

## REVENUE ESTIMATING CONFERENCE

**Tax:** Highway Safety Fees

**Issue:** Overweight Trucks

**Bill Number(s):** CS/HB145

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Highway & Waterway Safety Subcommittee and Beshears

**Month/Year Impact Begins:** 7/1/2015

**Date of Analysis:** 7/27/2015

### Section 1: Narrative

- a. Current Law:** Section 316.545, F.S., provides that any officer of the Florida Highway Patrol having reason to believe that the weight of a vehicle and load is unlawful is authorized to require the driver to stop and submit to a weighing. Whenever an officer of the Florida Highway Patrol or weight inspector of the Department of Transportation, upon weighing a vehicle or combination of vehicles with load, determines that the axle weight or gross weight is unlawful, the officer may require the driver to stop the vehicle in a suitable place, and remain standing until a determination can be made as to the amount of weight thereon, and, if overloaded, determine the amount of the penalty to be assessed. This section also provides that created within the Department of Transportation the Commercial Motor Vehicle Review Board, consisting of three permanent members who shall be the secretary of the Department of Transportation, the executive director of the Department of Highway Safety and Motor Vehicles, and the Commissioner of Agriculture, or their authorized representatives, which may review any penalty imposed upon any vehicle or person under the provisions of this chapter relating to weights imposed on the highways by the axles and wheels of motor vehicles, to special fuel and motor fuel tax compliance, or to violations of safety regulations.
- b. Proposed Change:** This bill deletes the provision that the Florida Highway Patrol officer having reason to believe that the weight of a vehicle and load is unlawful may require such a vehicle to be driven to the nearest weigh station or public scales. It also deletes the provision that the vehicle driver may request the officer to use a fixed scale rather than portable scales. It amends the section to provide that upon issuance of a citation for unlawful weight determined by means of portable scales the driver may request to proceed to the nearest fixed scales at an official weigh station or certified public scales for verification of weight while being escorted by the issuing officer. If the vehicle or combination of vehicles is found to be in compliance the citation is void.

The bill also, effective October 1, 2015, revises the membership of the Review Board by adding four additional members. The Governor must appoint one member each from the road construction industry and the trucking industry, and one member with a general business or legal background. The Commissioner of Agriculture must appoint one member from the agriculture industry. All four members serve two-year terms, must be registered voters and citizens of Florida, and must possess business experience in the private sector. The Governor may remove any of these members for misconduct, malfeasance, misfeasance, or nonfeasance in office. Each member is required to take an oath to perform board duties honestly, faithfully, impartially, and without neglect.

### Section 2: Description of Data and Sources

HSMV Historical data

2/27/2015 HSMV REC results

*House of Representatives Final Bill Analysis CS/HB 145(5/1/2015)*

### Section 3: Methodology (Include Assumptions and Attach Details)

See attached.

In FY 2013/2014, there were 42,573 citations resulting in \$13,423,127 in fines related to Over Weight, Safety, and Fuel Tax penalties. Of this, 28,195 (66%) citations and \$8,818,180 (66%) in penalties were for Over Weight penalties.

In FY 2013/2014, the Review Board heard 1,172 cases that represented a total of \$1,363,088.45 in fines. Out of these 1,172 cases, relief was granted on 454 of the cases, or 38.74%, for a total refunded amount of \$552,332.94, or 40.23%. If the percentage of Over Weight penalties to total penalties is applied to the cases heard by the Board, the Board heard 776 Over Weight cases (\$895,466) and overturned 300 cases (\$362,849).

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Highway Safety Fees  
**Issue:** Overweight Trucks  
**Bill Number(s):** CS/HB145

Any revenue impact from this bill will result from 1) changes to the number of cases brought before the Review Board and 2) changes to the number cases the Board overturns. Because it is unknown whether this bill will result in changes to the number of citations heard by the Board, or the total amount of refunds granted the low estimate is a negative indeterminate. The middle estimate assumes a 50 percent decrease in the number of cases heard by the board due to the vehicle operator’s ability to challenge the citation at the point of receipt. The high estimate assumes the same 50 percent decrease in the number of Over Weight cases heard as well as a 50 percent the number of all (Over Weight, Safety and Fuel Tax) cases overturned by the Review Board due to the increased membership. The forecasted growth rates for DOT Civil Penalties are used to estimate the impact in each year.

**Section 4: Proposed Fiscal Impact**

STTF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	(0.6)	(0.6)	(0.2)	(0.2)	(Indeterminate)	(Indeterminate)
2016-17	(0.6)	(0.6)	(0.2)	(0.2)	(Indeterminate)	(Indeterminate)
2017-18	(0.6)	(0.6)	(0.2)	(0.2)	(Indeterminate)	(Indeterminate)
2018-19	(0.6)	(0.6)	(0.2)	(0.2)	(Indeterminate)	(Indeterminate)
2019-20	(0.6)	(0.6)	(0.2)	(0.2)	(Indeterminate)	(Indeterminate)

**List of affected Trust Funds:**

State Transportation Trust Fund

**Section 5: Consensus Estimate (Adopted: 05/27/2015): The Conference adopted the low estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	0.0	0.0	(**)	(**)	0.0	0.0	(**)	(**)
2016-17	0.0	0.0	(**)	(**)	0.0	0.0	(**)	(**)
2017-18	0.0	0.0	(**)	(**)	0.0	0.0	(**)	(**)
2018-19	0.0	0.0	(**)	(**)	0.0	0.0	(**)	(**)
2019-20	0.0	0.0	(**)	(**)	0.0	0.0	(**)	(**)

**HB 145 Analysis**

Total Over Weight, Safety and Fuel Tax Citations FY 13-14	42,573.0	
Total Over Weight, Safety and Fuel Tax Penalties FY 13-14	13,423,127.0	
		<u>% of Total</u>
Over Weight Citations FY 13-14:	28,195.0	66.2%
Over Weight Citation Penalties FY 13-14	8,818,180.0	65.7%
		<u>Over Weight Portion</u>
Review Board cases heard FY 13-14	1,172.0	776.2
Review Board cases heard (\$) FY 13-14	1,363,088.5	895,466.4
Review Board cases overturned FY 13-14	454.0	300.7
Review Board cases overturned (\$) FY 13-14	552,332.9	362,849.2
Overturn Rate	0.4	
Low	(Indeterminate)	
Middle: 50% decrease in Over Weight cases heard by the Board (\$)	(181,424.6)	
High: 50% decrease in Over Weighth cases and 50% increase in all cases overturned (\$)	(531,874.5)	
		Low
15-16	(Indeterminate)	
16-17	(Indeterminate)	
17-18	(Indeterminate)	
18-19	(Indeterminate)	
19-20	(Indeterminate)	
		Middle
15-16	(203,516.4)	
16-17	(206,377.8)	
17-18	(209,219.6)	
18-19	(212,039.9)	
19-20	(214,824.0)	
		High
15-16	(596,639.9)	
16-17	(605,028.7)	
17-18	(613,359.9)	
18-19	(621,628.0)	
19-20	(629,790.0)	

## REVENUE ESTIMATING CONFERENCE

**Tax:** Motor Vehicle License Fees

**Issue:** Special License Plates - Veterans

**Bill Number(s):** CS/CS/HB 329

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Economic Affairs Committee and Highway & Waterway Safety Subcommittee and Ingram; Albritton; Metz; Rehwinkel Vasilinda

**Month/Year Impact Begins:** 7/1/2015

**Date of Analysis:** 3/27/15

### Section 1: Narrative

- a. Current Law:** Section 320.089, F.S., provides special plates for Veterans of the United States Armed Forces; members of National Guard; survivors of Pearl Harbor; Purple Heart medal recipients; active or retired United States Armed Forces reservists; Combat Infantry Badge, Combat Medical Badge, or Combat Action Badge recipients; former prisoners of war; Korean War Veterans; Vietnam War Veterans; Operation Desert Shield Veterans; Operation Desert Storm Veterans; Operation Enduring Freedom Veterans; and Operation Iraqi Freedom Veterans
- b. Proposed Change:** The bill amends s. 320.089, F.S., authorizing the Department of Highway Safety and Motor Vehicles to issue new special use license plates for Combat Action Ribbon, Air Force Combat Action Medal, Distinguished Flying Cross, World War II Veteran, Woman Veteran, and Navy Submariner. Revenue generated from the sale of the Combat Action Ribbon, Air Force Combat Action Badge, Distinguished Flying Cross, World War II Veteran, and Navy Submariner special use license plates will be administered in the same manner as the existing special use license plates in s. 320.089, F.S., and deposited into the Grants and Donations Trust Fund and the State Homes for Veterans Trust Fund within the Department of Veterans Affairs to support the State Veterans Homes Program. Any revenue generated from the sale of the Woman Veteran License plate will be deposited into the Operations and Maintenance Trust Fund administered by the Department of Veteran's Affairs to be used solely for the purpose of creating and implementing programs to benefit women veterans.

### Section 2: Description of Data and Sources

HSMV History

HSMV February 2015 REC

Department of Veterans Affairs

Special License Plates - Veterans Impacts from adopted Impact REC HB 7005 prepared on 3/5/14

### Section 3: Methodology (Include Assumptions and Attach Details)

See attached.

