

## REVENUE ESTIMATING CONFERENCE

**Tax:** Ad Valorem

**Issue:** Renewable Energy Devices

**Bill Number(s):** HB 1351

☐ **Entire Bill**

☒ **Partial Bill:** Sections 3, 4, and 8

**Sponsor(s):** Representative Rodrigues

**Month/Year Impact Begins:** January 1, 2018

**Date of Analysis:** March 10, 2017

### Section 1: Narrative

- a. **Current Law:** Article VII, Section 3(e) of the Florida Constitution reads: By general law and subject to conditions specified therein, Twenty-five thousand dollars of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation.

Article VII, Section 4(i) of the Florida Constitution reads: The legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the following in the determination of the assessed value of real property used for residential purposes:

- (1) Any change or improvement made for the purpose of improving the property's resistance to wind damage.
- (2) The installation of a renewable energy source device.

Section 193.624, Florida Statutes, implements the above constitutional provision. The section provides:  
193.624 Assessment of residential property

1) As used in this section, the term "renewable energy source device" means any of the following equipment that collects, transmits, stores, or uses solar energy, wind energy, or energy derived from geothermal deposits:

- (a) Solar energy collectors, photovoltaic modules, and inverters.
  - (b) Storage tanks and other storage systems, excluding swimming pools used as storage tanks.
  - (c) Rockbeds.
  - (d) Thermostats and other control devices.
  - (e) Heat exchange devices.
  - (f) Pumps and fans.
  - (g) Roof ponds.
  - (h) Freestanding thermal containers.
  - (i) Pipes, ducts, refrigerant handling systems, and other equipment used to interconnect such systems; however, such equipment does not include conventional backup systems of any type.
  - (j) Windmills and wind turbines.
  - (k) Wind-driven generators.
  - (l) Power conditioning and storage devices that use wind energy to generate electricity or mechanical forms of energy.
  - (m) Pipes and other equipment used to transmit hot geothermal water to a dwelling or structure from a geothermal deposit.
- (2) In determining the assessed value of real property used for residential purposes, an increase in the just value of the property attributable to the installation of a renewable energy source device may not be considered.
- (3) This section applies to the installation of a renewable energy source device installed on or after January 1, 2013, to new and existing residential real property.

b. **Proposed Change:**

HB 1351 amends section 193.624, F.S., to expand the treatment under the section to all real property rather than residential property.

Section 193.624 (2) F.S., is modified: In determining the assessed value of real property ~~used for residential purposes~~, an increase in the just value of the property attributable to the installation of a renewable energy source device may not be considered.

Section 193.624 (3) F.S., is modified: (3) This section applies to ~~the installation of a renewable energy source device installed on or after January 1, 2013, on~~ new and existing residential real property. This section applies to a renewable energy source device installed on or after January 1, 2018, on all other real property.

The bill creates section 196.183 (1) (b) F.S., (b) In addition, the assessed value of a renewable energy source device, as defined in s. 193.624, that is otherwise subject to tangible personal property tax is exempt from ad valorem taxation.

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The proposed changes expire on December 31, 2037 for both the ad valorem and tangible personal property portions.

The effective date of the proposed changes is January 1, 2018.

### Section 2: Description of Data and Sources

Public Service Commission (PSC) data: number of solar systems and kilowatt capacity in Florida (2015 report provided for May 2015 Solar FIEC) and the portion of systems that are commercial versus residential.

Ten Year Site Plans (TYSP) from the Public Service Commission 2013-2016

Customer Owned Renewable Energy 2008-2016

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

Currently, only residential Photovoltaic (PV) systems, owned by the homeowner (installed after January 2, 2013), are exempt from this tax. The proposed language will exempt any such installations, including any component thereof, from ad valorem taxation. This includes all non-residential PV installations as well as any leased residential PV systems. This change will include any utility PV installations, and PV installations of entities that sell electricity to utilities.

The analysis considers the kW capacity of customer owned solar systems, which is a mix of commercial and residential systems, and the kW capacity of Utility and related entities. The breakout between residential and commercial ownership provided by the PSC is used to separate the non-residential customer owned systems from the total customer owned PV. The growth rates used for the number of systems and kilowatt (kW) capacity are consistent with the growth rates underlying the 2015 FIEC. The share of residential PV systems is assumed to be the 2013 value, 76.97%. The percentage is applied to the non-leased customer owned systems. The customer owned and utility related PV systems analyses are performed separately, but use similar assumptions.

The depreciation is calculated as the depreciated replacement cost for the appraisal year. The replacement price by year table shows the total price to replace the installed PV systems in terms of the current year specified. For example, the 2018 replacement price by cohort for the customer owned analysis in 2013 is the price of the systems installed in 2013 if they were replaced at the 2018 price. This adjusted 2013 price is then depreciated into 2018 based on the 20-year life assumption for PV systems.

**The proposed changes specifically exclude renewable energy sources devices installed as non-residential real property prior to the January 1 2018.** The impact of the latter change is generated by applying the millage rates to the depreciated total installed price for all systems. The commercial real property impact applies the assumed percent of commercial real property to the present value of installed systems by year, and then applies the millage rate. The commercial and residential TPP percent is separately applied to the present value of installed systems by year, and multiplied by the millage rates.

The final adjustment is made for the inclusion of components and other renewable energy devices. The estimate is increased by a variety of percentages for changes in sections (a), (i), and (l). Changes for the use of the electricity generated and for other renewable installations are also added.

The utility analysis is done in two parts. For both parts, it is assumed that the utility installations fall into the tangible personal property tax category. The estimate uses the 10-year site plan as scheduled with one change based on an FPL press release. The installations are priced to present value for each year and the millage rate is applied as in the customer-owned portion of the analysis.

The analysis assumes, based on the Federal Tax Credit extension, that the solar market is incentivized to accelerate deployments. However, it is also assumed that property tax is not the deciding factor in purchasing a solar system because it is a relatively small cost compared to the initial capital investment required for the system.

The cash impacts do not start until 2018-19 based on the roll approval process.

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## Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18				\$(23.3 M)		
2018-19			\$(44.2 M)	\$(44.2 M)		
2019-20			\$(55.8 M)	\$(55.8 M)		
2020-21			\$(55.4 M)	\$(55.4 M)		
2021-22			\$(58.4 M)	\$(58.4 M)		

**List of affected Trust Funds:** Ad Valorem

**Section 5: Consensus Estimate (Adopted: 03/10/2017):** The Conference adopted the proposed estimate, adopting the fifth year recurring as the recurring impact for the entire forecast period.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	(22.8)	0.0	(35.6)	0.0	(58.4)
2018-19	(17.3)	(22.8)	(26.9)	(35.6)	(44.2)	(58.4)
2019-20	(21.8)	(22.8)	(34.0)	(35.6)	(55.8)	(58.4)
2020-21	(21.7)	(22.8)	(33.7)	(35.6)	(55.4)	(58.4)
2021-22	(22.8)	(22.8)	(35.6)	(35.6)	(58.4)	(58.4)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	0.0	0.0	0.0	(58.4)	0.0	(58.4)
2018-19	0.0	0.0	0.0	0.0	(44.2)	(58.4)	(44.2)	(58.4)
2019-20	0.0	0.0	0.0	0.0	(55.8)	(58.4)	(55.8)	(58.4)
2020-21	0.0	0.0	0.0	0.0	(55.4)	(58.4)	(55.4)	(58.4)
2021-22	0.0	0.0	0.0	0.0	(58.4)	(58.4)	(58.4)	(58.4)

	A	B	C	D	E	F	G
1	<b>Impact Summary</b>						
2							
3	<b>School Impact</b>						
4		<b>High</b>		<b>Middle</b>		<b>Low</b>	
5	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
6	2017-18				\$ (9.1 M)		
7	2018-19			\$ (17.3 M)	\$ (17.3 M)		
8	2019-20			\$ (21.8 M)	\$ (21.8 M)		
9	2020-21			\$ (21.7 M)	\$ (21.7 M)		
10	2021-22			\$ (22.8 M)	\$ (22.8 M)		
11							
12	<b>Non-School Impact</b>						
13		<b>High</b>		<b>Middle</b>		<b>Low</b>	
14	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
15	2017-18				\$ (14.2 M)		
16	2018-19			\$ (26.9 M)	\$ (26.9 M)		
17	2019-20			\$ (34.0 M)	\$ (34.0 M)		
18	2020-21			\$ (33.8 M)	\$ (33.8 M)		
19	2021-22			\$ (35.5 M)	\$ (35.5 M)		
20							
21	<b>Total Impact</b>						
22		<b>High</b>		<b>Middle</b>		<b>Low</b>	
23	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
24	2017-18				\$ (23.3 M)		
25	2018-19			\$ (44.2 M)	\$ (44.2 M)		
26	2019-20			\$ (55.8 M)	\$ (55.8 M)		
27	2020-21			\$ (55.4 M)	\$ (55.4 M)		
28	2021-22			\$ (58.4 M)	\$ (58.4 M)		
29							
30							

	A	B	C	D	E	F	G
1	<b>Commercial Real Property (after 1/1/2018)</b>						
2		<b>School</b>		<b>Non - School</b>		<b>Additional impact</b>	
3	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
4	2017-18		\$ -		\$ -		\$ -
5	2018-19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	2019-20	\$ (0.19 M)	\$ (0.19 M)	\$ (0.29 M)	\$ (0.29 M)	\$ (0.03 M)	\$ (0.03 M)
7	2020-21	\$ (0.32 M)	\$ (0.32 M)	\$ (0.49 M)	\$ (0.49 M)	\$ (0.05 M)	\$ (0.05 M)
8	2021-22	\$ (0.42 M)	\$ (0.42 M)	\$ (0.65 M)	\$ (0.65 M)	\$ (0.06 M)	\$ (0.06 M)
9							
10	<b>Residential/Commercial TPP Look back</b>						
11		<b>School</b>		<b>Non - School</b>		<b>Additional impact</b>	
12	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
13	2017-18		\$ (2.1 M)		\$ (3.2 M)		\$ (0.32 M)
14	2018-19	\$ (2.6 M)	\$ (2.6 M)	\$ (4.1 M)	\$ (4.1 M)	\$ (0.40 M)	\$ (0.40 M)
15	2019-20	\$ (2.3 M)	\$ (2.3 M)	\$ (3.6 M)	\$ (3.6 M)	\$ (0.36 M)	\$ (0.36 M)
16	2020-21	\$ (2.1 M)	\$ (2.1 M)	\$ (3.2 M)	\$ (3.2 M)	\$ (0.32 M)	\$ (0.32 M)
17	2021-22	\$ (1.9 M)	\$ (1.9 M)	\$ (2.9 M)	\$ (2.9 M)	\$ (0.28 M)	\$ (0.28 M)
18							
19	<b>Residential/Commercial TPP after 2018</b>						
20		<b>School</b>		<b>Non - School</b>		<b>Additional impact</b>	
21	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
22	2017-18		\$ -		\$ -		\$ -
23	2018-19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	2019-20	\$ (0.9 M)	\$ (0.9 M)	\$ (1.4 M)	\$ (1.4 M)	\$ (0.14 M)	\$ (0.14 M)
25	2020-21	\$ (1.9 M)	\$ (1.9 M)	\$ (2.9 M)	\$ (2.9 M)	\$ (0.29 M)	\$ (0.29 M)
26	2021-22	\$ (2.9 M)	\$ (2.9 M)	\$ (4.6 M)	\$ (4.6 M)	\$ (0.45 M)	\$ (0.45 M)
27							
28	<b>Utility Analysis High Look back (PV systems installed before January 1, 2018)</b>						
29		<b>School</b>		<b>Non - School</b>		<b>Additional impact</b>	
30	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
31	2017-18		\$ (6.2 M)		\$ (9.7 M)		\$ (1.75 M)
32	2018-19	\$ (13.1 M)	\$ (13.1 M)	\$ (20.4 M)	\$ (20.4 M)	\$ (3.68 M)	\$ (3.68 M)
33	2019-20	\$ (11.8 M)	\$ (11.8 M)	\$ (18.3 M)	\$ (18.3 M)	\$ (3.31 M)	\$ (3.31 M)
34	2020-21	\$ (10.6 M)	\$ (10.6 M)	\$ (16.4 M)	\$ (16.4 M)	\$ (2.97 M)	\$ (2.97 M)
35	2021-22	\$ (9.4 M)	\$ (9.4 M)	\$ (14.7 M)	\$ (14.7 M)	\$ (2.66 M)	\$ (2.66 M)
36							
37	<b>Utility Analysis High (PV systems installed on or after January 1, 2018)</b>						
38		<b>School</b>		<b>Non - School</b>		<b>Additional impact</b>	
39	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
40	2017-18		\$ -		\$ -		\$ -
41	2018-19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	2019-20	\$ (4.6 M)	\$ (4.6 M)	\$ (7.2 M)	\$ (7.2 M)	\$ (1.30 M)	\$ (1.30 M)
43	2020-21	\$ (4.9 M)	\$ (4.9 M)	\$ (7.6 M)	\$ (7.6 M)	\$ (1.37 M)	\$ (1.37 M)
44	2021-22	\$ (6.1 M)	\$ (6.1 M)	\$ (9.6 M)	\$ (9.6 M)	\$ (1.73 M)	\$ (1.73 M)

	A	B	C	D	E	F	G
1	<b>Customer Owned* Analysis</b>						
2	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
6	Depreciable Life (years)				20		
7							
8		Photo Voltaic Systems		kW Capacity			
9		Installations	Growth	kW Rating	Growth	Growth Adjustment	
10	2008	577		2,765			
11	2009	1,625	181.63%	12,986	369.66%		
12	2010	2,812	73.05%	19,208	47.91%		
13	2011	3,930	39.76%	27,706	44.24%		
14	2012	5,269	34.07%	41,521	49.86%		
15	2013	6,680	26.78%	57,492	38.46%		
16	2014	8,546	27.93%	74,043	28.79%		
17	2015	11,600	35.74%	101,835	37.53%		
18	2016	14,500	25%	137,405	34.9%	95.0%	
19	2017	17,690	22%	183,000	33.2%	95.0%	
20	2018	21,228	20%	240,689	31.5%	95.0%	
21	2019	25,049	18%	312,770	29.9%	95.0%	
22	2020	29,057	16%	401,753	28.5%	95.0%	
23	2021	33,706	16%	510,338	27.0%	95.0%	
24	2022	39,099	16%	641,374	25.7%	95.0%	
25							
26	2016 National Averages			\$/ Watt	\$/ kW		
27	Res price			\$ 4.10	\$ 4,100		
28	Non Res <500 kW			\$ 3.50	\$ 3,500		
29	Non Res >500 kW			\$ 2.50	\$ 2,500		
30	Weighted average price Res and Non Res <500 kW			\$ 3.96	\$ 3,962		
31							
32	<b>Price Per kW</b>						
33		Customer Owned	Price Factor (1=no change)				
34	2016 **	\$ 3,962					
35	2017	\$ 3,764	95.0%				
36	2018	\$ 3,576	95.0%				
37	2019	\$ 3,397	95.0%				
38	2020	\$ 3,227	95.0%				
39	2021	\$ 3,066	95.0%				
40	2022	\$ 2,912	95.0%				
41							
42	2013*	\$ 3,290					
43	*Previous Installed price per kW from DOE Photovoltaic Pricing Trends (underlying information from FIEC).						
44	** Updated Installed price per kW from 2016 National averages						

