	15.50	17.26	18.45	19.53	20.28	21.01	21.65	22.44	23.40	24.50
7.57750%	na	201.15(10)(b)	Local Government Housing Trust Fund	87.4	78.79	96.58	108.52	120.84	129.17	136.71	141.99	147.04	151.58	157.10	163.77	171.51
36.69%			Subtotal Statutory % Distributions	403.6	503.5	551.1	582.6	615.5	637.0	656.9	670.6	684.0	696.0	710.9	728.9	749.8
			Effective %	35.0%	33.5%	31.7%	30.8%	29.9%	29.4%	29.0%	28.7%	28.5%	28.3%	28.0%	27.8%	27.5%

Note:
Effective July 1, 2007, certain of the above trust funds have their distributions capped as indicated.

Effective July 1, 2008, when total collections increase from the prior year, distributions of capped funds are increased by 10% of the growth of total collections from the prior fiscal year, multiplied by the fund's applicable statutory percentage, except for the 201.15(3) cap, which receives no adjustment.