The 2/27/15 HSMV REC forecasted approximately 31,500 veteran special plates to be registered FY 15-16 though FY 19-20, which is approximately 2% of the 1.6 million veterans in Florida and .02% of the 14.6 million forecasted (FY 15-16) private vehicle and motorcycle registrations. The total revenue to be deposited into the Veterans trust funds from military special plates issued in FY 15-16 is \$800,000. Of the 1.6 million veterans in Florida, 154,000 (10% of total) are female and 95,000 (6% of total) are WWII veterans. Statistics for the other groups added (Combat Action Ribbon, Air Force Combat Action Medal, Distinguished Flying Cross, Navy Submariner are unavailable).

The impact on total revenue is zero because these special plates do not have any additional charges or fees associated with its issuance. However, the potential change results in a loss to GR and STTF because the revenue generated from the Veterans plates is distributed to "Veterans Grants & Donations TF", "State Home for Veterans TF", and "Operations and Maintenance Trust Fund" (if for a Woman Veteran plate). With the new law expanding the options available to all veterans, any loss to GR and STTF would come from veterans deciding to purchase the plate that do not currently purchase one of the other military special plates. The low is indeterminate because it is unclear how many veterans will elect to purchase a Veteran plate. The middle assumes 3% of the total Florida veteran population would elect to purchase a Veteran plate. The high assumes 5% of the total Florida veteran population would elect to purchase a Veteran plate. The forecasted growth rate for Special Veterans plate revenue is used to estimate the impact in each year.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Motor Vehicle License Fees

**Issue:** Special License Plates - Veterans

**Bill Number(s):** CS/CS/HB 329

**Section 4: Proposed Fiscal Impact**

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	(0.1)	(0.1)	(0.1)	(0.1)	(Indeterminate)	(Indeterminate)
2016-17	(0.1)	(0.1)	(0.1)	(0.1)	(Indeterminate)	(Indeterminate)
2017-18	(0.1)	(0.1)	(0.1)	(0.1)	(Indeterminate)	(Indeterminate)
2018-19	(0.1)	(0.1)	(0.1)	(0.1)	(Indeterminate)	(Indeterminate)
2019-20	(0.1)	(0.1)	(0.1)	(0.1)	(Indeterminate)	(Indeterminate)

STTF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	(1.9)	(1.9)	(1.1)	(1.1)	(Indeterminate)	(Indeterminate)
2016-17	(1.9)	(1.9)	(1.1)	(1.1)	(Indeterminate)	(Indeterminate)
2017-18	(1.9)	(1.9)	(1.1)	(1.1)	(Indeterminate)	(Indeterminate)
2018-19	(1.9)	(1.9)	(1.1)	(1.1)	(Indeterminate)	(Indeterminate)
2019-20	(1.9)	(1.9)	(1.1)	(1.1)	(Indeterminate)	(Indeterminate)

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	2.0	2.0	1.2	1.2	Indeterminate	Indeterminate
2016-17	2.0	2.0	1.2	1.2	Indeterminate	Indeterminate
2017-18	2.0	2.0	1.2	1.2	Indeterminate	Indeterminate
2018-19	2.0	2.0	1.2	1.2	Indeterminate	Indeterminate
2019-20	2.0	2.0	1.2	1.2	Indeterminate	Indeterminate

**List of affected Trust Funds:**

- General Revenue Fund
- State Transportation Trust Fund
- Veteran Grants & Donations Trust Fund
- State Home for Veterans Trust Fund
- Operations and Maintenance Trust Fund

**Section 5: Consensus Estimate (Adopted: 05/27/2015): The Conference adopted the low estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	(**)	(**)	**	**	0.0	0.0	0.0	0.0
2016-17	(**)	(**)	**	**	0.0	0.0	0.0	0.0
2017-18	(**)	(**)	**	**	0.0	0.0	0.0	0.0
2018-19	(**)	(**)	**	**	0.0	0.0	0.0	0.0
2019-20	(**)	(**)	**	**	0.0	0.0	0.0	0.0

HB 329 Analysis

	FY 15-16 FCST	% of Total
Florida Veterans	1,583,697.0	
Female Veterans	153,831.0	9.7%
WWII Veterans	94,940.0	6.0%
Total number of registered private vehicles & motorcycles	14,549,369.0	
Total Revenue from Special License Plates - Veterans	800,000.0	
Average Fee Per Plate (\$)	25.4	
Implied Number of Military special plates registered	31446.5	
Percentage of total registered private vehicles & motorcycles	0.22%	
Percentage of Veterans with Military special plates registered	2.0%	

Estimated impact to Trust Funds: FY 15-16

Low -	Indeterminate
Middle - 3% of total Florida Veterans	1,208,677.6
High - 5% of total Florida Veterans	2,014,462.6

	Low	GR	STTF	Trusts
FY 15-16	Indeterminate	(Indeterminate)	(Indeterminate)	Indeterminate
FY 16-17	Indeterminate	(Indeterminate)	(Indeterminate)	Indeterminate
FY 17-18	Indeterminate	(Indeterminate)	(Indeterminate)	Indeterminate
FY 18-19	Indeterminate	(Indeterminate)	(Indeterminate)	Indeterminate
FY 19-20	Indeterminate	(Indeterminate)	(Indeterminate)	Indeterminate
<b>Middle</b>				
FY 15-16	1,208,677.6	(60,433.9)	(1,148,243.7)	1,208,677.6
FY 16-17	1,208,677.6	(60,433.9)	(1,148,243.7)	1,208,677.6
FY 17-18	1,208,677.6	(60,433.9)	(1,148,243.7)	1,208,677.6
FY 18-19	1,208,677.6	(60,433.9)	(1,148,243.7)	1,208,677.6
FY 19-20	1,208,677.6	(60,433.9)	(1,148,243.7)	1,208,677.6
<b>High</b>				
FY 15-16	2,014,462.6	(100,723.1)	(1,913,739.5)	2,014,462.6
FY 16-17	2,014,462.6	(100,723.1)	(1,913,739.5)	2,014,462.6
FY 17-18	2,014,462.6	(100,723.1)	(1,913,739.5)	2,014,462.6
FY 18-19	2,014,462.6	(100,723.1)	(1,913,739.5)	2,014,462.6
FY 19-20	2,014,462.6	(100,723.1)	(1,913,739.5)	2,014,462.6

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Insurance Regulatory Trust Fund

**Issue:** Title Insurance Surcharge

**Bill Number(s):** CS/HB927

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Rep. Hager

**Month/Year Impact Begins:** 7/1/2015

**Date of Analysis:** 5/22/2015

**Section 1: Narrative**

**a. Current Law:** As a condition of doing business in the state, title insurers are liable for an assessment to pay all unpaid title insurance claims on policies covering real property in Florida, and the expenses of administering and settling such claims, of a title insurer ordered into rehabilitation. OIR, upon request of the receiver/ DFS, is required to order an annual assessment in an amount the receiver considers sufficient to pay known claims, loss adjustment expenses, and the cost of administration of rehabilitation expenses.

To reimburse title insurers for assessments paid, OIR is required to order a surcharge on all subsequently issued title insurance policies on Florida real property. The surcharge cannot exceed \$25 per transaction for each impaired title insurer and the surcharge must be in an amount estimated to be sufficient to recover all amounts assessed within 7 years. The surcharge is to be paid by the party responsible for payment of the title insurance premium, unless otherwise agreed between the parties. If additional title insurers become impaired, OIR is required to order an increase in the surcharge amount to reflect the aggregate surcharge. However, the statute does not permit OIR to alter the surcharge related to a particular insolvency. OIR may authorize one surcharge per insolvency, but a particular surcharge cannot be adjusted as additional claim and expenses develop.

**b. Proposed Change:** The bill removes language limiting the surcharge to one per insolvent company. The ability to issue additional surcharges allows flexibility in responding to claims and expenses arising from title insurer’s insolvency. The bill also creates the excess surcharge account under DFS to receive excess surcharge funds to either reduce the amount of future assessments related to a title insurer in receivership or reduce the time necessary a surcharge has to be in effect to reimburse the assessment by transferring excess funds to title insurers that have yet to be reimbursed. Excess surcharges held in the account will transfer to the IRTF if there are no active title insurers in receivership for 12 consecutive months or there are no payable claims for 60 consecutive months.

**Section 2: Description of Data and Sources :** OIR/DFS

**Section 3: Methodology (Include Assumptions and Attach Details)** There has never been excess surcharges remitted to the IRTF, the surcharge ends when the cost of the assessment has been fully recovered.

According to OIR there are approximately 1,000,000 title insurance policies written each year. There are currently two companies, K.E.L. and National are in rehabilitation and have assessments for them. National has a surcharge of \$0.28 and K.E.L. one of \$3.00. The assessments should raise \$3,280,000 over the course of the year, with \$2,536,348 assessments to date. Under current law, the difference, or \$743,652, left between the surcharge and assessment would be deposited into the IRTF. The bill would redirect the excess revenue into an excess surcharge account monitored by DFS. It’s unlikely that the \$743,652 would ever be collected as the surcharge would be ended at the amount assessed of \$2.5m.

The surcharge is not subject to Insurance Premium Tax.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16			\$0	\$0		
2016-17			\$0	\$0		
2017-18			\$0	\$0		
2018-19			\$0	\$0		
2019-20			\$0	\$0		

**List of affected Trust Funds:**

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Insurance Regulatory Trust Fund

**Issue:** Title Insurance Surcharge

**Bill Number(s):** CS/HB927

**Section 5: Consensus Estimate (Adopted: 05/27/2015): The Conference adopted a negative insignificant impact.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2016-17	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2017-18	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2018-19	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2019-20	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)



## REVENUE ESTIMATING CONFERENCE

**Tax:** Local Taxes and Fees

**Issue:** Local Government Parking Fees Exemption

**Bill Number(s):** CS/HB 471 / SB 788 (identical)

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Representative DuBose / Senator Sobel

**Month/Year Impact Begins:** July 1, 2015

**Date of Analysis:** May 27, 2015

### Section 1: Narrative

**a. Current Law:** Section 316.1964, F.S., addresses the exemption of vehicles transporting certain persons who have disabilities from the payment of parking fees and penalties. Section 316.1964(1), F.S., states that a state agency, county, municipality, or any agency thereof, may not charge a fee for parking in metered parking spaces or on the public streets or highways if the vehicle displays any of the disabled parking permits or disabled license plates listed below.