	A	B	C	D	E	F	G
45							
46	<b>Total Replacement price by the year of installation using the Indicated Current price per kW</b>						
47	<b>Commercial and Residential TPP</b>						
48							
49	<b>Roll Date Adjusted</b>	2017 roll date replacement price by cohort year	2018 roll date replacement price by cohort year	2019 roll date replacement price by cohort year	2020 roll date replacement price by cohort year	2021 roll date replacement price by cohort year	
50		Customer Owned	Customer Owned	Customer Owned	Customer Owned	Customer Owned	
51	Prices	\$ 3,764	\$ 3,576	\$ 3,397	\$ 3,227	\$ 3,066	
52	2008	\$ 6,868,402	\$ 6,524,982	\$ 6,198,733	\$ 5,888,796	\$ 5,594,356	
53	2009	\$ 25,389,488	\$ 24,120,013	\$ 22,914,013	\$ 21,768,312	\$ 20,679,896	
54	2010	\$ 15,455,767	\$ 14,682,979	\$ 13,948,830	\$ 13,251,388	\$ 12,588,819	
55	2011	\$ 21,109,468	\$ 20,053,994	\$ 19,051,294	\$ 18,098,730	\$ 17,193,793	
56	2012	\$ 34,317,168	\$ 32,601,310	\$ 30,971,244	\$ 29,422,682	\$ 27,951,548	
57	2013	\$ 39,672,782	\$ 37,689,143	\$ 35,804,686	\$ 34,014,452	\$ 32,313,729	
58	2014	\$ 41,113,532	\$ 39,057,856	\$ 37,104,963	\$ 35,249,715	\$ 33,487,229	
59	2015	\$ 69,036,752	\$ 65,584,915	\$ 62,305,669	\$ 59,190,385	\$ 56,230,866	
60	2016	\$ 88,358,560	\$ 83,940,632	\$ 79,743,600	\$ 75,756,420	\$ 71,968,599	
61	2017		\$ 107,597,554	\$ 102,217,677	\$ 97,106,793	\$ 92,251,453	
62	2018			\$ 129,329,663	\$ 122,863,180	\$ 116,720,021	
63	2019				\$ 153,514,578	\$ 145,838,849	
64	2020					\$ 180,038,361	
65	2021						
66							
67	<b>Total Replacement price by the year of installation using the Indicated Current price per kW</b>						
68	<b>Commercial Real Property installed on or after January 1, 2018</b>						
69							
70	<b>Roll Date Adjusted</b>	2017 roll date replacement price by cohort year	2018 roll date replacement price by cohort year	2019 roll date replacement price by cohort year	2020 roll date replacement price by cohort year	2021 roll date replacement price by cohort year	
71		Customer Owned	Customer Owned	Customer Owned	Customer Owned	Customer Owned	
72	Prices	\$ 3,764	\$ 3,576	\$ 3,397	\$ 3,227	\$ 3,066	
82	2017			\$ 12,128,428	\$ 11,522,006	\$ 10,945,906	
83	2018			\$ 15,345,345	\$ 14,578,078	\$ 13,849,174	
84	2019				\$ 18,214,956	\$ 17,304,208	
85	2020					\$ 21,362,081	
86	2021						

	A	B	C	D	E	F	G
87							
88	<b>Depreciated Total installed price for all systems Less Residential Real Property after 2013</b>						
89	<b>Roll Date Adjusted</b>	Residential/Commercial TPP	Residential/Commercial TPP after 2018	Residential/Commercial TPP Look back	Commercial Real Property (after 1/1/2018)		
90	2017	\$ 299,396,599	\$ -	\$ 299,396,599	\$ -		
91	2018	\$ 375,811,532	\$ -	\$ 375,811,532	\$ -		
92	2019	\$ 465,837,583	\$ 129,329,663	\$ 336,507,920	\$ 26,867,351		
93	2020	\$ 570,429,739	\$ 270,234,599	\$ 300,195,140	\$ 45,620,044		
94	2021	\$ 690,305,656	\$ 423,633,287	\$ 266,672,369	\$ 60,116,651		
95							
96	<b>CY to FY</b>						
97	<b>Depreciated Total installed price for all systems Less Residential Real Property after 2013</b>						
98		Residential/Commercial TPP	Residential/Commercial TPP after 2018	Residential/Commercial TPP Look back	Commercial Real Property (after 1/1/2018)		
99	2017-18	\$ 299,396,599	\$ -	\$ 299,396,599	\$ -		
100	2018-19	\$ 375,811,532	\$ -	\$ 375,811,532	\$ -		
101	2019-20	\$ 465,837,583	\$ 129,329,663	\$ 336,507,920	\$ 26,867,351		
102	2020-21	\$ 570,429,739	\$ 270,234,599	\$ 300,195,140	\$ 45,620,044		
103	2021-22	\$ 690,305,656	\$ 423,633,287	\$ 266,672,369	\$ 60,116,651		
104							
105	Customer owned* percentages		77%	23%			
106			residential	commercial			
107	34%	owned	26.2%	7.8%			
108	66%	leased	50.8%	15.2%			
109	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
110	2016-17 Breakdown						
111	Customer owned* Values		residential	commercial			
112		owned	\$ 78,348,814	\$ 23,446,029			
113		leased	\$ 152,088,875	\$ 45,512,880			
114	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						



	A	B	C	D	E	F	G
115							
116	% Residential and Commercial TPP				66%		
117	2016 Millage Rate (School)				6.955		
118	2016 Millage Rate (Non-School)				10.824		
119	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
120							
121	<b>Commercial Real Property (after 1/1/2018)</b>						
122	Year	School	Non-School	Total			
123	2017-18	\$ -	\$ -	\$ -			
124	2018-19	\$ -	\$ -	\$ -			
125	2019-20	\$ 186,862	\$ 290,812	\$ 477,675			
126	2020-21	\$ 317,287	\$ 493,791	\$ 811,079			
127	2021-22	\$ 418,111	\$ 650,703	\$ 1,068,814			
128	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
129							
130	<b>Residential/Commercial TPP after 2018</b>						
131	Year	School	Non-School	Total			
132	2017-18	\$ -	\$ -	\$ -			
133	2018-19	\$ -	\$ -	\$ -			
134	2019-20	\$ 899,488	\$ 1,399,864	\$ 2,299,352			
135	2020-21	\$ 1,879,482	\$ 2,925,019	\$ 4,804,501			
136	2021-22	\$ 2,946,370	\$ 4,585,407	\$ 7,531,776			
137	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
138							
139	<b>Residential/Commercial TPP Look back</b>						
140	Year	School	Non-School	Total			
141	2017-18	\$ 2,082,303	\$ 3,240,669	\$ 5,322,972			
142	2018-19	\$ 2,613,769	\$ 4,067,784	\$ 6,681,553			
143	2019-20	\$ 2,340,413	\$ 3,642,362	\$ 5,982,774			
144	2020-21	\$ 2,087,857	\$ 3,249,312	\$ 5,337,169			
145	2021-22	\$ 1,854,706	\$ 2,886,462	\$ 4,741,168			
146	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
147							

	A	B	C	D	E	F	G
148	<b>Residential/Commercial TPP</b>						
149	Year	School	Non-School	Total			
150	2017-18	\$ 2,082,303	\$ 3,240,669	\$ 5,322,972			
151	2018-19	\$ 2,613,769	\$ 4,067,784	\$ 6,681,553			
152	2019-20	\$ 3,239,900	\$ 5,042,226	\$ 8,282,126			
153	2020-21	\$ 3,967,339	\$ 6,174,331	\$ 10,141,670			
154	2021-22	\$ 4,801,076	\$ 7,471,868	\$ 12,272,944			
155	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
156							
157	Adjustment for inclusion of Components and Other renewable energy devices						
158		Local Infrastructure Changes not captured by \$/kW	(a)-(m) use of energy	Other Renewables	Middle	1(i) Integral parts	1(l) Conditioning expansion
159	2017-18	5.0%	0.5%	0.5%	6%	1%	1%
160	2018-19	5.0%	0.5%	0.5%	6%	1%	1%
161	2019-20	5.0%	0.5%	0.5%	6%	1%	1%
162	2020-21	5.0%	0.5%	0.5%	6%	1%	1%
163	2021-22	5.0%	0.5%	0.5%	6%	1%	1%
164							

	A	B	C	D	E	F	G
165							
166	<b>School Impact</b>						
167		<b>High</b>		<b>Middle</b>		<b>Low</b>	
168	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
169	2017-18				\$ (2.2 M)		
170	2018-19			\$ (2.8 M)	\$ (2.8 M)		
171	2019-20			\$ (3.6 M)	\$ (3.6 M)		
172	2020-21			\$ (4.5 M)	\$ (4.5 M)		
173	2021-22			\$ (5.5 M)	\$ (5.5 M)		
174							
175	<b>Non-School Impact</b>						
176		<b>High</b>		<b>Middle</b>		<b>Low</b>	
177	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
178	2017-18				\$ (3.4 M)		
179	2018-19			\$ (4.3 M)	\$ (4.3 M)		
180	2019-20			\$ (5.7 M)	\$ (5.7 M)		
181	2020-21			\$ (7.1 M)	\$ (7.1 M)		
182	2021-22			\$ (8.6 M)	\$ (8.6 M)		
183							
184	<b>Total Customer Owned Impact</b>						
185		<b>High</b>		<b>Middle</b>		<b>Low</b>	
186	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
187	2017-18				\$ (5.6 M)		
188	2018-19			\$ (7.1 M)	\$ (7.1 M)		
189	2019-20			\$ (9.3 M)	\$ (9.3 M)		
190	2020-21			\$ (11.6 M)	\$ (11.6 M)		
191	2021-22			\$ (14.1 M)	\$ (14.1 M)		
192							

	A	B	C	D	E	F	G
1	<b>Utility or Related Ownership Analysis</b>						
2							
6	Depreciable Life (years)				20		
7							
8		kW Capacity					
9	Date Complete	Current TYSP kW Rating	Growth	TYSP Additional Capacity kW	Capacity Acceleration or change (FP&L news report)		
15	2013	157,070					
16	2014	153,812					
17	2015	161,165	5%				
18	2016	396,665	146%	235,500			
19	2017	874,665	121%	478,000	300,000		
20	2018	1,184,665	35%	310,000	300,000		
21	2019	1,234,665	4%	50,000			
22	2020	1,364,665	11%	130,000	-300,000		
23	2021	1,399,665	3%	35,000			
28	TBD*	1,999,665	18%	300,000			
29	*All TBD projects are Purchased rather than Utility Owned in the Current TYSP						
33							
34		Revised kW Ratings	New Growth Rates	Federal Tax Credit %			
35	2017	874,665	442.7%	30%			
36	2018	1,184,665	35.4%	30%			
37	2019	1,234,665	4.2%	30%			
38	2020	1,364,665	10.5%	26%			
39	2021	1,399,665	2.6%	22%			
40	2021	1,399,665	0.0%	22%			
41							
43							

	A	B	C	D	E	F	G
44	<b>Price Per kW*</b>						
45		Utility	Price Factor (1=no change)				
46	2016**	\$ 2,500					
47	2017	\$ 2,375	0.95				
48	2018	\$ 2,256	0.95				
49	2019	\$ 2,143	0.95				
50	2020	\$ 2,036	0.95				
51	2021	\$ 1,934	0.95				
52	2022	\$ 1,838	0.95				
53							
54	2013*	\$ 2,540					
55	*Installed price per kW from DOE Photovoltaic Pricing Trends (underlying information from FIEC).						
56	** Updated Installed price per kW from 2016 National averages						
57							
58	<b>Total Replacement price by the year of installation using the Indicated Current price per kW</b>						
59							
60	<b>Roll Date Adjusted</b>	2017 roll date replacement price by cohort year	2018 roll date replacement price by cohort year	2019 roll date replacement price by cohort year	2020 roll date replacement price by cohort year	2021 roll date replacement price by cohort year	
61		Utility	Utility	Utility	Utility	Utility	
62	Prices	\$ 2,375	\$ 2,256	\$ 2,143	\$ 2,036	\$ 1,934	
63	2013	\$ 373,041,250.00	\$ 354,389,188	\$ 336,669,728	\$ 319,836,241.72	\$ 303,844,430	
64	2014						
65	2015	\$ 17,462,995.00	\$ 16,589,845	\$ 15,760,353	\$ 14,972,335	\$ 14,223,719	
66	2016	\$ 559,312,500.00	\$ 531,346,875	\$ 504,779,531	\$ 479,540,555	\$ 455,563,527	
67	2017		\$ 1,078,487,500	\$ 1,024,563,125	\$ 973,334,969	\$ 924,668,220	
68	2018			\$ 664,465,625	\$ 631,242,344	\$ 599,680,227	
69	2019				\$ 101,813,281	\$ 96,722,617	
70	2020					\$ 251,478,805	
71	2021						