- Out of state or out of country disabled license plate or disabled parking permit as recognized under s. 316.1958, F.S.
- Disabled parking permit issued under s. 320.0848, F.S.
- Disabled veteran license plate issued under s. 320.084, F.S.
- Disabled veteran license plate stamped with the international wheelchair user symbol issued under s. 320.0842.
- License plate stamped with the international wheelchair user symbol issued under s. 320.0843, F.S.
- Paralyzed Veterans of America license plate issued under s. 320.0845, F.S.

This exemption applies only to the vehicle transporting the person who has a disability and to whom the disabled parking permit or disabled license plate was issued.

Section 316.1964(2), F.S., states that the driver of a vehicle, as provided in subsection (1), parked on the public streets or highways or in any metered parking space may not be penalized except in the following clearly defined areas.

- Bus loading zones;
- Fire zones;
- Access aisles adjacent to the parking spaces for persons who have disabilities;
- Areas posted as "No Parking" zones or as emergency vehicle zones; or
- For parking in excess of the posted time limit.

Notwithstanding s. 316.1964(1), F.S., there are several exceptions provided in current law for when a parking fee may be charged to a vehicle displaying a disabled parking permit.

- Pursuant to s. 316.1964(3), F.S., a parking facility may charge a parking fee when a state, county, or municipal parking facility or lot is being used for an event at a convention center, cruise-port terminal, sports stadium, sports arena, coliseum, or auditorium.
- Pursuant to s. 316.1964(6), F.S., a parking facility that leases a parking space for a duration that exceeds 1 week is not required to reduce the parking fee.
- Pursuant to s. 316.1964(7), F.S., an airport that owns, operates, or leases parking facilities, or any other parking facilities that are used for the purpose of air travel, may charge a parking fee. However, the governing body of each publicly owned or publicly operated airport must grant free parking for a vehicle with specialized equipment, such as a ramp, lift, or foot or hand controls, or for utilization by a person who has a disability or whose vehicle displays the Florida Toll Exemption permit.
- Pursuant to s. 316.1964(8), F.S., a county, municipality, or any agency thereof may charge a fee for parking in a facility or lot that provides timed parking spaces for any vehicle that displays a disabled parking permit. However, any vehicle with specialized equipment, such as ramps, lifts, or foot or hand controls, for use by a person who has a disability, or any vehicle that is displaying the Florida Toll Exemption permit, is exempt from any parking fees.

**b. Proposed Change:** Section 1 of the bill amends s. 316.1964(8), F.S., to exempt a vehicle that displays a Disabled Veteran "DV" license plate issued under s. 320.084, F.S., from paying parking fees charged by a county, municipality, or any agency thereof, in a facility or lot that provides timed parking spaces. Section 2 provides an effective date of July 1, 2015.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Taxes and Fees

**Issue:** Local Government Parking Fees Exemption

**Bill Number(s):** CS/HB 471 / SB 788 (identical)

**Section 2: Description of Data and Sources**

Department of Highway Safety and Motor Vehicles – counts of disabled veteran vehicle registrations and total vehicle registrations by county as of 5/26/15.

Parking rates for a sampling of several, more populous municipal governments.

**Section 3: Methodology (Include Assumptions and Attach Details)**

According to the Department of Highway Safety and Motor Vehicles, the 54,843 vehicle registrations assigned a disabled veteran plate represent 0.23 percent of the total vehicle registration population of 24,391,695. The number of disabled veteran vehicle registrations, as a proportional share of total vehicle registrations, is less than 1 percent in each Florida county.

Parking fees vary from jurisdiction to jurisdiction depending on the location of the parking space or facility such as a parking garage. Additionally, total amounts paid to park vary according to the number of hours parked. Based on a review of a number of municipal parking rates, the lowest hourly rate was \$1.00. Maximum daily fees vary as well.

With respect to attempting to calculate a fiscal impact, there are a number of uncertainties – a few of which are listed below.

1. How many drivers of disabled veteran-registered vehicles in Florida might take advantage of this exemption?
2. How many drivers of similarly-registered vehicles of other states, who are visitors to Florida, might take advantage of this exemption?
3. How many times on a monthly or annual basis would these vehicles park in spaces/facilities eligible for the exemption?
4. What might be the length of each parking stay subject to a fee?

In spite of the limited available information, it seems reasonable that the statewide revenue loss to local governments would exceed the \$50,000 significance threshold. Consequently, the staff is suggesting the bill’s fiscal impact during the forecast period will be negative indeterminate.

**Section 4: Proposed Fiscal Impact**

Local/Other	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16			(**)	(**)		
2016-17			(**)	(**)		
2017-18			(**)	(**)		
2018-19			(**)	(**)		
2019-20			(**)	(**)		

**List of Affected Trust Funds:**

Local funds

**Section 5: Consensus Estimate (Adopted: 05/27/2015): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2016-17	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2017-18	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2018-19	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2019-20	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Miami-Dade County Lake Belt Mitigation Fee and Water Treatment Plant Upgrade Fee

**Issues:** Reduces the mitigation fee from the current rate of 45 cents per ton to 25 cents per ton, beginning January 1, 2016; to 15 cents per ton, beginning January 1, 2017; and to 5 cents per ton, beginning January 1, 2018 and each year thereafter. Reduces the water treatment plant upgrade fee from the current rate of 15 cents per ton to 6 cents per ton, beginning July 1, 2015 and sets a July 1, 2018 expiration date for the upgrade fee.

**Bill Number(s):** CS/HB 359 (CS/SB 510 similar)

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Representative M. Diaz, Jr. / Senator Garcia

**Month/Year Impact Begins:** July 1, 2015

**Date of Analysis:** May 27, 2015

### Section 1: Narrative

a. **Current Law:** According to the most recent House Bill Analysis dated 2/20/2015, the Miami-Dade County Lake Belt Area encompasses 77.5 square miles of environmentally sensitive land at the western edge of the Miami-Dade County urban area. The Lake Belt contains deposits of limestone and sand suitable for production of construction aggregates, cement, and road base materials. In 1992, the Florida Legislature recognized the importance of the Lake Belt and established the Lake Belt Committee. Under current law, the mining companies operating in the Lake Belt Area and certain sections of two separate townships must pay a combination of fees based on the number of tons of limestone or sand extracted and sold from the area. Pursuant to s. 373.41492, F.S., two separate fees are currently imposed, and the fee proceeds are used to conduct wetland mitigation activities, fund seepage mitigation projects, and under certain circumstances, fund water treatment plant upgrades.

#### Mitigation Fee

A 45 cents per ton mitigation fee is imposed to provide a funding source for conducting mitigation activities that are appropriate to offset the loss of value and functions of wetlands as the result of mining activities. Such mitigation may include the purchase, enhancement, restoration, and management of wetlands and uplands in the Everglades watershed, the purchase of mitigation credit from a permitted mitigation bank, and any structural modifications to the existing drainage system to enhance the hydrology of the Miami-Dade County Lake Belt Area or the Everglades watershed. Funds may also be used to reimburse other funding sources, including the Save Our Rivers Land Acquisition Program, the Internal Improvement Trust Fund, the South Florida Water Management District and Miami-Dade County, for the purchase of lands that were acquired in areas appropriate for mitigation due to rock mining and to reimburse governmental agencies that exchanged land under s. 373.4149, F.S., for mitigation due to rock mining. The mitigation fee proceeds, less administrative costs, are transferred by the Department of Revenue to the South Florida Water Management District and deposited into the Lake Belt Mitigation Trust Fund. Since the mitigation fee's enactment in 1999, fee collections, to date, have totaled approximately \$88.1 million.

#### Water Treatment Plant Upgrade Fee

A 15 cents per ton water treatment plant upgrade fee is also imposed. The fee proceeds, less administrative costs, are transferred to the South Florida Water Management District and deposited into the Lake Belt Mitigation Trust Fund until either: 1) a total of \$20 million is deposited into the trust fund; or 2) the quarterly pathogen sampling conducted as a condition of the permits issued by the Department of Environmental Protection for rock mining activities in the Miami-Dade County Lake Belt Area demonstrates that the water in any quarry lake in the vicinity of the Northwest Wellfield would be classified as being in Bin 2 or higher as defined in the Environment Protection Agency's Long Term 2 Enhanced Surface Water Treatment Rule. Upon the earliest occurrence of either of these criteria, the fee proceeds, less administrative costs, are transferred by the Department of Revenue to a trust fund established by Miami-Dade County.

The upgrade fee proceeds deposited into the South Florida Water Management District's Lake Belt Mitigation Trust Fund are used solely to pay for seepage mitigation projects, including groundwater or surface water management structures designed to improve wetland habitat and approved by the Lake Belt Mitigation Committee. Any fee proceeds, which are transmitted to the trust fund established by Miami-Dade County, are used solely to upgrade a water treatment plant that treats water coming from the Northwest Wellfield in Miami-Dade County and include those works necessary to treat or filter a surface water source or supply or both. Since the upgrade fee's enactment in 2007, fee collections, to date, have totaled approximately \$33.4 million.

Prior to July 1, 2012, the upgrade fee proceeds were used solely to upgrade a water treatment plant that treats water coming from the Northwest Wellfield in Miami-County. Chapter 2012-107, L.O.F., (i.e., CS/HB 377) provided the current statutory language authorizing the upgrade fee proceeds to be first transferred to the South Florida Water Management District for deposit into the Lake Belt Mitigation Trust Fund to fund seepage mitigation projects. As previously mentioned, the proceeds are

## REVENUE ESTIMATING CONFERENCE

**Tax:** Miami-Dade County Lake Belt Mitigation Fee and Water Treatment Plant Upgrade Fee

**Issues:** Reduces the mitigation fee from the current rate of 45 cents per ton to 25 cents per ton, beginning January 1, 2016; to 15 cents per ton, beginning January 1, 2017; and to 5 cents per ton, beginning January 1, 2018 and each year thereafter. Reduces the water treatment plant upgrade fee from the current rate of 15 cents per ton to 6 cents per ton, beginning July 1, 2015 and sets a July 1, 2018 expiration date for the upgrade fee.

**Bill Number(s):** CS/HB 359 (CS/SB 510 similar)

re-directed to Miami-Dade County once either a total of \$20 million is deposited into the trust fund, or the quarterly pathogen sampling demonstrates that the water in any quarry lake in the vicinity of the Northwest Wellfield would be classified as being in Bin 2 or higher. Prior to July 1, 2012, upgrade fee proceeds transferred to Miami-Dade County totaled approximately \$19.8 million. Beginning July 1, 2012 through May 2015, transfers to the South Florida Water Management District have totaled approximately \$13.5 million.

Under current law, the Department of Revenue is authorized to deduct for administrative costs. The amount deducted may not exceed 3 percent of total revenue collections and may equal only those administrative costs reasonably attributable to the fees. The Department is not currently deducting for administrative costs.

- b. Proposed Change:** Section 2 of the bill amends s. 373.41492, F.S., to make changes to both the mitigation fee and the water treatment plant upgrade fee.

First, the bill reduces the mitigation fee from 45 cents per ton to 25 cents per ton, beginning January 1, 2016; to 15 cents per ton, beginning January 1, 2017; and to 5 cents per ton, beginning January 1, 2018 and each year thereafter. Additionally, the bill allows the mitigation fee proceeds to also be used to conduct water quality monitoring to ensure the protection of water resources within the Lake Belt Area.

Second, the bill reduces the water treatment plant upgrade fee from 15 cents per ton to 6 cents per ton, beginning July 1, 2015. Additionally, the water treatment plant upgrade fee will expire July 1, 2018. Also, it eliminates the South Florida Water Management District as the recipient of the upgrade fee proceeds and returns the proceeds to Miami-Dade County, beginning July 1, 2015.

### Section 2: Description of Data and Sources

Monthly mitigation fee and water treatment plant upgrade fee collections data furnished by the Department of Revenue.

### Section 3: Methodology (Include Assumptions and Attach Details)

Three alternative methodologies are provided, and the same methodologies are used for both the mitigation fee (see Table 1) and water treatment plant upgrade fee (see Table 2). **Note: These are the same methodologies used in the fiscal impact analysis (updated with the most recent collections data) when the bill was considered during the February 26, 2015 Impact Conference. During that impact conference, the principals adopted the methodology, which is reflected in this analysis as the Low estimates.**

#### Alternative #1 (High)

This methodology grows the 2013-14 limerock and sand extractions by the annual growth rates in the phosphate production in order to forecast mitigation fee and water treatment plant upgrade fees for the 2015-16 through 2019-20 period.

#### Alternative #2 (Middle)

This methodology grows the 2013-14 limerock and sand extractions by the annual growth rates in the solid minerals tax collections (excluding phosphate & heavy minerals) in order to forecast mitigation fee and water treatment plant upgrade fees for the 2015-16 through 2019-20 period.

#### Alternative #3 (Low)

This methodology grows the 2013-14 limerock and sand extractions by the growth rate in the July-April 2013-14 to 2014-15 extractions of limerock and sand in order to forecast mitigation fee and water treatment plant upgrade fees for the 2015-16 through 2019-20 period.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Miami-Dade County Lake Belt Mitigation Fee and Water Treatment Plant Upgrade Fee

**Issues:** Reduces the mitigation fee from the current rate of 45 cents per ton to 25 cents per ton, beginning January 1, 2016; to 15 cents per ton, beginning January 1, 2017; and to 5 cents per ton, beginning January 1, 2018 and each year thereafter. Reduces the water treatment plant upgrade fee from the current rate of 15 cents per ton to 6 cents per ton, beginning July 1, 2015 and sets a July 1, 2018 expiration date for the upgrade fee.

**Bill Number(s):** CS/HB 359 (CS/SB 510 similar)

**Section 4: Proposed Fiscal Impact**

**Mitigation Fee (see Table 1)**

Local/Other Impacts	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16 South FL WMD	(\$3.2m)	(\$3.2m)	(\$3.2m)	(\$3.2m)	(\$3.1m)	(\$12.4m)
2016-17 South FL WMD	(\$7.9m)	(\$7.9m)	(\$7.9m)	(\$7.9m)	(\$7.6m)	(\$12.2m)
2017-18 South FL WMD	(\$11.1m)	(\$11.1m)	(\$10.9m)	(\$10.9m)	(\$10.5m)	(\$12.0m)
2018-19 South FL WMD	(\$12.6m)	(\$12.6m)	(\$12.5m)	(\$12.5m)	(\$11.7m)	(\$11.7m)
2019-20 South FL WMD	(\$12.3m)	(\$12.3m)	(\$12.3m)	(\$12.3m)	(\$11.5m)	(\$11.5m)

**Water Treatment Plant Upgrade Fee (see Table 2)**

Trust and Local/Other Impacts	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16 South FL WMD-Loss of \$0.15 Fee Miami-Dade-Gain of \$0.06 Fee State Fire Marshal (Trust)	(\$4.7m) \$1.6m \$0.3m	(\$4.7m) \$1.9m \$0	(\$4.7m) \$1.6m \$0.3m	(\$4.7m) \$1.9m \$0	(\$4.7m) \$1.6m \$0.3m	(\$4.7m) \$1.9m \$0
2016-17 South FL WMD (Local/Other) Miami-Dade-Loss of \$0.15 Fee Miami-Dade-Gain of \$0.06 Fee	(\$2.4m) (\$2.4m) \$1.9m	(\$2.4m) (\$2.4m) \$1.9m	(\$2.4m) (\$2.4m) \$1.9m	(\$2.4m) (\$2.4m) \$1.9m	(\$2.3m) (\$2.3m) \$1.8m	(\$2.3m) (\$2.3m) \$1.8m
2017-18 Miami-Dade-Loss of \$0.15 Fee Miami-Dade-Gain of \$0.06 Fee	(\$4.7m) \$1.9m	(\$4.7m) \$1.9m	(\$4.7m) \$1.9m	(\$4.7m) \$1.9m	(\$4.5m) \$1.8m	(\$4.5m) \$1.8m
2018-19 Miami-Dade-Loss of \$0.15 Fee	(\$4.7m)	(\$4.7m)	(\$4.7m)	(\$4.7m)	(\$4.4m)	(\$4.4m)
2019-20 Miami-Dade-Loss of \$0.15 Fee	(\$4.6m)	(\$4.6m)	(\$4.6m)	(\$4.6m)	(\$4.3m)	(\$4.3m)

Note: The 2015-16 cash impacts reflect the \$300,000 reduction to Miami-Dade County and corresponding \$300,000 transfer to the State Fire Marshal to fund the study required under s. 552.30, F.S., to review the established statewide ground vibration limits for construction materials mining activities and to review any legitimate claims paid for damages caused by such mining activities.

**List of Affected Trust Funds:**

- Local Funds
- State Trust Fund

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Miami-Dade County Lake Belt Mitigation Fee and Water Treatment Plant Upgrade Fee

**Issues:** Reduces the mitigation fee from the current rate of 45 cents per ton to 25 cents per ton, beginning January 1, 2016; to 15 cents per ton, beginning January 1, 2017; and to 5 cents per ton, beginning January 1, 2018 and each year thereafter. Reduces the water treatment plant upgrade fee from the current rate of 15 cents per ton to 6 cents per ton, beginning July 1, 2015 and sets a July 1, 2018 expiration date for the upgrade fee.