	A	B	C	D	E	F	G
72							
73	Depreciated Total installed price for all systems						
74	Roll Date	Utility	Utility after 2018	Utility Look Back			
75	2017	\$ 892,987,408	\$ -	\$ 892,987,408			
76	2018	\$ 1,881,709,242	\$ -	\$ 1,881,709,242			
77	2019	\$ 2,358,000,768	\$ 664,465,625	\$ 1,693,535,143			
78	2020	\$ 2,220,967,689	\$ 701,493,507.81	\$ 1,519,474,181			
79	2021	\$ 2,241,662,972	\$ 883,077,494.92	\$ 1,358,585,477			
80							
81	Depreciated Total installed price for all systems CY to FY						
82		Utility	Utility after 2018	Utility Look Back			
83	2017-18	\$ 892,987,408	\$ -	\$ 892,987,408			
84	2018-19	\$ 1,881,709,242	\$ -	\$ 1,881,709,242			
85	2019-20	\$ 2,358,000,768	\$ 664,465,625	\$ 1,693,535,143			
86	2020-21	\$ 2,220,967,689	\$ 701,493,508	\$ 1,519,474,181			
87	2021-22	\$ 2,241,662,972	\$ 883,077,495	\$ 1,358,585,477			
88							
89	% Utility TPP				100%		
90	2016 Millage Rate (School)				6.955		
91	2016 Millage Rate (Non-School)				10.824		
92							
93							

	A	B	C	D	E	F	G
94	<b>Utility Impact</b>						
95	<b>Year</b>	<b>School</b>	<b>Non-School</b>	<b>Total</b>			
96	2017-18	\$ 6,210,727	\$ 9,665,696	\$ 15,876,423			
97	2018-19	\$ 13,087,288	\$ 20,367,621	\$ 33,454,909			
98	2019-20	\$ 16,399,895	\$ 25,523,000	\$ 41,922,896			
99	2020-21	\$ 15,446,830	\$ 24,039,754	\$ 39,486,585			
100	2021-22	\$ 15,590,766	\$ 24,263,760	\$ 39,854,526			
101							
102							
103	Adjustment for inclusion of Components and Other renewable energy devices						
104		Infrastructure Changes not captured by \$/kW	(a)-(m) use of energy	Other Renewables	Middle Total adjustment	1(l) Conditioning- expansion	1(i) Integral- parts
105	2017-18	10.0%	0.5%	0.5%	11.0%	1%	1%
106	2018-19	10.0%	0.5%	0.5%	11.0%	1%	1%
107	2019-20	10.0%	0.5%	0.5%	11.0%	1%	1%
108	2020-21	10.0%	0.5%	0.5%	11.0%	1%	1%
109	2021-22	10.0%	0.5%	0.5%	11.0%	1%	1%
110							

	A	B	C	D	E	F	G
111							
112	<b>School Impact</b>						
113		<b>High</b>		<b>Middle</b>		<b>Low</b>	
114	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
115	2017-18				\$ (6.9 M)		
116	2018-19			\$ (14.5 M)	\$ (14.5 M)		
117	2019-20			\$ (18.2 M)	\$ (18.2 M)		
118	2020-21			\$ (17.1 M)	\$ (17.1 M)		
119	2021-22			\$ (17.3 M)	\$ (17.3 M)		
120							
121	<b>Non-School Impact</b>						
122		<b>High</b>		<b>Middle</b>		<b>Low</b>	
123	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
124	2017-18				\$ (10.7 M)		
125	2018-19			\$ (22.6 M)	\$ (22.6 M)		
126	2019-20			\$ (28.3 M)	\$ (28.3 M)		
127	2020-21			\$ (26.7 M)	\$ (26.7 M)		
128	2021-22			\$ (26.9 M)	\$ (26.9 M)		
129							
130	<b>Total Utility Impact</b>						
131		<b>High</b>		<b>Middle</b>		<b>Low</b>	
132	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
133	2017-18				\$ (17.6 M)		
134	2018-19			\$ (37.1 M)	\$ (37.1 M)		
135	2019-20			\$ (46.5 M)	\$ (46.5 M)		
136	2020-21			\$ (43.8 M)	\$ (43.8 M)		
137	2021-22			\$ (44.2 M)	\$ (44.2 M)		



	A	B	C	D	E	F	G	H	I	J
1										
2		# of Customer-Owned Solar Systems					kW Gross Power Rating			
3		IOU	Municipal	Rural Electric Cooperative	Total		IOU	Municipal	Rural Electric Cooperative	Total
4	2008	383	137	57	577		1,696	797	272	2,765
5	2009	1,045	313	267	1,625		7,653	3,378	1,955	12,986
6	2010	1,855	493	461	2,809		12,442	4,099	2,667	19,208
7	2011	2,803	614	549	3,966		19,441	5,002	3,262	27,705
8	2012	3,799	791	684	5,274		30,401	7,021	4,099	41,521
9	2013	4,818	1,007	853	6,678		43,876	11,787	4,865	60,528
10										
11	% Change									
12		# of Customer-Owned Solar Systems					kW Gross Power Rating			
13		IOU	Municipal	Rural Electric Cooperative	Total		IOU	Municipal	Rural Electric Cooperative	Total
14	2008									
15	2009	173%	128%	368%	182%		351%	324%	619%	370%
16	2010	78%	58%	73%	73%		63%	21%	36%	48%
17	2011	51%	25%	19%	41%		56%	22%	22%	44%
18	2012	36%	29%	25%	33%		56%	40%	26%	50%
19	2013	27%	27%	25%	27%		44%	68%	19%	46%
20										
21										
22	Residential commercial split information for IOU									
23		Residential	Commercial	Total						
24	2012	733	330	1063						
25	2013	802	240	1042						
26	Grand Total	1535	570	2105						
27										
28	Percent of total									
29		Residential	Commercial							
30	2012	69%	31%							
31	2013	77%	23%							
32	Grand Total	73%	27%							

	A	B	C
1	<b>2016 TPP Tax Roll Values for NAICS code 22</b>		
2	<b>NAICS</b>	<b>NAICS Description</b>	<b>Taxable Value</b>
3	221111	Hydroelectric Power Generation	\$ 4,309,621,038
4	221112	Fossil Fuel Electric Power Generation	\$ 5,971,679,856
5	221113	Nuclear Electric Power Generation	\$ 2,476,664,869
6	221114	Solar Electric Power Generation	\$ 236,353,340
7	221117	Biomass Electric Power Generation	\$ 369,789,242
8	221118	Other Electric Power Generation	\$ 5,481,971,215
9	221121	Electric Bulk Power Transmission and Control	\$ 2,304,412,241
10	221122	Electric Power Distribution	\$ 16,383,494,385
11	221210	Natural Gas Distribution	\$ 3,558,897,221
12	221310	Water Supply and Irrigation Systems	\$ 132,250,130
13	221320	Sewage Treatment Facilities	\$ 91,222,369
14	221330	Steam and Air-Conditioning Supply	\$ 96,337
15	Total		\$ 41,316,452,243
16			
18	NAICS potentially Affected by Proposed Changes		
19			
20	221114	Solar Electric Power Generation	\$ 236,353,340
21	221121	Electric Bulk Power Transmission and Control	\$ 2,304,412,241
22	221122	Electric Power Distribution	\$ 16,383,494,385
23			
24	2016 Millage Rate (School)		6.955
25	2016 Millage Rate (Non-School)		10.824
26	Total Millage		17.779
27			
28	2016 Transmission and Distribution Total Taxable Value		\$ 18,687,906,626
29			
30	% of 2016 T & D Taxable Value Exempt	Taxable Value	Impact of newly exempt
31	0.02%	\$ 3,737,581	\$ 66,450
32	0.50%	\$ 93,439,533	\$ 1,661,261
33	1.00%	\$ 186,879,066	\$ 3,322,523
34	2.00%	\$ 373,758,133	\$ 6,645,046
35	3.00%	\$ 560,637,199	\$ 9,967,569
36	4.00%	\$ 747,516,265	\$ 13,290,092
37	10.00%	\$ 1,868,790,663	\$ 33,225,229
38			
39	% of 2016 Solar Taxable Value Exempt	Taxable Value	Impact of newly exempt
40	100.00%	\$ 236,353,340	\$ 4,202,126

## REVENUE ESTIMATING CONFERENCE

**Tax:** Corporate Income Tax  
**Issue:** Hiring Veterans Tax Credit  
**Bill Number(s):** HB 995/SB1142

☒ **Entire Bill**

☐ **Partial Bill:**

**Sponsor(s):** Representative Silvers

**Month/Year Impact Begins:** State fiscal year 2018-2019

**Date of Analysis:** 3/6/17

### Section 1: Narrative

**a. Current Law:** There is no tax credit for the hiring of veterans.

**b. Proposed Change:** Creates Section 220.197, F.S. "Florida Veterans Employment Act"; establishing a tax credit for the hiring of veterans. A business qualifies for a one-time credit against the tax imposed by this chapter in the amount of \$5,000 per individual for hiring a veteran. A qualifying business is eligible for an additional one-time credit against the tax imposed by this chapter in the amount of \$5,000 per individual for hiring a veteran if such veteran has an official letter from the US Department of Veterans Affairs stating that he or she has a service-connected disability. The department may not approve more than \$10 million in tax credits per calendar year.

### Section 2: Description of Data and Sources

Department of Veterans Affairs: State Summary of Florida,

[https://www.va.gov/vetdata/docs/SpecialReports/State\\_Summaries\\_Florida.pdf](https://www.va.gov/vetdata/docs/SpecialReports/State_Summaries_Florida.pdf)

Bureau of Labor Statistics, <https://www.bls.gov/news.release/pdf/empst.pdf>

U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates

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

Identify Florida's population of Veterans in the workforce using Bureau of Labor Statistics and Census data. The cap is estimated to be reached when considering an unemployed veteran population of ~34,000 and potential job churn.

### Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			(\$0 m)	(\$10.0m)		
2018-19			(\$10.0m)	(\$10.0m)		
2019-20			(\$10.0m)	(\$10.0m)		
2020-21			(\$10.0m)	(\$10.0m)		
2021-22			(\$10.0m)	(\$10.0m)		

**List of affected Trust Funds:** General Revenue

### Section 5: Consensus Estimate (Adopted: 03/10/2017): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	(10.0)	0.0	0.0	0.0	0.0	0.0	(10.0)
2018-19	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)
2019-20	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)
2020-21	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)
2021-22	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)

	A	B	C	D	E	F
1	<b>Florida Veteran Employment Act</b>					
2	Sources:	<a href="https://www.va.gov/vetdata/docs/SpecialReports/State_Summaries_Florida.pdf">https://www.va.gov/vetdata/docs/SpecialReports/State_Summaries_Florida.pdf</a>				
3		<a href="https://factfinder.census.gov/bkmk/table/1.0/en/ACS/15_1YR/C21100/0400000US12">https://factfinder.census.gov/bkmk/table/1.0/en/ACS/15_1YR/C21100/0400000US12</a>				
4		<a href="https://www.bls.gov/news.release/pdf/empsit.pdf">https://www.bls.gov/news.release/pdf/empsit.pdf</a>				
5						
6	<b>National Data</b>					
7	January-17		<i>Population</i>	<i>Labor Force</i>	Participation %	Unemployment %
8	Veterans 18+		20,674,000	10,258,000	49.6%	4.5%
9	Nonveterans 18+		224,320,000	146,479,000	65.3%	5.0%
10				<i>Source: BLS Household Survey Data, January 2017</i>		
11						
12	<b>Florida Data</b>					
13	Total Veterans in Florida (2015)	1,460,919		Minimum Number of Veterans Needed to Meet Cap		
14	Disabled	309,195		10,000,000	Total Available Credits	
15	Non Disabled	1,151,724		5000	Maximum Per Hired Veteran	
16	Disabled Percentage	21%		2000	Mininum number to reach Cap	
17	<i>Source: Census Bureau (ACS)</i>					
18						
19						
20	Floridan Veteran Population	1,558,000				
21	Florida Veterans in Labor Force	773,047				
22	Disabled Veterans in Labor Force	81,180				
23	Unemployed Disabled Veterans	3,653				
24	Unemployed Veterans	34,787				
25	<i>Source: Veterans Affairs</i>					
26						
27						
28	<b>Impact</b>					
29	% Unemployed Hired	Veteran Impact	Disabled Impact	<b>Total Impact</b>		
30	10%	(\$17,393,547)	(\$1,826,555)	(\$19,220,102)		
31	15%	(\$26,090,320)	(\$2,739,832)	(\$28,830,152)		
32	20%	(\$34,787,094)	(\$3,653,109)	(\$38,440,203)		

## REVENUE ESTIMATING CONFERENCE

**Tax:** CIT

**Issue:** Piggyback

**Bill Number(s):** SB 1156

☒ **Entire Bill**

☐ **Partial Bill:**

**Sponsor(s):** Sen. Stargel

**Month/Year Impact Begins:** January 2017

**Date of Analysis:** 3/8/2017

### Section 1: Narrative

**a. Current Law:** Florida's Corporate Income Tax Base is, for the most part, the Internal Revenue Code.

Section 220.03(1)(n) provides: "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended and in effect on January 1, 2016, except as provided in subsection (3).

Section 220.03 (2)(c) reads: (c) Any term used in this code has the same meaning as when used in a comparable context in the Internal Revenue Code and other statutes of the United States relating to federal income taxes, as such code and statutes are in effect on January 1, 2016. However, if subsection (3) is implemented, the meaning of a term shall be taken at the time the term is applied under this code.

**b. Proposed Change:** Amends paragraphs (1)(n) and (2)(c) to revise the date to January 1, 2017

### Section 2: Description of Data and Sources

Conversations with staff of the Joint Committee on Taxation (JCT)

GENERAL EXPLANATION OF TAX LEGISLATION ENACTED IN 2016 Prepared by staff of the Joint Committee on Taxation

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

Reviewed JCT publication referenced above. Spoke with JCT staff to confirm that the publication was comprehensive and that there were no other possible tax related impacts not discussed in the publication.

Review of the above referenced publication did not reveal any federal law changes that would impact the Florida CIT base.

### Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter
2018-19	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter
2019-20	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter
2020-21	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter
2021-22	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter	+/- Indeter

**List of affected Trust Funds:** General Revenue

### Section 5: Consensus Estimate (Adopted: 03/10/2017): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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	+/-	+/-
2020-21	+/-	+/-	0.0	0.0	0.0	0.0	+/-	+/-
2021-22	+/-	+/-	0.0	0.0	0.0	0.0	+/-	+/-

## REVENUE ESTIMATING CONFERENCE

**Tax:** Highway Safety Fees  
**Issue:** Highway Safety Fees  
**Bill Number(s):** HB 545

☐ **Entire Bill**

☒ **Partial Bill:** Sections 6, 8, 17, 18, and 19

**Sponsor(s):** Transportation and Infrastructure Subcommittee

**Month/Year Impact Begins:** October 1, 2017

**Date of Analysis:** March 10, 2017

### Section 1: Narrative

- a. Current Law:** Sections 320.06, F.S. and 320.0607, F.S. require apportioned vehicles (i.e. vehicles which participate in the IRP program) to be issued an annual license plate costing \$28. Section 322.12, F.S. charges a \$10 fee for each subsequent knowledge test and a \$20 fee for each subsequent skills tests if the initial test does not yield a passing score; each fee is to be deposited into the Highway Safety Operating Trust Fund. Section 322.17, F.S. provides a free replacement for a stolen driver license or instruction permit. Section 322.21 charges a \$25 fee for each replacement driver license to be deposited into the General Revenue Fund and either the Highway Safety Operating Trust Fund or retained by the tax collector depending upon who issued the replacement; provides for the distribution of the \$25 additional fee for specialty driver licenses, which were repealed August 31, 2016 pursuant to section 322.1415, F.S.; charges a \$45 fee for each license reinstatement following a suspension, to be deposited \$15 into the General Revenue Fund and \$30 into the Highway Safety Operating Trust Fund; and charges a \$75 fee for each license reinstatement following a revocation or disqualification, to be deposited \$35 into the General Revenue Fund and \$40 into the Highway Safety Operating Trust Fund.
- b. Proposed Change:** Sections 6 and 8 revise sections 320.06, F.S. and 320.0607, F.S. so that apportioned vehicles pay an annual \$28 cab card fee instead of the annual \$28 license plate fee. Section 17 revises section 322.12, F.S. so that the \$10 fee for knowledge tests and \$20 fee for skills tests is deposited into either the Highway Safety Operating Trust Fund or retained by the tax collector depending upon who administers the test. Section 18 revises section 322.17, F.S. to also provide a free replacement ID card to replace a stolen card. Section 19 revises 322.21 to delete obsolete language related to replacement driver licenses and specialty driver licenses; change the fee distribution for reinstatements so that tax collectors retain half of the portion currently deposited into the Highway Safety Operating Trust Fund when the transaction is processed by the tax collector; and creates an expedited shipping fee for renewal and replacement driver licenses to be deposited into the Highway Safety Operating Trust Fund.

### Section 2: Description of Data and Sources

March 2017 Highway Safety REC and History

Phone interview with Department of Highway Safety and Motor Vehicles staff

CS/HB 545 Staff Analysis, prepared by the House Transportation and Infrastructure Committee on February 28, 2017

Number of driver license replacements due to theft during FY 2015-16 per Department of Highway Safety and Motor Vehicles staff  
FedEx shipping rates

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

Sections 6 and 8 replace the \$28 annual license plate fee with a \$28 annual cab car fee for apportioned vehicles, resulting in a revenue neutral impact. For the shift of revenue to the tax collectors in sections 17 and 19, graduating percentages were applied to the fees per the March 2017 Highway Safety REC to provide a low, middle, and high estimate. Note that the middle estimate represents prior year actual per HSMV staff. The tax collector percentages are as follows:

Tax Collector Percentages	Low	Middle	High
Tests	60%	69%	75%
Reinstatement - Suspension	65%	77%	80%
Reinstatement - Revocation	65%	77%	80%
Reinstatement - Disqualification	60%	64%	70%

After the above percentages are applied, there is a subsequent GR service charge impact because revenue is shifted from the Highway Safety and Operating Trust Fund to local trust funds which do not pay the GR service charge.

For the free ID card replacement in section 18, the number of driver licenses replaced without charge due to theft was obtained from Department of Highway Safety and Motor Vehicles staff (43,734). This number was added to the number of replacements per

## REVENUE ESTIMATING CONFERENCE

**Tax:** Highway Safety Fees

**Issue:** Highway Safety Fees

**Bill Number(s):** HB 545

the March 2017 Highway Safety REC to get total number of replacements and the percentage that was the result of theft (2.4%). For the middle estimate, it is assumed that ID cards replacements due to theft will occur at roughly the same rate as class E driver licenses. The low estimate drops the percentage to 1.5% while the high estimate raises to 4.0%. For all three scenarios, there is a subsequent GR service charge impact.

For the expedited driver license service fee in section 19, transaction counts for renewals and replacements were obtained from the March 2017 Highway Safety REC. At this time, the department does not know what the 5-day shipping rate will be; therefore, we used the FedEx flat rate for shipping 9 ½ x 15 ½ envelopes discounted by 15%, yielding a rate of \$6.38. Transaction counts for renewals and replacements were generated using the March 2017 Highway Safety REC and the REC History. For the three scenarios, there are assumed percentages of transactions which request an expedited driver license as follows: the low scenario is 0.5%, the middle scenario is 1.5%, and the high scenario is 2.5%. For the expedited service fee, there is also a subsequent GR service charge impact.

All of the FY 2017-18 cash impacts in this bill are lagged by the half-month collection to distribution lag and October 1 effective date.

### Section 4: Proposed Fiscal Impact

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.3)	(0.5)	(0.3)	(0.4)	(0.3)	(0.4)
2018-19	(0.5)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)
2019-20	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)
2020-21	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)
2021-22	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)

TRUST	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(3.3)	(4.7)	(3.2)	(4.6)	(3.0)	(4.2)
2018-19	(4.8)	(4.8)	(4.6)	(4.6)	(4.2)	(4.2)
2019-20	(4.8)	(4.8)	(4.6)	(4.6)	(4.3)	(4.3)
2020-21	(4.9)	(4.9)	(4.7)	(4.7)	(4.3)	(4.3)
2021-22	(4.9)	(4.9)	(4.7)	(4.7)	(4.3)	(4.3)

LOCAL	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	4.1	5.8	3.8	5.3	3.3	4.7
2018-19	5.8	5.8	5.4	5.4	4.7	4.7
2019-20	5.9	5.9	5.4	5.4	4.8	4.8
2020-21	5.9	5.9	5.5	5.5	4.8	4.8
2021-22	6.0	6.0	5.5	5.5	4.8	4.8

### List of affected Trust Funds:

General Revenue Fund

Highway Safety Operating Trust Fund

Local Trust Funds

# REVENUE ESTIMATING CONFERENCE

**Tax:** Highway Safety Fees  
**Issue:** Highway Safety Fees  
**Bill Number(s):** HB 545

## Section 5: Consensus Estimate (Adopted: 03/10/2017): The Conference adopted the following:

### Sections 6, 8 - Cab Card Fee: The Conference adopted a zero impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2018-19	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

### Sections 17, 19 - HSOTF Shift to Tax Collectors: The Conference adopted the middle impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.4)	(0.4)	(4.9)	(4.9)	5.4	5.4	0.0	0.0
2018-19	(0.4)	(0.4)	(4.9)	(4.9)	5.4	5.4	0.0	0.0
2019-20	(0.4)	(0.4)	(5.0)	(5.0)	5.4	5.4	0.0	0.0
2020-21	(0.4)	(0.4)	(5.0)	(5.0)	5.5	5.5	0.0	0.0
2021-22	(0.4)	(0.4)	(5.1)	(5.1)	5.5	5.5	0.0	0.0

### Section 18 - ID Cards: The Conference adopted the middle impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2018-19	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2019-20	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2020-21	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2021-22	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)

### Section 19 – Shipping Fees: The Conference adopted a positive indeterminate impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	**	**	**	**	0.0	0.0	**	**
2018-19	**	**	**	**	0.0	0.0	**	**
2019-20	**	**	**	**	0.0	0.0	**	**
2020-21	**	**	**	**	0.0	0.0	**	**
2021-22	**	**	**	**	0.0	0.0	**	**



GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.3)	(0.5)	(0.3)	(0.4)	(0.3)	(0.4)
2018-19	(0.5)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)
2019-20	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)
2020-21	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)
2021-22	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)

TRUST	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(3.3)	(4.7)	(3.2)	(4.6)	(3.0)	(4.2)
2018-19	(4.8)	(4.8)	(4.6)	(4.6)	(4.2)	(4.2)
2019-20	(4.8)	(4.8)	(4.6)	(4.6)	(4.3)	(4.3)
2020-21	(4.9)	(4.9)	(4.7)	(4.7)	(4.3)	(4.3)
2021-22	(4.9)	(4.9)	(4.7)	(4.7)	(4.3)	(4.3)

LOCAL	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	4.1	5.8	3.8	5.3	3.3	4.7
2018-19	5.8	5.8	5.4	5.4	4.7	4.7
2019-20	5.9	5.9	5.4	5.4	4.8	4.8
2020-21	5.9	5.9	5.5	5.5	4.8	4.8
2021-22	6.0	6.0	5.5	5.5	4.8	4.8

**FINAL - Note the Positive Indeterminate Impact from the Expedited License Shipping Fee in Section 19**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.3)	(0.5)	(3.5)	(4.9)	3.8	5.3	(0.1)	(0.1)
2018-19	(0.5)	(0.5)	(5.0)	(5.0)	5.4	5.4	(0.1)	(0.1)
2019-20	(0.5)	(0.5)	(5.0)	(5.0)	5.4	5.4	(0.1)	(0.1)
2020-21	(0.5)	(0.5)	(5.0)	(5.0)	5.5	5.5	(0.1)	(0.1)
2021-22	(0.5)	(0.5)	(5.1)	(5.1)	5.5	5.5	(0.1)	(0.1)

# HSOTF/Tax Collectors Shift

## Low

FY 2017-18				
Current Law		Proposed		
GR	HSOTF	GR	HSOTF	LOCAL
	3,801,339		1,520,535	2,280,803
Knowledge Tests	1,373,362		549,345	824,017
Skills Tests	725,975	725,975	979,555	471,638
Reinstatement - Suspension	1,893,523	1,893,523	1,460,717	703,308
Reinstatement - Revocation	1,161,311	1,161,311	929,049	398,164
Reinstatement - Disqualification				
<b>Total</b>	<b>3,780,809</b>	<b>3,780,809</b>	<b>5,439,202</b>	<b>4,677,930</b>
GR Service Charge	809,371	(809,371)	435,136	(435,136)
<b>Total with GR Service Charge</b>	<b>4,590,179</b>	<b>9,307,761</b>	<b>4,215,945</b>	<b>5,004,066</b>
<b>Difference</b>		<b>(374,234)</b>	<b>(4,303,696)</b>	<b>4,677,930</b>

## Middle

	3,801,339		1,194,000	2,607,338
Knowledge Tests	1,373,362		431,373	941,989
Skills Tests	725,975	725,975	892,484	558,709
Reinstatement - Suspension	1,893,523	1,893,523	1,330,876	833,150
Reinstatement - Revocation	1,161,311	1,161,311	905,822	421,390
Reinstatement - Disqualification				
<b>Total</b>	<b>3,780,809</b>	<b>10,117,132</b>	<b>4,754,556</b>	<b>5,362,576</b>
GR Service Charge	809,371	(809,371)	380,364	(380,364)
<b>Total with GR Service Charge</b>	<b>4,590,179</b>	<b>9,307,761</b>	<b>4,161,173</b>	<b>5,362,576</b>
<b>Difference</b>		<b>(429,006)</b>	<b>(4,933,570)</b>	<b>5,362,576</b>

## High

	3,801,339		950,335	2,851,004
Knowledge Tests	1,373,362		343,341	1,030,022
Skills Tests	725,975	725,975	870,716	580,477
Reinstatement - Suspension	1,893,523	1,893,523	1,298,415	865,610
Reinstatement - Revocation	1,161,311	1,161,311	862,688	464,524
Reinstatement - Disqualification				
<b>Total</b>	<b>3,780,809</b>	<b>10,117,132</b>	<b>4,325,494</b>	<b>5,791,637</b>
GR Service Charge	809,371	(809,371)	346,040	(346,040)
<b>Total with GR Service Charge</b>	<b>4,590,179</b>	<b>9,307,761</b>	<b>4,126,848</b>	<b>5,791,637</b>
<b>Difference</b>		<b>(463,331)</b>	<b>(5,328,306)</b>	<b>5,791,637</b>

## FY 2018-19

Current Law		Proposed		
GR	HSOTF	GR	HSOTF	LOCAL
	3,852,991		1,541,196	2,311,794
	1,375,550		550,220	825,330
731,627	1,462,490	731,627	987,181	475,309
1,908,264	2,180,873	1,908,264	1,472,089	708,784
1,170,352	1,337,545	1,170,352	936,281	401,263
<b>3,810,242</b>	<b>10,209,449</b>	<b>3,810,242</b>	<b>5,486,968</b>	<b>4,722,481</b>
816,756	(816,756)	438,957	(438,957)	-
<b>4,626,998</b>	<b>9,392,693</b>	<b>4,249,200</b>	<b>5,048,011</b>	<b>4,722,481</b>
		<b>(377,798)</b>	<b>(4,344,683)</b>	<b>4,722,481</b>
	3,852,991		1,210,224	2,642,766
	1,375,550		432,060	943,490
731,627	1,462,490	731,627	935,994	526,497
1,908,264	2,180,873	1,908,264	1,341,237	839,636
1,170,352	1,337,545	1,170,352	912,874	424,670
<b>3,810,242</b>	<b>10,209,449</b>	<b>3,810,242</b>	<b>4,832,390</b>	<b>5,377,059</b>
816,756	(816,756)	386,591	(386,591)	-
<b>4,626,998</b>	<b>9,392,693</b>	<b>4,196,834</b>	<b>4,445,799</b>	<b>5,377,059</b>
		<b>(430,165)</b>	<b>(4,946,895)</b>	<b>5,377,059</b>
	3,852,991		963,248	2,889,743
	1,375,550		343,888	1,031,663
731,627	1,462,490	731,627	877,494	584,996
1,908,264	2,180,873	1,908,264	1,308,524	872,349
1,170,352	1,337,545	1,170,352	869,404	468,141
<b>3,810,242</b>	<b>10,209,449</b>	<b>3,810,242</b>	<b>4,362,557</b>	<b>5,846,892</b>
816,756	(816,756)	349,005	(349,005)	-
<b>4,626,998</b>	<b>9,392,693</b>	<b>4,159,247</b>	<b>4,013,553</b>	<b>5,846,892</b>
		<b>(467,751)</b>	<b>(5,379,141)</b>	<b>5,846,892</b>