**Bill Number(s):** CS/HB 359 (CS/SB 510 similar)

**Section 5: Consensus Estimate (Adopted: 05/27/2015): The Conference adopted the low estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	0.0	0.0	0.3	0.0	(6.2)	(15.2)	(5.9)	(15.2)
2016-17	0.0	0.0	0.0	0.0	(10.4)	(15.0)	(10.4)	(15.0)
2017-18	0.0	0.0	0.0	0.0	(13.2)	(14.7)	(13.2)	(14.7)
2018-19	0.0	0.0	0.0	0.0	(16.1)	(16.1)	(16.1)	(16.1)
2019-20	0.0	0.0	0.0	0.0	(15.8)	(15.8)	(15.8)	(15.8)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<b>Table 1</b>													
2	<b>CS/HB 359 Miami-Dade County Lake Belt Area</b>													
3	<b>Issue: Reductions in the Current Mitigation Fee Rate of \$0.45 Per Ton to \$0.25 per Ton, effective January 1, 2016; \$0.15 per Ton, effective January 1, 2017; and \$0.05 per Ton, effective January 1, 2018, and thereafter</b>													
4	<b>Tons of Limerock and Sand Extracted in State Fiscal Year Based on Applicable Fee Rate</b>													
5	<b>Month</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
6	July	3,685,590	2,283,943	1,710,637	1,608,293	1,567,483	1,815,907	2,242,568	2,780,118					
7	August	3,700,767	2,218,174	1,429,282	1,664,022	1,586,834	2,122,359	2,345,680	2,634,963					
8	September	3,945,922	1,920,446	1,508,132	1,573,206	1,802,046	2,587,930	2,610,660	2,576,458					
9	October	2,995,119	2,338,405	1,492,565	1,637,873	1,742,690	2,589,671	2,370,404	2,396,569					
10	November	3,232,246	2,177,093	1,325,458	1,789,566	1,462,964	2,913,982	3,251,408	2,670,767					
11	December	3,197,624	1,761,893	1,408,232	1,597,368	1,636,691	2,737,975	2,498,334	2,171,567					
12	January	2,762,184	1,657,695	1,332,438	1,335,220	1,553,630	2,662,451	2,360,801	2,552,081					
13	February	2,527,018	1,614,370	1,384,859	1,349,597	1,817,425	3,057,165	2,561,010	2,356,290					
14	March	2,598,824	1,558,194	1,279,259	1,418,833	1,568,688	2,701,220	2,697,380	2,388,723					
15	April	2,464,642	2,142,410	1,821,345	1,760,742	1,854,313	2,826,230	2,848,130	2,782,444					
16	May	2,399,388	1,214,263	1,604,888	1,577,611	1,733,521	2,868,890	2,990,143						
17	June	2,319,884	1,563,207	1,566,971	1,751,605	2,072,869	2,414,221	2,862,776						
18	<b>Total</b>	<b>35,829,208</b>	<b>22,450,094</b>	<b>17,864,066</b>	<b>19,063,936</b>	<b>20,399,154</b>	<b>31,298,003</b>	<b>31,639,292</b>	<b>25,309,980</b>	-	-	-	-	-
19	<b>% Change</b>	-	-37.3%	-20.4%	6.7%	7.0%	53.4%	1.1%						
20														
21														
22	<b>Low: Apply % Change in July-April 2013-14 to 2014-15 Extractions of Limerock and Sand Through the Forecast Period</b>													
23	<b>% Change</b>									-1.8%	-1.8%	-1.8%	-1.8%	-1.8%
24	<b>Extractions (Tons)</b>									31,054,768	30,481,042	29,917,915	29,365,193	28,822,681
25	<b>Cumulative Extraction Total: 2015-16 to 2019-20</b>													118,586,831
26	<b>Revenue Loss to South Florida WMD</b>									\$ (3,105,477)	\$ (7,620,260)	\$ (10,471,270)	\$ (11,746,077)	\$ (11,529,073)
27	<b>Cumulative Revenue Loss: 2015-16 to 2019-20</b>													\$ (44,472,157)
28														
29														
30	<b>Middle: Apply % Change in Solid Minerals Tax Collections Through the Forecast Period</b>													
31	<b>Solid Minerals Tax Collections (\$ Mil.) excluding Phosphate &amp; Heavy Minerals - DOR Spreadsheet, Row 31</b>						\$ 0.740	\$ 0.740	\$ 0.740	\$ 0.730	\$ 0.730	\$ 0.730	\$ 0.720	
32	<b>% Change</b>							0.0%	0.0%	-1.4%	0.0%	-1.4%		
33	<b>Extractions (Tons)</b>							31,639,292	31,639,292	31,211,734	31,211,734	30,784,176		
34	<b>Cumulative Extraction Total: 2015-16 to 2019-20</b>												124,846,937	
35	<b>Revenue Loss to South Florida WMD</b>							\$ (3,163,929)	\$ (7,909,823)	\$ (10,924,107)	\$ (12,484,694)	\$ (12,313,670)		
36	<b>Cumulative Revenue Loss: 2015-16 to 2019-20</b>												\$ (46,796,223)	
37														
38														
39	<b>High: Apply % Change in Phosphate Production Through the Forecast Period</b>													
40	<b>Phosphate Production (Tons) - DOR Spreadsheet, Row 16</b>							19.600	19.600	19.600	19.600	19.525	19.125	
41	<b>% Change</b>							0.0%	0.0%	0.0%	-0.4%	-2.0%		
42	<b>Extractions (Tons)</b>							31,639,292	31,639,292	31,639,292	31,518,223	30,872,524		
43	<b>Cumulative Extraction Total: 2015-16 to 2019-20</b>												125,669,331	
44	<b>Revenue Loss to South Florida WMD</b>							\$ (3,163,929)	\$ (7,909,823)	\$ (11,073,752)	\$ (12,607,289)	\$ (12,349,009)		
45	<b>Cumulative Revenue Loss: 2015-16 to 2019-20</b>												\$ (47,103,803)	
46														
47														
48	<b>Notes:</b>													
49	1) Chapter 1999-298, L.O.F., authorized the mitigation fee at the rate of 5 cents per ton, effective October 1, 1999. The fee has been increased a number of times since its original enactment, and the current rate is 45 cents per ton.													
50	2) The number of tons of limerock and sand extracted (i.e., Rows 6-17) was calculated by dividing the monthly receipts, per the Department of Revenue, by the applicable fee.													
51	3) The Department of Revenue is authorized pursuant to s. 373.41492(3), F.S., to deduct for administrative costs. The amount deducted may not exceed 3 percent of total revenue collections and may equal only the those administrative costs reasonably attributable to the fees; however, the Department is not currently deducting for administrative costs.													

Table 2

## CS/HB 359 Miami-Dade County Lake Belt Area

Issue: Reduction in the Current Water Treatment Plant Upgrade Fee Rate of \$0.15 Per Ton to \$0.06 per Ton, effective July 1, 2015; and Expiration of the Fee, effective July 1, 2018

## Tons of Limerock and Sand Extracted in State Fiscal Year Based on \$0.15 Per Ton Fee Rate

Month	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
July	3,685,590	2,283,943	1,710,637	1,608,293	1,567,483	1,815,907	2,242,568	2,780,118					
August	3,700,767	2,218,174	1,429,282	1,664,022	1,586,834	2,122,359	2,345,680	2,634,963					
September	3,945,922	1,920,446	1,508,132	1,573,206	1,802,046	2,587,930	2,610,660	2,576,458					
October	2,995,119	2,338,405	1,492,565	1,637,873	1,742,690	2,589,671	2,370,404	2,396,569					
November	3,232,246	2,177,093	1,325,458	1,789,566	1,462,964	2,913,982	3,251,408	2,670,767					
December	3,197,624	1,761,893	1,408,232	1,597,368	1,636,691	2,737,975	2,498,334	2,171,567					
January	2,762,184	1,657,695	1,332,438	1,335,220	1,553,630	2,662,451	2,360,801	2,552,081					
February	2,527,018	1,614,370	1,384,859	1,349,597	1,817,425	3,057,165	2,561,010	2,356,290					
March	2,598,824	1,558,194	1,279,259	1,418,833	1,568,688	2,701,220	2,697,380	2,388,723					
April	2,464,642	2,142,410	1,821,345	1,760,742	1,854,313	2,826,230	2,848,130	2,782,444					
May	2,399,388	1,214,263	1,604,888	1,577,611	1,733,521	2,868,890	2,990,143						
June	2,319,884	1,563,207	1,566,971	1,751,605	2,072,869	2,414,221	2,862,776						
<b>Total</b>	<b>35,829,208</b>	<b>22,450,094</b>	<b>17,864,066</b>	<b>19,063,936</b>	<b>20,399,154</b>	<b>31,298,003</b>	<b>31,639,292</b>	<b>25,309,980</b>	-	-	-	-	-
% Change	-	-37.3%	-20.4%	6.7%	7.0%	53.4%	1.1%						

## Low: Apply % Change in July-April 2013-14 to 2014-15 Extractions of Limerock and Sand Through the Forecast Period

% Change		-1.8%	-1.8%	-1.8%	-1.8%	-1.8%
Extractions (Tons)		31,054,768	30,481,042	29,917,916	29,365,193	28,822,682
Cumulative Extraction Total: 2015-16 to 2019-20						118,586,832
Revenue Loss to South Florida WMD from Loss of \$0.15 Per Ton WTPU Fee (Until \$20 Million in Total Proceeds)	\$ (4,658,215)	\$ (2,286,078)	\$ -	\$ -	\$ -	\$ -
Revenue Loss to Miami-Dade County from Loss of \$0.15 Per Ton WTPU Fee	\$ -	\$ (2,286,078)	\$ (4,487,687)	\$ (4,404,779)	\$ (4,323,402)	\$ (4,323,402)
Revenue Gain to Miami-Dade County from \$0.06 Per Ton WTPU Fee (Less \$300,000 in 2015-16 to Fund Study)	\$ 1,563,286	\$ 1,828,863	\$ 1,795,075	\$ -	\$ -	\$ -
Transfer to \$0.02 Per Ton Proceeds (Maximum of \$300,000) to State Fire Marshal to Fund Study	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -
Net Revenue Loss	\$ (2,794,929)	\$ (2,743,294)	\$ (2,692,612)	\$ (4,404,779)	\$ (4,323,402)	\$ (4,323,402)
Cumulative Revenue Loss: 2015-16 to 2019-20						\$ (16,959,016)