## HSOTF/Tax Collectors Shift

### Low

FY 2019-20				
Current Law		Proposed		
GR	HSOTF	GR	HSOTF	LOCAL
	3,903,716		1,561,486	2,342,230
Knowledge Tests	1,377,716		551,086	826,629
Skills Tests	1,473,583	737,177	994,669	478,915
Reinstatement - Suspension	1,922,738	1,922,738	1,483,255	714,160
Reinstatement - Revocation	1,179,229	1,179,229	943,383	404,307
Reinstatement - Disqualification	<b>3,839,143</b>	<b>10,300,120</b>	<b>3,839,143</b>	<b>5,533,879</b>
<b>Total</b>	<b>10,300,120</b>	<b>3,839,143</b>	<b>5,533,879</b>	<b>4,766,240</b>
GR Service Charge	824,010	(824,010)	442,710	(442,710)
<b>Total with GR Service Charge</b>	<b>4,663,153</b>	<b>9,476,110</b>	<b>4,281,854</b>	<b>5,091,169</b>
<b>Difference</b>		<b>(381,299)</b>	<b>(4,384,941)</b>	<b>4,766,240</b>

### Middle

	3,903,716		1,226,157	2,677,559
Knowledge Tests	1,377,716		432,740	944,975
Skills Tests	1,473,583	737,177	943,093	530,490
Reinstatement - Suspension	1,922,738	1,922,738	1,351,410	846,005
Reinstatement - Revocation	1,179,229	1,179,229	919,798	427,892
Reinstatement - Disqualification	<b>3,839,143</b>	<b>10,300,120</b>	<b>3,839,143</b>	<b>4,873,200</b>
<b>Total</b>	<b>10,300,120</b>	<b>3,839,143</b>	<b>4,873,200</b>	<b>5,426,920</b>
GR Service Charge	824,010	(824,010)	389,856	(389,856)
<b>Total with GR Service Charge</b>	<b>4,663,153</b>	<b>9,476,110</b>	<b>4,228,999</b>	<b>4,483,344</b>
<b>Difference</b>		<b>(434,154)</b>	<b>(4,992,767)</b>	<b>5,426,920</b>

### High

	3,903,716		975,929	2,927,787
Knowledge Tests	1,377,716		344,429	1,033,287
Skills Tests	1,473,583	737,177	884,150	589,433
Reinstatement - Suspension	1,922,738	1,922,738	1,318,449	878,966
Reinstatement - Revocation	1,179,229	1,179,229	875,999	471,692
Reinstatement - Disqualification	<b>3,839,143</b>	<b>10,300,120</b>	<b>3,839,143</b>	<b>4,398,955</b>
<b>Total</b>	<b>10,300,120</b>	<b>3,839,143</b>	<b>4,398,955</b>	<b>5,901,164</b>
GR Service Charge	824,010	(824,010)	351,916	(351,916)
<b>Total with GR Service Charge</b>	<b>4,663,153</b>	<b>9,476,110</b>	<b>4,191,060</b>	<b>5,901,164</b>
<b>Difference</b>		<b>(472,093)</b>	<b>(5,429,071)</b>	<b>5,901,164</b>

## FY 2020-21

Current Law		Proposed		
GR	HSOTF	GR	HSOTF	LOCAL
	3,957,205		1,582,882	2,374,323
	1,379,855		551,942	827,913
742,617	1,484,458	742,617	1,002,009	482,449
1,936,928	2,213,632	1,936,928	1,494,201	719,430
1,187,932	1,357,636	1,187,932	950,345	407,291
<b>3,867,476</b>	<b>10,392,786</b>	<b>3,867,476</b>	<b>5,581,380</b>	<b>4,811,406</b>
831,423	(831,423)	446,510	(446,510)	-
<b>4,698,899</b>	<b>9,561,364</b>	<b>4,313,986</b>	<b>5,134,870</b>	<b>4,811,406</b>
		<b>(384,913)</b>	<b>(4,426,494)</b>	<b>4,811,406</b>
	3,957,205		1,242,958	2,714,247
	1,379,855		433,412	946,443
742,617	1,484,458	742,617	950,053	534,405
1,936,928	2,213,632	1,936,928	1,361,383	852,248
1,187,932	1,357,636	1,187,932	926,587	431,049
<b>3,867,476</b>	<b>10,392,786</b>	<b>3,867,476</b>	<b>4,914,394</b>	<b>5,478,392</b>
831,423	(831,423)	393,152	(393,152)	-
<b>4,698,899</b>	<b>9,561,364</b>	<b>4,260,628</b>	<b>4,521,243</b>	<b>5,478,392</b>
		<b>(438,271)</b>	<b>(5,040,121)</b>	<b>5,478,392</b>
	3,957,205		989,301	2,967,904
	1,379,855		344,964	1,034,891
742,617	1,484,458	742,617	890,675	593,783
1,936,928	2,213,632	1,936,928	1,328,179	885,453
1,187,932	1,357,636	1,187,932	882,463	475,173
<b>3,867,476</b>	<b>10,392,786</b>	<b>3,867,476</b>	<b>4,435,583</b>	<b>5,957,204</b>
831,423	(831,423)	354,847	(354,847)	-
<b>4,698,899</b>	<b>9,561,364</b>	<b>4,222,323</b>	<b>4,080,736</b>	<b>5,957,204</b>
		<b>(476,576)</b>	<b>(5,480,628)</b>	<b>5,957,204</b>

## HSOTF/Tax Collectors Shift

### Low

Knowledge Tests

Skills Tests

Reinstatement - Suspension

Reinstatement - Revocation

Reinstatement - Disqualification

**Total**

GR Service Charge

**Total with GR Service Charge**

**Difference**

### Middle

Knowledge Tests

Skills Tests

Reinstatement - Suspension

Reinstatement - Revocation

Reinstatement - Disqualification

**Total**

GR Service Charge

**Total with GR Service Charge**

**Difference**

### High

Knowledge Tests

Skills Tests

Reinstatement - Suspension

Reinstatement - Revocation

Reinstatement - Disqualification

**Total**

GR Service Charge

**Total with GR Service Charge**

**Difference**

FY 2021-22				
Current Law		Proposed		
GR	HSOTF	GR	HSOTF	LOCAL
	4,001,369		1,600,548	2,400,821
	1,381,959		552,784	829,175
747,930	1,495,080	747,930	1,009,179	485,901
1,950,786	2,229,470	1,950,786	1,504,892	724,578
1,196,431	1,367,350	1,196,431	957,145	410,205
<b>3,895,148</b>	<b>10,475,228</b>	<b>3,895,148</b>	<b>5,624,547</b>	<b>4,850,681</b>
838,018	(838,018)	449,964	(449,964)	-
<b>4,733,166</b>	<b>9,637,210</b>	<b>4,345,112</b>	<b>5,174,584</b>	<b>4,850,681</b>
		<b>(388,054)</b>	<b>(4,462,626)</b>	<b>4,850,681</b>
	4,001,369		1,256,830	2,744,539
	1,381,959		434,073	947,886
747,930	1,495,080	747,930	956,851	538,229
1,950,786	2,229,470	1,950,786	1,371,124	858,346
1,196,431	1,367,350	1,196,431	933,216	434,134
<b>3,895,148</b>	<b>10,475,228</b>	<b>3,895,148</b>	<b>4,952,095</b>	<b>5,523,133</b>
838,018	(838,018)	396,168	(396,168)	-
<b>4,733,166</b>	<b>9,637,210</b>	<b>4,291,315</b>	<b>4,555,927</b>	<b>5,523,133</b>
		<b>(441,851)</b>	<b>(5,081,282)</b>	<b>5,523,133</b>
	4,001,369		1,000,342	3,001,027
	1,381,959		345,490	1,036,469
747,930	1,495,080	747,930	897,048	598,032
1,950,786	2,229,470	1,950,786	1,337,682	891,788
1,196,431	1,367,350	1,196,431	888,777	478,572
<b>3,895,148</b>	<b>10,475,228</b>	<b>3,895,148</b>	<b>4,469,339</b>	<b>6,005,888</b>
838,018	(838,018)	357,547	(357,547)	-
<b>4,733,166</b>	<b>9,637,210</b>	<b>4,252,695</b>	<b>4,111,792</b>	<b>6,005,888</b>
		<b>(480,471)</b>	<b>(5,525,417)</b>	<b>6,005,888</b>

## ID Card Replacement - Thefts

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
<b>Class E and CDL Replacement</b>	1,812,343	1,826,452	1,840,306	1,853,887	1,867,152
<b># of Replaced Stolen Cards</b>	43,734	44,074	44,409	44,737	45,057
<b>Total</b>	1,856,077	1,870,527	1,884,715	1,898,624	1,912,209
<b>% of Replacements Stolen</b>	2.4%	2.4%	2.4%	2.4%	2.4%
<b>ID Card Replacement</b>	130,041	131,054	132,048	133,022	133,974
<b>Low - 1.5%</b>	1,951	1,966	1,981	1,995	2,010
<b>Middle - 2.4%</b>	3,121	3,145	3,169	3,193	3,215
<b>High - 4.0%</b>	5,202	5,242	5,282	5,321	5,359
<b>HSOTF Impact (Includes GR Service Charge)</b>					
<b>Low - 1.5%</b>	\$ (5,832)	\$ (5,878)	\$ (5,922)	\$ (5,966)	\$ (6,009)
<b>Middle - 2.4%</b>	\$ (9,332)	\$ (9,404)	\$ (9,476)	\$ (9,546)	\$ (9,614)
<b>High - 4.0%</b>	\$ (15,553)	\$ (15,674)	\$ (15,793)	\$ (15,909)	\$ (16,023)
<b>GR Impact (Includes GR Service Charge)</b>					
<b>Low - 1.5%</b>	\$ (30,703)	\$ (30,942)	\$ (31,177)	\$ (31,407)	\$ (31,631)
<b>Middle - 2.4%</b>	\$ (49,124)	\$ (49,507)	\$ (49,882)	\$ (50,251)	\$ (50,610)
<b>High - 4.0%</b>	\$ (81,874)	\$ (82,512)	\$ (83,137)	\$ (83,751)	\$ (84,350)
<b>Local Impact</b>					
<b>Low - 1.5%</b>	\$ (11,216)	\$ (11,303)	\$ (11,389)	\$ (11,473)	\$ (11,555)
<b>Middle - 2.4%</b>	\$ (17,946)	\$ (18,085)	\$ (18,223)	\$ (18,357)	\$ (18,488)
<b>High - 4.0%</b>	\$ (29,910)	\$ (30,142)	\$ (30,371)	\$ (30,595)	\$ (30,814)

## Renewal/Replacement Shipping Fee

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CDL Renewal	70,227	74,649	72,234	60,961	52,061
Class E Renewal	2,130,539	2,225,312	2,249,288	2,153,236	2,131,704
Class E and CDL Replacement	1,812,343	1,826,452	1,840,306	1,853,887	1,867,152
ID Card Renewal	127,247	116,794	131,987	139,692	138,295
ID Card Replacement	130,041	131,054	132,048	133,022	133,974
Total	4,270,398	4,374,261	4,425,863	4,340,798	4,323,187
Fee for 5-Day Shipping	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38
HSOTF Impact (Includes GR Service Charge)					
Low - 0.5%	\$ 125,328	\$ 128,376	\$ 129,890	\$ 127,394	\$ 126,877
Middle - 1.5%	\$ 375,983	\$ 385,127	\$ 389,671	\$ 382,181	\$ 380,631
High - 2.5%	\$ 626,638	\$ 641,879	\$ 649,451	\$ 636,969	\$ 634,384
GR Service Charge Impact					
Low - 0.5%	\$ 10,898	\$ 11,163	\$ 11,295	\$ 11,078	\$ 11,033
Middle - 1.5%	\$ 32,694	\$ 33,489	\$ 33,884	\$ 33,233	\$ 33,098
High - 2.5%	\$ 54,490	\$ 55,816	\$ 56,474	\$ 55,389	\$ 55,164

Adopted = Positive Indeterminate

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** Data Center Property

**Bill Number(s):** Proposed Language V5

☒ **Entire Bill**

☐ **Partial Bill:**

**Sponsor(s):** N/A

**Month/Year Impact Begins:** July 1, 2017 (with a one-month collection lag)

**Date of Analysis:** March 10, 2017

### Section 1: Narrative

- a. **Current Law:** Purchases of Datacenter equipment, electricity, and building materials to construct the facility that houses the datacenter are all subject to sales tax.
- b. **Proposed Change:** The proposed language creates a new paragraph (r) of subsection (5) of section 212.08, Florida Statutes that provides:

1. Data center property is exempt from the tax imposed by this chapter except for the tax imposed by s. 212.031. To qualify for this exemption, the data center must have a cumulative capital investment of \$150 million or more for the data center, a critical IT load of 15 megawatts or more, and a critical IT load of 1 megawatt or more per individual owner or tenant within the data center. Each of these requirements must be satisfied within 5 years following the commencement of construction of the data center.

a. "Critical IT load" means that portion of electric power capacity, expressed in terms of megawatts, that is reserved solely for owners or tenants of a data center to operate their computer server equipment, but does not include any ancillary load for cooling, lighting, common areas or other equipment.

b. "Cumulative capital investment" means the combined total of all expenses incurred by the owners or tenants of a data center after July 1, 2017 that are made by such persons in connection with acquiring, constructing, installing, equipping, or expanding a data center. Notwithstanding the foregoing, the term does not include any expenses incurred in the acquisition of improved real property that is operating as a data center at the time of acquisition or within six months prior to the acquisition.

c. "Data center" means a facility that:

(I) Is comprised of one or more contiguous parcels in the state, along with the buildings, substations and other infrastructure, fixtures and personal property located on those parcels; and

(II) Is primarily used to house and operate equipment that receives, stores, aggregates, manages, processes, transforms, retrieves, researches or transmits data or is necessary for the proper operation of equipment that receives, stores, aggregates, manages, processes, transforms, retrieves, researches or transmits data.

retrieves, researches or transmits data or is necessary for the proper operation of equipment that receives, stores,

(III) Is constructed on or after July 1, 2017.

d. "Data center property" means property used exclusively at a data center to construct, outfit, operate, support, power, cool, dehumidify, secure, or protect a data center and any contiguous dedicated substations, including construction materials, along with component parts, installations, replacements, redundancies, operating or enabling software, including any replacements of such property, updates and new versions, and upgrades to or for this equipment, regardless of whether the property is a fixture or otherwise affixed to or incorporated into real property. Data center property also includes electricity used exclusively at a data center.

The Department of Revenue will issue a temporary tax exemption permit upon tentative affirmation that the requirements of Subparagraphs 1. will be met by the data center. The department looks to the purchaser for any tax recovery. The temporary tax exemption permit may be exchanged for a permanent tax exemption permit if the data center provides the Department with sufficient documentation showing all requirements of subparagraph 1. have been met. The permanent exemption permit will remain valid as long as the data center operates as a data center as defined in subparagraph 2. The Department will review the data center every 5 years to ensure the data center is continuing to meet the definition in subparagraph 2.

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** Data Center Property

**Bill Number(s):** Proposed Language V5

The provisions of section 1. shall be repealed effective July 1, 2022, except that such provisions and the exemptions provided therein shall continue to apply to any data center for which a temporary or permanent tax exemption permit was obtained prior to July 1, 2022.

The effective date of the bill is July 1, 2017.

### Section 2: Description of Data and Sources

Industry research and Discussion

EIA data for Commercial electrical \$/kW

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

The low estimate assumes that there is one data center that meets the minimum requirements applying on July 1, 2017. They begin construction in 2017-18 and complete construction in 2018-19. Based on industry information spending on acquisition costs are matched on a dollar-for-dollar basis in purchases of data center equipment. It is assumed that half of the constructions costs are due to the construction materials. It is assumed that the smaller facility faces A higher price for construction on a per MW basis. The construction spending is tied to the planned MW schedule which assumes that the facilities reach their total MW capacity within the 5-year window. After construction completes about 5% of total revenue is spent on maintenance. Average revenue per MW is \$1.8 M, so for a 15 MW data center annual revenue equals \$27 M or \$1.35 M per year for maintenance. Data centers pre-lease between 25% and 50% of total capacity. All estimates assume that construction follows lease expectations, and that the total MW capacity will be leased within the 5-year window. The electrical exemption is calculated based on 15 MW x 8,760 hours x \$9.05 MWh, and begins and phases-in with the planned MW schedule.

The High estimate assumes the data center is twice the size of the minimum, and the middle is the average of the low and the high.

Based on the conference's request the estimate has been taken out until the impacts stabilize in fiscal year 2025-26. These stabilized values are used for the recurring values.

### Section 4: Proposed Fiscal Impact

#### Sales Tax Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	\$(1.3 M)	\$(3.7 M)	\$(1.1 M)	\$(3.1 M)	\$(0.8 M)	\$(2.3 M)
2018-19	\$(2.1 M)	\$(3.7 M)	\$(1.8 M)	\$(3.1 M)	\$(1.3 M)	\$(2.3 M)
2019-20	\$(2.9 M)	\$(3.7 M)	\$(2.5 M)	\$(3.1 M)	\$(1.8 M)	\$(2.3 M)
2020-21	\$(2.9 M)	\$(3.7 M)	\$(2.5 M)	\$(3.1 M)	\$(1.8 M)	\$(2.3 M)
2021-22	\$(2.9 M)	\$(3.7 M)	\$(2.5 M)	\$(3.1 M)	\$(1.8 M)	\$(2.3 M)

#### Gross Receipts Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	\$-	\$(0.06 M)	\$-	\$(0.05 M)	\$-	\$(0.03 M)
2018-19	\$(0.02 M)	\$(0.06 M)	\$(0.02 M)	\$(0.05 M)	\$(0.01 M)	\$(0.03 M)
2019-20	\$(0.04 M)	\$(0.06 M)	\$(0.03 M)	\$(0.05 M)	\$(0.02 M)	\$(0.03 M)
2020-21	\$(0.05 M)	\$(0.06 M)	\$(0.04 M)	\$(0.05 M)	\$(0.02 M)	\$(0.03 M)
2021-22	\$(0.06 M)	\$(0.06 M)	\$(0.05 M)	\$(0.05 M)	\$(0.03 M)	\$(0.03 M)

#### List of affected Trust Funds:

Sales Tax Group

PECO



# REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** Data Center Property

**Bill Number(s):** Proposed Language V5

**Section 5: Consensus Estimate (Adopted: 03/10/2017):** The Conference adopted the low estimate an at least as number.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.7)	(2.1)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)
2018-19	(1.1)	(2.1)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)
2019-20	(1.6)	(2.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2020-21	(1.6)	(2.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2021-22	(1.6)	(2.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.1)	(0.3)	(0.2)	(0.5)	(0.9)	(2.6)
2018-19	(0.1)	(0.3)	(0.3)	(0.5)	(1.4)	(2.6)
2019-20	(0.2)	(0.3)	(0.4)	(0.5)	(2.0)	(2.6)
2020-21	(0.2)	(0.3)	(0.4)	(0.5)	(2.0)	(2.6)
2021-22	(0.2)	(0.3)	(0.4)	(0.5)	(2.0)	(2.6)

Proposed Language  
Data Centers

	A	B	C	D	E	F	G
1							
2	<b>Base line assumptions</b>						
3			<b>High</b>	<b>Middle</b>	<b>Low</b>		
4	Construction Expense		\$ 240.0 M	\$ 202.5 M	\$ 150.0 M		
5	Construction \$/MW		\$ 8.0 M	\$ 9.0 M	\$ 10.0 M		
6	MW Capacity		30	23	15		
7	Revenue per MW		\$ 1.8 M	\$ 1.8 M	\$ 1.8 M		
8	MWH \$		\$ 9.05	\$ 9.05	\$ 9.05		
9							
10	<b>Planned MW Schedule</b>						
11	<b>% MW/Year</b>	<b>Year</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>		
12		2017-18	-	-	-		
13	40%	2018-19	12.0 MW	9.0 MW	6.0 MW		
14	20%	2019-20	6.0 MW	4.5 MW	3.0 MW		
15	20%	2020-21	6.0 MW	4.5 MW	3.0 MW		
16	20%	2021-22	6.0 MW	4.5 MW	3.0 MW		
17							
18	<b>Construction Expense Phase-in</b>						
19	Construction Material %				50%		
20		<b>Year</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>		
21		2017-18	\$ 24.0 M	\$ 20.3 M	\$ 15.0 M		
22		2018-19	\$ 36.0 M	\$ 30.4 M	\$ 22.5 M		
23		2019-20	\$ 24.0 M	\$ 20.3 M	\$ 15.0 M		
24		2020-21	\$ 24.0 M	\$ 20.3 M	\$ 15.0 M		
25		2021-22	\$ 12.0 M	\$ 10.1 M	\$ 7.5 M		
26							
27							
28	Maintenance expense 5% of revenue				5%		
29		<b>Year</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>		
30		2017-18	\$ -	\$ -	\$ -		
31		2018-19	\$ 1.1 M	\$ 0.8 M	\$ 0.5 M		
32		2019-20	\$ 1.6 M	\$ 1.2 M	\$ 0.8 M		
33		2020-21	\$ 2.2 M	\$ 1.6 M	\$ 1.1 M		
34		2021-22	\$ 2.7 M	\$ 2.0 M	\$ 1.4 M		

Proposed Language  
Data Centers

	A	B	C	D	E	F	G
35							
36	Customer IT Gear						
37		<b>Year</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>		
38		2017-18					
39	40%	2018-19	\$ 96.0 M	\$ 81.0 M	\$ 60.0 M		
40	20%	2019-20	\$ 48.0 M	\$ 40.5 M	\$ 30.0 M		
41	20%	2020-21	\$ 48.0 M	\$ 40.5 M	\$ 30.0 M		
42	20%	2021-22	\$ 48.0 M	\$ 40.5 M	\$ 30.0 M		
43	25%	2022-23	\$ 24.0 M	\$ 20.3 M	\$ 15.0 M		
44	25%	2023-24	\$ 36.0 M	\$ 30.4 M	\$ 22.5 M		
45	25%	2024-25	\$ 48.0 M	\$ 40.5 M	\$ 30.0 M		
46	25%	2025-26	\$ 60.0 M	\$ 50.6 M	\$ 37.5 M		
47							
48	Total expense per year (excluding Electricity)						
49		<b>Year</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>		
50		2017-18	\$ 24.0 M	\$ 20.3 M	\$ 15.0 M		
51	40%	2018-19	\$ 36.0 M	\$ 30.4 M	\$ 22.5 M		
52	20%	2019-20	\$ 49.6 M	\$ 41.7 M	\$ 30.8 M		
53	20%	2020-21	\$ 50.2 M	\$ 42.1 M	\$ 31.1 M		
54	20%	2021-22	\$ 50.7 M	\$ 42.5 M	\$ 31.4 M		
55	25%	2022-23	\$ 26.7 M	\$ 22.3 M	\$ 16.4 M		
56	25%	2023-24	\$ 38.7 M	\$ 32.4 M	\$ 23.9 M		
57	25%	2024-25	\$ 50.7 M	\$ 42.5 M	\$ 31.4 M		
58	25%	2025-26	\$ 62.7 M	\$ 52.7 M	\$ 38.9 M		
59							
60	Tax Due on Total expense per year (excluding Electricity)						
61		<b>Year</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>		
62		2017-18	\$ 1.4 M	\$ 1.2 M	\$ 0.9 M		
63		2018-19	\$ 2.2 M	\$ 1.8 M	\$ 1.4 M		
64		2019-20	\$ 3.0 M	\$ 2.5 M	\$ 1.8 M		
65		2020-21	\$ 3.0 M	\$ 2.5 M	\$ 1.9 M		
66		2021-22	\$ 3.0 M	\$ 2.6 M	\$ 1.9 M		
67		2022-23	\$ 1.6 M	\$ 1.3 M	\$ 1.0 M		
68		2023-24	\$ 2.3 M	\$ 1.9 M	\$ 1.4 M		
69		2024-25	\$ 3.0 M	\$ 2.6 M	\$ 1.9 M		
70		2025-26	\$ 3.8 M	\$ 3.2 M	\$ 2.3 M		

Proposed Language  
Data Centers

	A	B	C	D	E	F	G
71							
72	Electricity spending						
73		<b>Year</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>		
74		2017-18	\$ -	\$ -	\$ -		
75		2018-19	\$ 1.0 M	\$ 0.7 M	\$ 0.5 M		
76		2019-20	\$ 1.4 M	\$ 1.1 M	\$ 0.7 M		
77		2020-21	\$ 1.9 M	\$ 1.4 M	\$ 1.0 M		
78		2021-22	\$ 2.4 M	\$ 1.8 M	\$ 1.2 M		
79							
80	Sales Tax Due on Electricity						
81		<b>Year</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>		
82		2017-18	\$ -	\$ -	\$ -		
83		2018-19	\$ 0.04 M	\$ 0.03 M	\$ 0.02 M		
84		2019-20	\$ 0.06 M	\$ 0.05 M	\$ 0.03 M		
85		2020-21	\$ 0.08 M	\$ 0.06 M	\$ 0.04 M		
86		2021-22	\$ 0.10 M	\$ 0.08 M	\$ 0.05 M		
87							
88	Gross Receipts Tax Due on Electricity						
89		<b>Year</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>		
90		2017-18	\$ -	\$ -	\$ -		
91		2018-19	\$ 0.02 M	\$ 0.02 M	\$ 0.01 M		
92		2019-20	\$ 0.04 M	\$ 0.03 M	\$ 0.02 M		
93		2020-21	\$ 0.05 M	\$ 0.04 M	\$ 0.02 M		
94		2021-22	\$ 0.06 M	\$ 0.05 M	\$ 0.03 M		
95							
96	Sales Tax Impact						
97		<b>High</b>		<b>Middle</b>		<b>Low</b>	
98	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
99	2017-18	\$ (1.3 M)	\$ (1.4 M)	\$ (1.1 M)	\$ (1.2 M)	\$ (0.8 M)	\$ (0.9 M)
100	2018-19	\$ (2.1 M)	\$ (2.1 M)	\$ (1.8 M)	\$ (1.8 M)	\$ (1.3 M)	\$ (1.3 M)
101	2019-20	\$ (2.9 M)	\$ (2.9 M)	\$ (2.5 M)	\$ (2.5 M)	\$ (1.8 M)	\$ (1.8 M)
102	2020-21	\$ (2.9 M)	\$ (2.9 M)	\$ (2.5 M)	\$ (2.5 M)	\$ (1.8 M)	\$ (1.8 M)
103	2021-22	\$ (2.9 M)	\$ (2.9 M)	\$ (2.5 M)	\$ (2.5 M)	\$ (1.8 M)	\$ (1.8 M)
104	2025-26	\$ (3.7 M)	\$ (3.7 M)	\$ (3.1 M)	\$ (3.1 M)	\$ (2.3 M)	\$ (2.3 M)
105							
106	Gross Receipts Tax Impact						
107		<b>High</b>		<b>Middle</b>		<b>Low</b>	
108	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
109	2017-18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
110	2018-19	\$ (0.02 M)	\$ (0.02 M)	\$ (0.02 M)	\$ (0.02 M)	\$ (0.01 M)	\$ (0.01 M)
111	2019-20	\$ (0.04 M)	\$ (0.04 M)	\$ (0.03 M)	\$ (0.03 M)	\$ (0.02 M)	\$ (0.02 M)
112	2020-21	\$ (0.05 M)	\$ (0.05 M)	\$ (0.04 M)	\$ (0.04 M)	\$ (0.02 M)	\$ (0.02 M)
113	2021-22	\$ (0.06 M)	\$ (0.06 M)	\$ (0.05 M)	\$ (0.05 M)	\$ (0.03 M)	\$ (0.03 M)
114	2025-26	\$ (0.06 M)	\$ (0.06 M)	\$ (0.05 M)	\$ (0.05 M)	\$ (0.03 M)	\$ (0.03 M)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Various State Fees

**Issue:** Reduces or eliminates several fees and surcharges administered by various state agencies.

**Bill Number(s):** HB 1123 (SB 1442 identical)

☒ **Entire Bill**

☐ **Partial Bill:**

**Sponsor(s):** Representative Drake (Senator Broxson)

**Month/Year Impact Begins:** July 1, 2017, except for Sections 3-5 of the bill, which would be effective January 1, 2018.

**Date of Analysis:** March 10, 2017

### ***Sections 1-2 of the Bill – Elimination of the \$10 Fee for the Issuance of an Elected Officer's Commission (Department of State)***

#### **Narrative**

- a. Current Law:** Section 15.09(3), F.S., provides that all fees arising from certificates of election or appointment to office and from commissions to officers shall be paid to the Chief Financial Officer for deposit in the General Revenue Fund. A certificate of election is a formal document that grants the holder the rights and privileges of holding elected office. A commission to officers is a warrant or authority granted by government, which empowers the named individual to execute official acts. Section 113.01, F.S., provides that a fee of \$10 is prescribed for the issuance of each commission issued by the Governor and attested by the Secretary of State for an elected officer or a notary public. This fee is charged to persons who are elected or appointed to fill vacancies in elected positions.
- b. Proposed Change:** Section 2 of the bill amends s. 113.01, F.S., to eliminate the \$10 fee for a commission of an elected officer issued by the Governor. Section 1 of the bill makes a conforming change to s. 15.09(3), F.S.