## Middle: Apply % Change in Solid Minerals Tax Collections Through the Forecast Period

Solid Minerals Tax Collections (\$ Mil.) excluding Phosphate & Heavy Minerals - DOR Spreadsheet, Row 31	\$ 0.740	\$ 0.740	\$ 0.740	\$ 0.730	\$ 0.730	\$ 0.720
% Change		0.0%	0.0%	-1.4%	0.0%	-1.4%
Extractions (Tons)		31,639,292	31,639,292	31,211,734	31,211,734	30,784,176
Cumulative Extraction Total: 2015-16 to 2019-20						124,846,937
Revenue Loss to South Florida WMD from Loss of \$0.15 Per Ton WTPU Fee (Until \$20 Million in Total Proceeds)	\$ (4,745,894)	\$ (2,372,947)	\$ -	\$ -	\$ -	\$ -
Revenue Loss to Miami-Dade County from Loss of \$0.15 Per Ton WTPU Fee	\$ -	\$ (2,372,947)	\$ (4,681,760)	\$ (4,681,760)	\$ (4,617,626)	\$ (4,617,626)
Revenue Gain to Miami-Dade County from \$0.06 Per Ton WTPU Fee (Less \$300,000 in 2015-16 to Fund Study)	\$ 1,598,358	\$ 1,898,358	\$ 1,872,704	\$ -	\$ -	\$ -
Transfer to \$0.02 Per Ton Proceeds (Maximum of \$300,000) to State Fire Marshal to Fund Study	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -
Net Revenue Loss	\$ (2,847,536)	\$ (2,847,536)	\$ (2,809,056)	\$ (4,681,760)	\$ (4,617,626)	\$ (4,617,626)
Cumulative Revenue Loss: 2015-16 to 2019-20						\$ (17,803,515)

## High: Apply % Change in Phosphate Production Through the Forecast Period

Phosphate Production (Tons) - DOR Spreadsheet, Row 16	19,600	19,600	19,600	19,600	19,525	19,125
% Change		0.0%	0.0%	0.0%	-0.4%	-2.0%
Extractions (Tons)		31,639,292	31,639,292	31,639,292	31,518,223	30,872,524
Cumulative Extraction Total: 2015-16 to 2019-20						125,669,331
Revenue Loss to South Florida WMD from Loss of \$0.15 Per Ton WTPU Fee (Until \$20 Million in Total Proceeds)	\$ (4,745,894)	\$ (2,372,947)	\$ -	\$ -	\$ -	\$ -
Revenue Loss to Miami-Dade County from Loss of \$0.15 Per Ton WTPU Fee	\$ -	\$ (2,372,947)	\$ (4,745,894)	\$ (4,727,734)	\$ (4,630,879)	\$ (4,630,879)
Revenue Gain to Miami-Dade County from \$0.06 Per Ton WTPU Fee (Less \$300,000 in 2015-16 to Fund Study)	\$ 1,598,358	\$ 1,898,358	\$ 1,898,358	\$ -	\$ -	\$ -
Transfer to \$0.02 Per Ton Proceeds (Maximum of \$300,000) to State Fire Marshal to Fund Study	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -
Net Revenue Loss	\$ (2,847,536)	\$ (2,847,536)	\$ (2,847,536)	\$ (4,727,734)	\$ (4,630,879)	\$ (4,630,879)
Cumulative Revenue Loss: 2015-16 to 2019-20						\$ (17,901,221)

## Notes:

- Chapter 2006-13, L.O.F., authorized the water treatment plant upgrade fee at the rate of 15 cents per ton, effective January 1, 2007.
- The number of tons of limerock and sand extracted (i.e., Rows 6-17) was calculated by dividing the monthly receipts, per the Department of Revenue, by the applicable fee rate.
- The Department of Revenue is authorized pursuant to s. 373.41492(3), F.S., to deduct for administrative costs. The amount deducted may not exceed 3 percent of total revenue collections and may equal only the those administrative costs reasonably attributable to the fees; however, the Department is not currently deducting for administrative costs.



**REVENUE ESTIMATING CONFERENCE**

**Tax:** License Fees for Public Accounting Firms

**Issue:** Public Accountancy

**Bill Number(s):** CS/CS/HB 373

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Regulatory Affairs Committee and Government Operations Appropriations Subcommittee and Raulerson; Bileca; Richardson; Stevenson

**Month/Year Impact Begins:** 7/1/2015

**Date of Analysis:** 5/26/2015

**Section 1: Narrative**

**a. Current Law:**

Currently, the definition of public accounting and the practice of public accountancy is defined in s. 473.302(8)(a), F.S. The certified public account (CPA) licensing requirements are based on that definition. Currently, firms and sole proprietors are required to obtain licenses from the Board of Accountancy (Board) with the Department of Business and Professional Regulation. Firms pay \$150 and sole proprietors pay \$50 per license.

**b. Proposed Change:**

This bill clarifies the certified public account (CPA) definition found in s. 473.302(8)(a), F.S. to mean a limited liability company, sole proprietor, firm, corporation, partnership, or other legal entity that is licensed according to s. 473.3101, F.S. Florida Statute s. 473.3101, F.S addresses the types of firms that are allowed to provide accounting services in Florida and their corresponding licensing requirements. As a result of this legislation, sole proprietors and firms that do not market or call themselves CPAs are no longer required to be licensed under this provision. This legislation also gives the Board the authority to determine if out of state firms providing services to clients who have offices within the state are required to obtain licensing by allowing the Board to determine what constitutes an office.

**Section 2: Description of Data and Sources**

Division of Certified Public Accounting, Department of Business and Professional Regulation

**Section 3: Methodology (Include Assumptions and Attach Details)**

As provided by the Division of Certified Public Accounting:

As of February 1, 2015 there were 5,419 licensed firms and sole proprietorships. For fiscal year 2014-15 there is not current data regarding how many of the 5,419 licensed entities are sole proprietorships or firms. As such, DBPR used the most recent data from 2011-12 fiscal to determine what percentage of the licensed entities, 52.38% were sole proprietorships and 47.62% were firms. Based on the 2011-12 data it is estimated that 2,839 sole proprietorships are currently licensed and 2,580 firms as well.

The low estimate is based on how many current licensees will “most likely” not have to renew their licenses, such as entities/individuals that do not market themselves as CPAs. The low estimate is that 20% of sole proprietorships and 2% of firms will most likely not be required to renew their licenses. The middle estimate is based on 25% of sole proprietorships and 3% of firms would no longer be required to renew their license. The high is based on 30% of sole proprietorships and 5% of firms. The out years and recurring was estimated using the current CPI estimates from the National Economic Estimating Conference (02/13/20150).

**Section 4: Proposed Fiscal Impact**

PRTF	Low		Middle		High	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	\$36,130	\$36,130	\$47,098	\$47,098	\$61,935	\$61,935
2016-17	\$36,780	\$36,780	\$47,945	\$47,945	\$63,050	\$63,050
2017-18	\$37,626	\$37,626	\$49,048	\$49,048	\$64,500	\$64,500
2018-19	\$38,492	\$38,492	\$50,176	\$50,176	\$65,983	\$65,983
2019-20	\$39,377	\$39,377	\$51,330	\$51,330	\$67,501	\$67,501

**List of affected Trust Funds:**

Professional Regulation Trust Fund

**REVENUE ESTIMATING CONFERENCE**

**Tax:** License Fees for Public Accounting Firms

**Issue:** Public Accountancy

**Bill Number(s):** CS/CS/HB 373

**Section 5: Consensus Estimate (Adopted: 05/27/2015): The Conference adopted the low estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2016-17	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2017-18	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2018-19	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2019-20	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)

Total Licenses FY 2014-15:	5,419
2011-12 Sole Proprietorship %	52.38%
2011-12 Firm %	47.62%

Sole Proprietorship License Fee	\$50
Firm License Fee	\$150

2014-15 Sole Proprietorship	2,839
2014-15 Firms	2,580

**Professional Services Growth**

**4.6%      3.7%      3.0%      3.5%**

**Sole Proprietorship Estimate:**

				<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Low	2,839	20%	\$50	\$28,390	\$ 29,696	\$ 30,795	\$ 31,719	\$ 32,829
Medium	2,839	25%	\$50	\$35,488	\$ 37,120	\$ 38,493	\$ 39,648	\$ 41,036
High	2,839	30%	\$50	\$42,585	\$ 44,544	\$ 46,192	\$ 47,578	\$ 49,243

**Firms Estimate:**

				<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Low	2,580	2%	\$150	\$7,740	\$8,096	\$8,396	\$8,647	\$8,950
Medium	2,580	3%	\$150	\$11,610	\$12,144	\$12,593	\$12,971	\$13,425
High	2,580	5%	\$150	\$19,350	\$20,240	\$20,989	\$21,619	\$22,375

**Total Estimate:**

				<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Low				\$36,130	\$ 37,792	\$ 39,190	\$ 40,366	\$ 41,779
Medium				\$47,098	\$ 49,264	\$ 51,087	\$ 52,619	\$ 54,461
High				\$61,935	\$ 64,784	\$ 67,181	\$ 69,196	\$ 71,618

## REVENUE ESTIMATING CONFERENCE

**Tax:** Other Taxes and Fees

**Issue:** Alligator Licenses

**Bill Number(s):** CS/HB7021

**Entire Bill**

**Partial Bill:** Section 9

**Sponsor(s):** Representative Sullivan

**Month/Year Impact Begins:** Upon Becoming Law

**Date of Analysis:** May 21, 2015

### Section 1: Narrative

- a. Current Law:** Children younger than 16 years who wish to hunt alligators are required to pay \$50 for the Alligator Trapping Agent License.