#### **Description of Data and Sources**

Department of State, Director of Legislative Affairs.

According to the Department, the number of individuals who are charged the \$10 fee varies by election year and number of appointments. The Department provided the following data on the number of commissions issued during the most recent fiscal years.

FY 2016-17 (through 1/20/2017): 1,936 commissions issued, totaling \$19,360. 202 commissions to be issued upon payment, totaling \$2,020.

FY 2015-16: 169 commissions issued, totaling \$1,690.

FY 2014-15: 2,518 commissions issued, totaling \$25,180.

FY 2013-14: 1,177 commissions issued, totaling \$11,770.

FY 2012-13: 3,028 commissions issued, totaling \$30,280.

#### **Methodology (Include Assumptions and Attach Details)**

Since annual revenue in the most recent fiscal years has totaled less than \$50,000, a fiscal impact of negative insignificant is proposed.

#### **Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			(Insignificant)	(Insignificant)		
2018-19			(Insignificant)	(Insignificant)		
2019-20			(Insignificant)	(Insignificant)		
2020-21			(Insignificant)	(Insignificant)		
2021-22			(Insignificant)	(Insignificant)		

**List of Affected Trust Funds:** General Revenue Fund

## REVENUE ESTIMATING CONFERENCE

**Tax:** Various State Fees

**Issue:** Reduces or eliminates several fees and surcharges administered by various state agencies.

**Bill Number(s):** HB 1123 (SB 1442 identical)

### ***Section 3 of the Bill – Elimination of the \$2 Deduction from Each Claim Made for Refund (Department of Revenue)***

#### **Narrative**

- a. Current Law:** Section 206.41(5)(c), F.S., directs the Department of Revenue to deduct \$2 from each refund claim made pursuant to s. 206.41(4), F.S.
- b. Proposed Change:** Section 3 of the bill amends s. 206.41(5)(c), F.S., to eliminate this \$2 deduction from each refund claim.

#### **Description of Data and Sources**

Department of Revenue refund data

\$2 Withheld from Fuel Refunds	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Collections	\$2,950	\$2,192	\$2,544	\$2,126	\$2,020
Growth		-25.7%	16.1%	-16.4%	-5.0%

#### **Methodology (Include Assumptions and Attach Details)**

For each forecast year, the FY 2011-12 collections were used for the high estimate; the FY 2013-14 collections were used for the middle estimate, and the FY 2015-16 collections were used for the low estimate.

#### **Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(Insignificant)	(\$2,950)	(Insignificant)	(\$2,544)	(Insignificant)	(\$2,544)
2018-19	(\$2,950)	(\$2,950)	(\$2,544)	(\$2,544)	(\$2,544)	(\$2,544)
2019-20	(\$2,950)	(\$2,950)	(\$2,544)	(\$2,544)	(\$2,544)	(\$2,544)
2020-21	(\$2,950)	(\$2,950)	(\$2,544)	(\$2,544)	(\$2,544)	(\$2,544)
2021-22	(\$2,950)	(\$2,950)	(\$2,544)	(\$2,544)	(\$2,544)	(\$2,544)

**List of Affected Trust Funds:** General Revenue Fund

## REVENUE ESTIMATING CONFERENCE

**Tax:** Various State Fees

**Issue:** Reduces or eliminates several fees and surcharges administered by various state agencies.

**Bill Number(s):** HB 1123 (SB 1442 identical)

### ***Sections 4-5 of the Bill – Elimination of the \$5 Registration Fee for Certain Dealers or Businesses (Department of Revenue)***

#### **Narrative**

- a. Current Law:** Section 212.18(3), F.S., requires a fee of \$5 for registering with the Department as a dealer or to engage in transient rental or commercial rental activity and specifies that the fee is not required to accompany an application to engage in mail order sales. The Department may waive the registration fee for applications submitted through its Internet registration process. Furthermore, a person who engages in activities that require registration but fails or refuses to do so is also subject to a \$100 registration fee in lieu of the \$5 fee. However, if the Department finds the failure to register was due to reasonable cause and not to willful negligence, willful neglect, or fraud, it may waive the increase in the registration fee.
- b. Proposed Change:** Section 5 of the bill amends s. 212.18(3), F.S., to eliminate the \$5 registration fee. Section 4 of the bill makes a conforming change to s. 212.0596(7), F.S.

#### **Description of Data and Sources**

DOR collections data

Registration fee amounts:

2015-16	\$130,766
2014-15	\$163,925
2013-14	\$121,878
2012-13	\$128,386
2011-12	\$145,043
AVG	\$138,002

#### **Methodology (Include Assumptions and Attach Details)**

High – assumed 2014-15 level for all future years.

Middle – assumed five-year average for all future years.

Low – assumed 2013-14 level for all future years.

Based on the assumption that registrations come in evenly throughout the year, the first year cash impact is 50% of the recurring impact.

#### **Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$81,648)	(\$163,295)	(\$69,001)	(\$138,002)	(\$60,939)	(\$121,878)
2018-19	(\$163,295)	(\$163,295)	(\$138,002)	(\$138,002)	(\$121,878)	(\$121,878)
2019-20	(\$163,295)	(\$163,295)	(\$138,002)	(\$138,002)	(\$121,878)	(\$121,878)
2020-21	(\$163,295)	(\$163,295)	(\$138,002)	(\$138,002)	(\$121,878)	(\$121,878)
2021-22	(\$163,295)	(\$163,295)	(\$138,002)	(\$138,002)	(\$121,878)	(\$121,878)

**List of Affected Trust Funds:** General Revenue Fund

## REVENUE ESTIMATING CONFERENCE

**Tax:** Various State Fees

**Issue:** Reduces or eliminates several fees and surcharges administered by various state agencies.

**Bill Number(s):** HB 1123 (SB 1442 identical)

### ***Sections 6-10, 12 of the Bill – Implementation of Changes to Several Fees (Department of Highway Safety and Motor Vehicles)***

#### **Narrative**

- a. Current Law:** Sections 319.28 and 319.32, F.S., provide for a \$70 fee charged for each original or duplicate certificate of title, except for for-hire vehicles and salvaged vehicles. The \$70 fee is distributed as follows: \$21 into the State Transportation Trust Fund (STTF), \$47 into the STTF for the first \$200 million with the remainder into the General Revenue Fund (GR), and \$2 into the GR Fund. Section 319.32, F.S., also provides for a service charge of \$2.50 for shipping and handling of paper titles to be deposited into the Highway Safety Operating Trust Fund.

Section 322.051, F.S., allows for the word “veteran” to be displayed upon a veteran’s identification card upon payment of an additional \$1 fee and the word “veteran” to be added to a veteran’s driver license upon payment of an additional \$2 fee. These fees are deposited into the Highway Safety Operating Trust Fund.

Section 322.14, F.S., allows for the word “veteran” to be displayed upon a veteran’s driver license upon payment of an additional \$1 fee and the word “veteran” to be added to a veteran’s driver license upon payment of an additional \$2 fee. These fees are deposited into the Highway Safety Operating Trust Fund.

Section 322.21, F.S., provides a \$75 fee for each original commercial driver license deposited into the General Revenue Fund and a \$25 fee for each original, renewal, and replacement ID card. The fees from original ID cards are deposited into the General Revenue Fund. The fees from renewal ID cards are deposited in the following manner: \$19 into the General Revenue Fund and \$6 into the Highway Safety Operating Trust Fund. The fees from replacement ID cards are deposited in the following manner: \$16 into the General Revenue Fund and \$9 into either the Highway Safety Operating Trust Fund or retained by the local tax collector, depending upon who issues the card.

Section 488.03, F.S., provides for various fees for the application for, issuance, and renewal of licenses for commercial driver schools.

- b. Proposed Change:** Section 7 of the bill amends s. 319.32(1), F.S., to state that the surviving spouse of a deceased motor vehicle owner who applies for a transfer of title in his or her own name is exempt from the fees imposed. Section 6 of the bill makes a conforming change to s. 319.28, F.S.

Section 8 of the bill amends s. 322.051(8), F.S., to abolish the \$1 and \$2 fees for displaying or adding the word “veteran” to a veteran’s identification card.

Section 9 of the bill amends s. 322.14(1), F.S., to abolish the \$1 and \$2 fees for displaying or adding the word “veteran” to a veteran’s driver license.

Section 10 of the bill amends s. 322.21(1), F.S., to exempt veterans from the \$75 fee for original commercial driver license and exempt any person who is 80 years of age or older from the \$25 fee for original, renewal, and replacement ID cards.

Section 12 of the bill amends s. 488.03, F.S., to reduce by 50% the various fees for the application for, issuance, and renewal of licenses for commercial driver schools.

#### **Description of Data and Sources**

March 2017 Highway Safety REC and History

February 2017 Demographic Estimating Conference

Phone interview with Department of Highway Safety and Motor Vehicles staff

Number of Veterans in Florida per the Florida Department of Veteran Affairs website

US Census 2015 American Community Survey (ACS)

FHWA 2009 National Household Travel Survey (NHTS)



## REVENUE ESTIMATING CONFERENCE

**Tax:** Various State Fees

**Issue:** Reduces or eliminates several fees and surcharges administered by various state agencies.

**Bill Number(s):** HB 1123 (SB 1442 identical)

### Methodology (Include Assumptions and Attach Details)

Sections 6-7 of the bill: Exempting surviving spouses from the title fee for removing the name of the deceased spouse results in a negative impact to the forecasted title revenue for STTF, GR, and HSOTF. For each applicable title, the impact to each trust fund is as follows: STTF - \$21 and GR - \$49. For the \$2.50 HSOTF paper title service fees, the REC history was used to calculate the rate at which paper titles are requested of base titles (56%), which was applied to applicable titles and multiplied by \$2.50. Note that the \$47 portion of the base fee, for which STTF receives the first \$200 million, only impacts GR because there would need to be an unrealistically high number of applicable titles for the impact to reach into the \$200 million STTF portion.

The February 2017 Demographic Estimating Conference was used to forecast deaths above age 15. Per the 2015 American Community Survey, 45.5% of Americans above age 15 are married. Per the 2009 National Household Travel Survey, 8.7% of households do not own an automobile. All three of the above sources were used to forecast the number of married car-owner deaths. To get to applicable titles, this number needs to be further reduced for the following factors. First, surviving spouses who wish to sell their deceased spouse's vehicle are already exempt from titling the vehicle prior to sale per s. 319.28 F.S. A second deduction must be made for repossessed titles. Lastly, a third deduction must be made for certain titles owned jointly. Vehicles may be titled jointly using either the phrase "\_\_\_ or \_\_\_" or using "\_\_\_ and \_\_\_." If a joint title includes the word "or," there is no need for a surviving spouse to make revision to the title when attempting to register the vehicle while such need exists if the joint title uses the word "and." According to the Department of Highway Safety and Motor vehicles, 22.63% of titles are jointly owned; however, it is unknown how many of these titles are jointly owned by spouses nor how many use "or" vs. "and." Further note that when preparing this analysis, it was assumed that the fee exemption would apply to surviving spouses when the vehicle is titled solely in the name of the deceased spouse. Lastly note that the language could be interpreted to grant the exemption to a surviving spouse transferring any vehicle title. This interpretation does not impact this analysis because such actions would be extremely rare. For the high analysis, applicable titles represent 40% of married car-owner deaths. For the middle analysis, applicable titles represent 25% of married car-owner deaths. For the low analysis, applicable titles represent 10% of married car-owner deaths.

Sections 8-9 of the bill: The FY 2015-16 revenue from the \$1 and \$2 fees charged per s. 322.14, F.S., was retrieved from the Highway Safety REC History. This fee is included with other items in the Highway Safety REC. The growth rates for the line item that includes the relevant fees was used to grow the FY 2015-16 actual to derive a forecast, which will be the total reduction.

Section 10 of the bill: The number of veterans in Florida was found on the Florida Department of Veterans' Affairs website. Using Florida population from the February 2017 Demographic Estimating Conference, the percentage of Florida residents who are veterans is 8.76%. For the low scenario, 8.76% of forecasted original CDL's are veterans. This percentage increases to 10% for the middle scenario and 15% for the high scenario.

The February 2017 Demographic Estimating Conference was also used to generate the Florida population above 80 years of age, which is about 5% of the total population. The number of transactions for original, renewal, and replacement ID cards comes from the March 2017 Highway Safety REC. In the three scenarios, transactions are reduced by 5% for the low, 8% for the middle, and 12% for the high.

Section 12 of the bill: The fees for commercial driver schools come from the March 2017 Highway Safety REC. The forecast is reduced by 50% to reflect the fee reduction.

All Sections: For all fee changes impacting Highway Safety REC fees, there is a half-month collection to distribution lag accounting for the difference between FY 2017-18 cash and recurring. There is also a subsequent GR service charge impact to the Highway Safety Operating Trust Fund and General Revenue Fund.