Current military and “wounded warriors” taking alligators as part of a Commission sanctioned event are required to pay \$250 for the Alligator Trapping License or \$50 for the Alligator Trapping Agent’s License.

Permanently disabled participants who wish to hunt are required to pay \$250 for the Alligator Trapping License or \$50 for the Alligator Trapping Agent License.

Contracted nuisance alligator trappers are required to pay \$250 for the Alligator Trapping License when trapping nuisance alligators at the request of FWC.

There is no cost to apply to participate in the Statewide Alligator Harvest Program. If successful in the drawing for a statewide alligator harvest permit, participants can purchase the necessary licenses and tags following their selection, but they must be acquired by the designated deadline or the permit will be returned to the pool for the next phase’s drawing.

In order to participate in the Statewide Alligator Harvest Program, an individual must purchase an alligator trapping license (or, in the alternative, an alligator trapping agent license). An alligator trapping license costs \$250 for a Florida resident, and \$1000 for a nonresident (plus administrative fees), as per section 379.3751, F.S. A Florida recreational hunting license is not required to participate in the statewide alligator harvest program.

In addition to the alligator trapping license, individuals selected for participation are issued a statewide alligator harvest permit. All permits are no cost, non-transferrable, and are specific to a designated alligator management unit. With each permit, an individual is issued two (2) alligator hide validation/CITES tags. Individuals who have not been selected to receive a permit may purchase an alligator trapping agent license (agent license) and assist an individual legally licensed and possessing a permit. These agents must be in the permit holder’s presence. Agent’s licenses are \$50 for residents and nonresidents (see section 379.3751, F.S.). A Statewide Alligator Harvest Program permittee may have an unlimited number of agents with him/her, but the permit holder must be present during the attempted harvest and every agent must hold a valid alligator trapping license or alligator trapping agent license.

- b. Proposed Change:**

Children younger than 16 years who wish to hunt alligators will experience a savings of \$50 annually because they will no longer be required to pay \$50 for the Alligator Trapping Agent License. They will still be required to hunt under a licensed alligator trapper.

Current military and “wounded warriors” taking alligators as part of a Commission sanctioned event will experience savings of either \$250 or \$50 because they will no longer be required to pay \$250 for the Alligator Trapping License or \$50 for the Alligator Trapping Agent’s License. The event sponsor will still be required to have an alligator trapping license and a valid alligator harvest permit and CITES tags.

Permanently disabled participants who wish to hunt alligators will experience a savings of either \$250 or \$50 because they will no longer be required to pay \$250 for the Alligator Trapping License or \$50 for the Alligator Trapping Agent License (though they will still be required to possess the license at no cost).

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Other Taxes and Fees  
**Issue:** Alligator Licenses  
**Bill Number(s):** CS/HB7021

Many contracted nuisance alligator trappers will experience savings of \$250 annually because they will no longer be required to pay \$250 for the Alligator Trapping License when trapping nuisance alligators at the request of FWC; if they are recreationally hunting (Statewide Alligator Harvest Program) or hunting on private lands, however, licenses would be required.

**Section 2: Description of Data and Sources**  
 FWC

**Section 3: Methodology (Include Assumptions and Attach Details)**

**Projected Fiscal Impact on FWC from exemptions to  
 Alligator Trapping Licenses and Alligator Trapping Agent Licenses  
 (per year – based on FY 2012-13 data)**

<u>License Name</u>	<u>Change in License Units Sold</u>	<u>Fee</u>	<u>Fiscal Impact</u>	<u>Note</u>
Resident Alligator Trapping License	-90	\$250	(\$22,500)	FN1
Alligator Trapping Agent License	-100	\$50	(\$5,000)	FN2
		<b>Total:</b>	<b>(\$27,500)</b>	

FN1 – Reduction in units sold represents proposed license exemption to contracted nuisance alligator trappers; it is unknown how many totally and permanently disabled persons would participate

FN2 – Reduction in units sold represents proposed license exemption to children less than 16 years of age, military/disabled veterans event participants and totally and permanently disabled persons

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16			(*)	(*)		
2016-17			(*)	(*)		
2017-18			(*)	(*)		
2018-19			(*)	(*)		
2019-20			(*)	(*)		

**List of affected Trust Funds:** State Game Trust Fund

**Section 5: Consensus Estimate (Adopted: 05/27/2015): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2016-17	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2017-18	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2018-19	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2019-20	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Other Taxes and Fees

**Issue:** Structural Engineer Licensing

**Bill Number(s):** CS/CS/HB 217, enrolled

**Entire Bill**

**Partial Bill:**

**Sponsor(s):**

**Month/Year Impact Begins:** July 1, 2015

**Date of Analysis:** 05/26/2015

### Section 1: Narrative

**a. Current Law:** Chapter 471, F.S., regulates engineering in this state. Section 471.011(1), F.S., provides the Board of Professional Engineers (Board) authority to establish, by rule, various fees for applications, examinations, reexamination, licensing and renewal, etc. The current fee structure provides that:

1. The initial application and examination fee shall not exceed \$125 (current fee) plus the actual per applicant cost for the examination from the National Council of Examiners for Engineering and Surveying or a similar national organization.
2. The initial license fee shall not exceed \$125. (The current fee is \$100.)
3. The fee for a certificate of authorization shall not exceed \$125.
4. The biennial renewal fee shall not exceed \$125 (current fee).
5. The fee for a temporary registration or certificate to practice engineering shall not exceed \$25 for an individual or \$50 for a business firm.
6. The fee for licensure by endorsement shall not exceed \$150.
7. The fee for application for inactive status or for reactivation of an inactive license shall not exceed \$150.

Additionally, imposed on every initial licensee and licensee renewal is a special fee of \$5. This fee is collected in an effort to combat unlicensed activity.<sup>1</sup>

**b. Proposed Change:** Beginning March 1, 2017, only duly licensed structural engineers may practice structural engineering. As such, the bill provides for the creation of a structural engineering licensing mechanism distinct from the professional engineer license. To become a structural engineer on and after March 1, 2017, an applicant must: (1) currently be an engineer or be qualified to become a licensed engineer, (2) submit an application in the format prescribed by the board, (3) pay a fee established by the board under s. 471.011, (4) provide satisfactory evidence of good moral character, (5) provide a record of 4 years of active structural engineering experience under the supervision of a licensed professional engineer and, (6) have successfully pass the National Council of Examiners for Engineering and Surveying Structural Engineering examination.

“Structural engineering” is defined in a newly created paragraph within s. 471.005, F.S., as, “an engineering service or creative work that includes the structural analysis and design of structural components or systems for **threshold buildings** as defined in s. 553.71.” [Emphasis added]

“Threshold building” is defined in 553.71, F.S., as, “any building which is greater than three stories or 50 feet in height, or which has an assembly occupancy classification as defined in the Florida Building Code which exceeds 5,000 square feet in area and an occupant content of greater than 500 persons.”

The bill provides a “grandfathering” period for licensed engineers to receive the new license. Before September 1, 2016, an applicant can satisfy criteria (5) and (6), stated above, by:

1. Submitting a signed affidavit in a prescribed format stating that the applicant is currently a licensed engineer in the state and has been engaged in the practice of structural engineering with at least 4 years of active structural engineering design experience;
2. Possessing a current professional engineering license and files the necessary documentation as required by the board, or possesses a current threshold inspector license; and
3. Agreeing to meet with the Board or a representative of the Board upon request for the purpose of evaluating the applicant’s qualifications for licensure.

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<sup>1</sup> Section 455.2281, F.S.

## REVENUE ESTIMATING CONFERENCE

**Tax:** Other Taxes and Fees

**Issue:** Structural Engineer Licensing

**Bill Number(s):** CS/CS/HB 217, enrolled

### Section 2: Description of Data and Sources

Discussion with Zana Raybon<sup>2</sup>, Executive Director of the Board of Professional Engineers and President of the Florida Engineering Management Corporation.

### Section 3: Methodology (Include Assumptions and Attach Details)

The Board currently collects \$230 from professional engineer (PE) applicants as payment for the application (\$125), the license (a refundable amount of \$100)<sup>3</sup>, and a mandatory unlicensed activity fee (\$5). Exam fees are paid directly to the National Council of Examiners for Engineering and Surveying.

The Board has not established new fees, but anticipates a fee structure similar to that which a professional engineer pays when applying for a Special Inspector certification as the amount (application fee plus licensing fee) due for those “grandfathered” applicants seeking the new structural engineering license before September 1, 2016. The inspector certification is available to professional engineers with 10 years of experience inspecting threshold buildings, costs \$225 per applicant, and covers the application fee as well as the certification.

The management corporation provided an estimated number of engineers that currently practice structural engineering most likely to meet the requirements of the legislation: 1,300 individuals. (This includes approximately 700 individuals who currently possess the Special Inspector certification.) Holding this figure constant and assuming (1) each prospective structural engineer seeking licensure applies to the management corporation between July 1, 2015, and August 31, 2016, and (2) that the fee is \$225 (\$125 application fee and \$100 license fee) the expected revenue generated by “grandfathering” licensure in Fiscal Years 2015-2016 and 2016-2017 is \$292,500. However, there is no certainty as to how many will proceed to obtain the license nor does a fee schedule currently exist to conduct a more precise accounting. For example, without a fee structure, it is unknown whether a current license holder will have to pay only the application fee or pay both, an application fee plus the licensing fee.

On and after March 1, 2017, structural engineering applicants are expected to pay the same \$230 as is paid today for an engineer’s license. A person applying for a structural engineering license may receive a professional engineering designation as well, at no additional cost. The management corporation expects the new applicants applying for the structural engineering license to be those individuals who would have practiced structural engineering under a PE license had this license distinction not become law. Currently, approximately 35,000 engineers are licensed PEs in the state of Florida.<sup>4</sup>

A further uncertainty exists as to the future licensing for currently licensed PEs that either practice structural engineering or those that choose to practice structural engineering after the grandfathering period closes. In either case, the prospective structural engineer must meet all statutory requirements under this new legislation. However, considering they currently hold a license, there is no certainty as to what license fee they may pay.

The biennial renewal fee is applicable to all licensed engineers in this state. Section 471.017, F.S.

The proposed fiscal impact assumes at least 223 licensed engineers apply for the structural engineering license in FY 2015-2016 and 2016-2017 before September 1, 2016, and pay an application and licensing fee of \$225 (\$125 application fee and \$100 license fee). After the initial “grandfathering” period ends, the fiscal impact is insignificant.

For periods after September 1, 2016, this analysis assumes that a subset of licensed engineers will obtain a structural engineering license after March 1, 2017, and this subset will not be greater than 222 persons per year.

### Section 4: Proposed Fiscal Impact

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<sup>2</sup> Telephone conversations with Zana Raybon (May 21, 2015).

<sup>3</sup> The license fee of \$100 is refundable to those applicant denied approval for licensure. For example, in Fiscal Year 2013-2014, the management corporation received 5,944 applications for licensure. Of these, the management corporation approved 1,377 applications for licensure. The applicants not approved receive a refund of the licensure portion of the \$230 originally paid.

<sup>4</sup> Email correspondence with Zana Raybon (May 21, 2015).

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Other Taxes and Fees

**Issue:** Structural Engineer Licensing

**Bill Number(s):** CS/CS/HB 217, enrolled

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16			**	*		
2016-17			**	*		
2017-18			*	*		
2018-19			*	*		
2019-20			*	*		

**List of affected Trust Funds:**

**Section 5: Consensus Estimate (Adopted: 05/27/2015):** The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	(**)	(*)	(**)	(*)	0.0	0.0	(**)	(*)
2016-17	(**)	(*)	(**)	(*)	0.0	0.0	(**)	(*)
2017-18	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2018-19	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2019-20	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)



**REVENUE ESTIMATING CONFERENCE**

**Tax:** Miscellaneous Fees

**Issue:** Mobile Home HOA Training

**Bill Number(s):** Section 3 of CS/CS/HB 307

**Entire Bill**

**Partial Bill:** Section 3

**Sponsor(s):** Latvala

**Month/Year Impact Begins:** July 2016

**Date of Analysis:** May 26, 2015

**Section 1: Narrative**

- a. **Current Law:** The Division of Florida Condominiums, Timeshares, and Mobile Homes within the Department of Business and Professional Regulation is required under the Condominium Act and the Cooperative Act to provide training and educational programs for association board members and owners. The division may also approve education and training programs and maintain a list of approved programs and providers. No similar provisions exist in the Mobile Home Act.
- b. **Proposed Change:** The bill amends s. 723.006, F.S., to require the division to approve training and educational provider programs for board members of mobile homeowners' associations and mobile home owners. The cost of the training and educational programs must be borne by the providers of the programs and the division must establish a fee structure for the training programs sufficient to recover any costs it incurs. Nobody is required to receive the training.

**Section 2: Description of Data and Sources**

Legislative Bill Analysis from the Department of Business and Professional Regulation

**Section 3: Methodology (Include Assumptions and Attach Details)**

The bill requires that the division approve training programs for mobile home HOAs. As stated in the Department’s bill analysis, the market for providing such education is unknown. It is unknown whether or when any entities will apply for approval, and whether the department will incur any costs for approving such programs.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16			Indeterminate	Indeterminate		
2016-17			Indeterminate	Indeterminate		
2017-18			Indeterminate	Indeterminate		
2018-19			Indeterminate	Indeterminate		
2019-20			Indeterminate	Indeterminate		

**List of affected Trust Funds:**

**Section 5: Consensus Estimate (Adopted: 05/27/2015): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	**	**	**	**	0.0	0.0	**	**
2016-17	**	**	**	**	0.0	0.0	**	**
2017-18	**	**	**	**	0.0	0.0	**	**
2018-19	**	**	**	**	0.0	0.0	**	**
2019-20	**	**	**	**	0.0	0.0	**	**

## REVENUE ESTIMATING CONFERENCE

**Tax:** Unclaimed Property

**Issue:** Escheatment of U.S. Savings Bonds

**Bill Number(s):** HB 887 (Enrolled)

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Representative Trumbull

**Month/Year Impact Begins:** July 1, 2015

**Date of Analysis:** May 21, 2015

### Section 1: Narrative

**a. Current Law:** Chapter 717, F.S., provides a framework for the escheatment of certain unclaimed property to the State of Florida. Unclaimed property consists of any funds or other property (tangible or intangible) that has remained unclaimed by the owner for a certain period of time and may include savings and checking accounts, money orders, travelers' checks, un-cashed payroll checks, stocks, bonds, other securities, insurance policy payments, refunds, security and utility deposits, and contents of safe deposit boxes. Holders of unclaimed property, which typically include banks and insurance companies, are required to report such property to the Department of Financial Services (DFS) each year by April 30. The DFS is responsible for receiving property, attempting to locate the rightful owner, and returning the property or proceeds to owners filing lawful claims. Under current law, the department takes **custody** of the unclaimed property but does not take **title** to the property.

U.S. savings bonds (i.e., debt securities issued by the U.S. Treasury to pay for the federal government's borrowing needs) are one type of unclaimed property. There are two types of unclaimed savings bonds: (1) *physical bonds* are bonds physically held by an unclaimed property administrator and subsequently submitted to DFS; and (2) *absent bonds* are bonds issued to an individual whose last known address is in Florida but have been lost, stolen, or destroyed; thus, are not physically in the custody of the department. Currently, the department holds custody of unclaimed physical bonds with a face value of more than \$1.2 million. However, federal law prohibits the transfer of U.S. savings bonds to anyone other than the named beneficiary except in limited circumstances, including pursuant to a valid judicial proceeding. Because DFS is the custodian, and not the title holder of the bonds, the department cannot initiate escheat proceedings on these savings bonds. In addition to the physical bonds, there is estimated to be more than \$100 million in absent bonds registered to persons with a last known address in Florida. The records for absent bonds are held by the U.S. Treasury, which provides only limited information about the bond to persons other than the bond owner.

**b. Proposed Change:** The bill creates a judicial process by which DFS may file a civil action in a court of competent jurisdiction in Leon County to determine that titles to unclaimed U.S. savings bonds escheat to the state. The bill requires a notice of action and provides due process by which a person with an interest in the bond can file a claim with the court. If no one files a claim, and if the department has substantially complied with the notice requirements, the court must enter a default judgment that the bond, or proceeds from the bond, has escheated to the state. Under the bill, U.S. savings bonds are not considered unclaimed until they have matured and have remained unclaimed for five years after the bond maturity date (typically 30-40 years).

Once the department obtains title to these bonds, it places the department in the same position as the owner of the bond, which is necessary to recover proceeds from the U.S. Treasury. The department may petition the U.S. Treasury for redemption of these bonds. The process is likely to be more successful for the physical bonds currently in the possession of the department. For absent bonds, the department does not currently have the information necessary to complete the notice requirements of the bill. There is pending litigation in another state (Kansas) which has initiated suit against the U.S. Treasury seeking payment for unclaimed absent bonds and for records identifying the original owners.

Similar to other types of unclaimed property, the bill provides a claims process for owners to recover the bond proceeds even after the bonds escheat to the state. The current forecast for the Unclaimed Property Trust Fund assumes a refunds rate of 64.5% in 2015-16, rising to 65% by FY 2019-20.

### Section 2: Description of Data and Sources

1. Agency Bill Analysis, Department of Financial Services (March 17, 2015)
2. Final Bill Analysis, House of Representatives (May 12, 2015)

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Unclaimed Property

**Issue:** Escheatment of U.S. Savings Bonds

**Bill Number(s):** HB 887 (Enrolled)

**Section 3: Methodology (Include Assumptions and Attach Details)**

The revenue impact is dependent upon a number of factors that cannot be accurately predicted or calculated. Such factors include: whether the department is granted title to the physical bonds currently in possession; whether the department is able to find information pertaining to absent bonds so that such bonds escheat to the state; and the extent to which bond owners make successful claims for these bonds and bond proceeds. Thus, the proposed fiscal impact is indeterminate positive.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16			**	**		
2016-17			**	**		
2017-18			**	**		
2018-19			**	**		
2019-20			**	**		

**List of affected Trust Funds:**

Unclaimed Property Trust Fund/ State School Trust Fund

**Section 5: Consensus Estimate (Adopted: 05/27/2015): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2015-16	*	*	**	**	0.0	0.0	**	**
2016-17	*	*	**	**	0.0	0.0	**	**
2017-18	*	*	**	**	0.0	0.0	**	**
2018-19	*	*	**	**	0.0	0.0	**	**
2019-20	*	*	**	**	0.0	0.0	**	**