# REVENUE ESTIMATING CONFERENCE

**Tax:** Various State Fees

**Issue:** Reduces or eliminates several fees and surcharges administered by various state agencies.

**Bill Number(s):** HB 1123 (SB 1442 identical)

## Proposed Fiscal Impact (Millions)

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$3.60)	(\$3.76)	(\$2.12)	(\$2.22)	(\$1.17)	(\$1.23)
2018-19	(\$3.78)	(\$3.78)	(\$2.23)	(\$2.23)	(\$1.23)	(\$1.23)
2019-20	(\$3.87)	(\$3.87)	(\$2.29)	(\$2.29)	(\$1.26)	(\$1.26)
2020-21	(\$3.95)	(\$3.95)	(\$2.33)	(\$2.33)	(\$1.29)	(\$1.29)
2021-22	(\$4.00)	(\$4.00)	(\$2.36)	(\$2.36)	(\$1.30)	(\$1.30)

TRUST	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$0.93)	(\$0.97)	(\$0.59)	(\$0.62)	(\$0.29)	(\$0.30)
2018-19	(\$0.98)	(\$0.98)	(\$0.62)	(\$0.62)	(\$0.30)	(\$0.30)
2019-20	(\$1.01)	(\$1.01)	(\$0.64)	(\$0.64)	(\$0.31)	(\$0.31)
2020-21	(\$1.04)	(\$1.04)	(\$0.65)	(\$0.65)	(\$0.32)	(\$0.32)
2021-22	(\$1.05)	(\$1.05)	(\$0.67)	(\$0.67)	(\$0.32)	(\$0.32)

LOCAL	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$0.11)	(\$0.11)	(\$0.06)	(\$0.06)	(\$0.04)	(\$0.04)
2018-19	(\$0.11)	(\$0.11)	(\$0.06)	(\$0.06)	(\$0.04)	(\$0.04)
2019-20	(\$0.11)	(\$0.11)	(\$0.06)	(\$0.06)	(\$0.04)	(\$0.04)
2020-21	(\$0.11)	(\$0.11)	(\$0.06)	(\$0.06)	(\$0.04)	(\$0.04)
2021-22	(\$0.12)	(\$0.12)	(\$0.06)	(\$0.06)	(\$0.04)	(\$0.04)

FINAL	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$1.69)	(\$1.76)	(\$0.56)	(\$0.58)	(\$0.04)	(\$0.04)	(\$2.28)	(\$2.38)
2018-19	(\$1.78)	(\$1.78)	(\$0.59)	(\$0.59)	(\$0.04)	(\$0.04)	(\$2.41)	(\$2.41)
2019-20	(\$1.82)	(\$1.82)	(\$0.61)	(\$0.61)	(\$0.04)	(\$0.04)	(\$2.47)	(\$2.47)
2020-21	(\$1.86)	(\$1.86)	(\$0.62)	(\$0.62)	(\$0.04)	(\$0.04)	(\$2.52)	(\$2.52)
2021-22	(\$1.89)	(\$1.89)	(\$0.63)	(\$0.63)	(\$0.04)	(\$0.04)	(\$2.56)	(\$2.56)

## List of Affected Trust Funds:

General Revenue Fund

Highway Safety Operating Trust Fund

State Transportation Trust Fund

Local Trust Funds

## REVENUE ESTIMATING CONFERENCE

**Tax:** Various State Fees

**Issue:** Reduces or eliminates several fees and surcharges administered by various state agencies.

**Bill Number(s):** HB 1123 (SB 1442 identical)

### ***Sections 11, 13 of the Bill – Reductions to a Fee for Renewal of a Delinquent License and Surcharge on Building Permits (Department of Business and Professional Regulation)***

#### **Narrative**

- a. Current Law:** Section 455.271, F.S., authorizes each professional licensing board, or the Department when there is no board, to impose an additional delinquency fee for the renewal of a delinquent status license. The delinquency fee must be adopted by rule. The additional fee may be up to the same amount as the biennial renewal fee, potentially doubling the cost to renew the license. Currently, all boards have adopted delinquency fees, which vary by profession ranging from \$25 to \$260.

Section 553.721, F.S., requires all local building departments to assess and collect a 1.5% surcharge on any building permit issued by their agency for the purpose of enforcing the Florida Building Code. The surcharge assessment is paid directly by the individual or construction professional pulling the permit and is generally passed on to consumers through increased costs for construction. The local jurisdictions collect the assessment and remit the surcharge fees to the Department to fund the activities of the Florida Building Commission and the Department's Office of Codes and Standards. Local building departments are permitted to retain 10% of the collected surcharge to fund participation of their agencies in the national and state building code adoption processes and provide education related to Florida Building Code enforcement.

- b. Proposed Change:** Section 11 of the bill amends s. 455.271(7), F.S., to limit delinquency fees to a flat rate of \$25 per delinquent license for all professions regulated under Chapter 455, F.S. According to the Department, this change will provide consistency across professions and eliminating the need for boards to engage in continued rulemaking regarding delinquency fees. Section 13 of the bill amends s. 553.721, F.S., to reduce the amount of the building surcharge assessed on the applicable building permits from 1.5% to 1.0%.

#### **Description of Data and Sources**

**Delinquency Fee Reduction:** The reduction in delinquent fee collections is calculated using FY 2015-16 actual revenues. **Building Permit Surcharge Reduction:** The reduction in the building permit surcharge fee collections is calculated using the FY 2015-16 actual revenues.

#### **Methodology (Include Assumptions and Attach Details)**

**Delinquency Fee Reduction Methodology:** Delinquent fees collected by board in FY 2015-16 were recalculated using the new proposed fee of \$25 rather than the current fee. Revenue decreases were summed for a total decrease in revenue. **Building Permit Surcharge Reduction Methodology:** Total surcharge fees were calculated by taking surcharge revenues received by the Department in FY 2015-16 and then increasing those fees to include the 10% fee collected by cities and counties. To show the impact of the proposed fee reduction, the total surcharge fees were then reduced by 1/3 to reflect the surcharge reduction from 1.5% to 1.0%. The Department anticipates that surcharge revenues will remain at or near the 2016 levels. Therefore, projected savings were based on the 2016 surcharge fees.

**Assumptions:** The building permit surcharge and the license renewal delinquent fee revenue will remain constant over the next five fiscal years. Cash reduction represents the gross revenue impact less the 8% surcharge to General Revenue.

**See Attached.**

#### **Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$3,027,182)	(\$3,027,182)				
2018-19	(\$3,027,182)	(\$3,027,182)				
2019-20	(\$3,027,182)	(\$3,027,182)				
2020-21	(\$3,027,182)	(\$3,027,182)				
2021-22	(\$3,027,182)	(\$3,027,182)				

**List of Affected Trust Funds:** Professional Regulation Trust Fund

## REVENUE ESTIMATING CONFERENCE

**Tax:** Various State Fees

**Issue:** Reduces or eliminates several fees and surcharges administered by various state agencies.

**Bill Number(s):** HB 1123 (SB 1442 identical)

### Section 5: Consensus Estimate (Adopted: 03/10/2017): The Conference adopted the following impacts:

Sections 1-2, *Elimination of \$10 Elected Officer's Commission Fee* – negative insignificant

Section 3, *\$2 Fuel Refunds* – negative insignificant

Sections 4-5, *\$5 Registration Fee* – Middle

Sections 6-7, *HMSV Fees Title Fees - Surviving Spouses* – Middle

Sections 8-9, *Veteran Specialty Driver License Discount* – Proposed Estimate

Section 10, *Veteran CDL* – Adopted an adjusted low (5% of CDL originals are Veterans)

Section 10, *Over 80 ID Card Discount* - Low

Section 12, *CDL School Discount* – Proposed Estimate

Section 11, 13, *Building Permits*, - Proposed Estimate

Sections 1-2, *Elimination of \$10 Elected Officer's Commission Fee* – negative insignificant

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2018-19	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2019-20	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2020-21	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2021-22	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)

Section 3, *\$2 Fuel Refunds* – negative insignificant

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2018-19	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2019-20	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2020-21	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2021-22	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)

Sections 4-5, *\$5 Registration Fee* – Middle

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2018-19	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2019-20	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2020-21	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2021-22	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)

Sections 6-7, *HMSV Fees Title Fees - Surviving Spouses* – Middle

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(1.0)	(1.0)	(0.5)	(0.5)	0.0	0.0	(1.5)	(1.5)
2018-19	(1.1)	(1.1)	(0.5)	(0.5)	0.0	0.0	(1.5)	(1.5)
2019-20	(1.1)	(1.1)	(0.5)	(0.5)	0.0	0.0	(1.6)	(1.6)
2020-21	(1.1)	(1.1)	(0.5)	(0.5)	0.0	0.0	(1.6)	(1.6)
2021-22	(1.1)	(1.1)	(0.5)	(0.5)	0.0	0.0	(1.6)	(1.6)

# REVENUE ESTIMATING CONFERENCE

**Tax:** Various State Fees

**Issue:** Reduces or eliminates several fees and surcharges administered by various state agencies.

**Bill Number(s):** HB 1123 (SB 1442 identical)

## Sections 8-9, *Veteran Specialty Driver License Discount* – Proposed Estimate

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
2018-19	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
2019-20	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
2020-21	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
2021-22	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)

## Section 10, *Veteran CDL* – Adopted an adjusted low (5% of CDL originals are Veterans)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2018-19	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2019-20	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2020-21	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2021-22	(0.2)	(0.2)	0.0	0.0	0.0	0.0	(0.2)	(0.2)

## Section 10, *Over 80 ID Card Discount - Low*

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.5)	(0.5)	(0.1)	(0.1)	0.0	0.0	(0.6)	(0.6)
2018-19	(0.5)	(0.5)	(0.1)	(0.1)	0.0	0.0	(0.6)	(0.6)
2019-20	(0.6)	(0.6)	(0.1)	(0.1)	0.0	0.0	(0.7)	(0.7)
2020-21	(0.6)	(0.6)	(0.1)	(0.1)	0.0	0.0	(0.7)	(0.7)
2021-22	(0.6)	(0.6)	(0.1)	(0.1)	0.0	0.0	(0.7)	(0.7)

## Section 12, *CDL School Discount* – Proposed Estimate

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2018-19	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2019-20	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2020-21	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2021-22	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)

## Section 11 *Delinquency Fee Reduction* - Proposed Estimate

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.2)	(0.2)	(2.4)	(2.4)	0.0	0.0	(2.6)	(2.6)
2018-19	(0.2)	(0.2)	(2.4)	(2.4)	0.0	0.0	(2.6)	(2.6)
2019-20	(0.2)	(0.2)	(2.4)	(2.4)	0.0	0.0	(2.6)	(2.6)
2020-21	(0.2)	(0.2)	(2.4)	(2.4)	0.0	0.0	(2.6)	(2.6)
2021-22	(0.2)	(0.2)	(2.4)	(2.4)	0.0	0.0	(2.6)	(2.6)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Various State Fees

**Issue:** Reduces or eliminates several fees and surcharges administered by various state agencies.

**Bill Number(s):** HB 1123 (SB 1442 identical)

### Section 13, *Surcharge Reduction on Building Permits* - Proposed Estimate

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.1)	(0.1)	(0.6)	(0.6)	0.0	0.0	(0.7)	(0.7)
2018-19	(0.1)	(0.1)	(0.6)	(0.6)	0.0	0.0	(0.7)	(0.7)
2019-20	(0.1)	(0.1)	(0.6)	(0.6)	0.0	0.0	(0.7)	(0.7)
2020-21	(0.1)	(0.1)	(0.6)	(0.6)	0.0	0.0	(0.7)	(0.7)
2021-22	(0.1)	(0.1)	(0.6)	(0.6)	0.0	0.0	(0.7)	(0.7)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Total Surcharge: 1.5% (projected)	8,701,182	8,701,182	8,701,182	8,701,182	8,701,182
10% Fee Collected by Locals	870,118	870,118	870,118	870,118	870,118
NET Revenues to TF: 1.5% Surcharge	7,831,064	7,831,064	7,831,064	7,831,064	7,831,064

Total Surcharge: 1.0% (reduction of 1/3)	5,800,788	5,800,788	5,800,788	5,800,788	5,800,788
10% Fee Collected by Locals	580,079	580,079	580,079	580,079	580,079
NET Revenues to TF: 1.0% Surcharge	5,220,709	5,220,709	5,220,709	5,220,709	5,220,709

<b>Reduction in Revenue Collected</b>	<b>-2,610,355</b>	<b>-2,610,355</b>	<b>-2,610,355</b>	<b>-2,610,355</b>	<b>-2,610,355</b>
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8% GR Surcharge on 1.5% fee	626,485	626,485	626,485	626,485	626,485
8% GR Surcharge on 1.0% fee	417,657	417,657	417,657	417,657	417,657
<b>8% GR Surcharge Reduction</b>	<b>-208,828</b>	<b>-208,828</b>	<b>-208,828</b>	<b>-208,828</b>	<b>-208,828</b>

<b>Reduction in Cash Collected</b>	<b>-2,401,527</b>	<b>-2,401,527</b>	<b>-2,401,527</b>	<b>-2,401,527</b>	<b>-2,401,527</b>
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Delinquency fee reduction:

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Total Annual Fee Reduction	-680,060	-680,060	-680,060	-680,060	-680,060
8% Surcharge to GR	-54,405	-54,405	-54,405	-54,405	-54,405
<b>Cash Reduction</b>	<b>-625,655</b>	<b>-625,655</b>	<b>-625,655</b>	<b>-625,655</b>	<b>-625,655</b>

	Number of Delinquent Licenses	Current Delinquent Fee	6/30/2016 Revenue	New Proposed Fee	Fee Increase (decrease)	Total Revenue Increase or (decrease)
Certified Public Accountant	497	50	24,850	25	-25	-12,425
FIRM	118	50	5,900	25	-25	-2,950
Architect	99	125	12,375	25	-100	-9,900
Architect Business	28	125	3,500	25	-100	-2,800
Interior Designers	19	125	2,375	25	-100	-1,900
Interior Design Business	7	125	875	25	-100	-700
Barbers	228	100	22,800	25	-75	-17,100
Restricted Barber	73	100	7,300	25	-75	-5,475
Barber Shop	128	100	12,800	25	-75	-9,600
Home Inspector	79	100	7,900	25	-75	-5,925
Cosmetologist	5,648	50	282,400	25	-25	-141,200
Cosmetology Salon	382	50	19,100	25	-25	-9,550
Mobile Cosmetology Salon	2	50	100	25	-25	-50
Nail Specialist	1,745	50	87,250	25	-25	-43,625
Facial Specialist	1,187	50	59,350	25	-25	-29,675
Full Specialist	1,122	50	56,100	25	-25	-28,050
Certified AC Contractor	43	100	4,300	25	-75	-3,225
Certified Building Contractor	151	100	15,100	25	-75	-11,325
Certified Roofing Contractor	53	100	5,300	25	-75	-3,975
Certified Plumbing Contractor	26	100	2,600	25	-75	-1,950
Certified General Contractor	302	100	30,200	25	-75	-22,650
Certified Mechanical Contractor	11	100	1,100	25	-75	-825
Certified Pool/Spa Contractor	16	100	1,600	25	-75	-1,200
Certified Residential Contractor	61	100	6,100	25	-75	-4,575
Certified Utility and Excavation	11	100	1,100	25	-75	-825

Certified Solar Contractor	1	100	100	25	-75	-75
Certified Specialty Contractor	18	100	1,800	25	-75	-1,350
Certified Pollutant Storage Contractor	3	100	300	25	-75	-225
Registered Air Conditioning Contractor	36	100	3,600	25	-75	-2,700
Registered Building Contractor	36	100	3,600	25	-75	-2,700
Registered Roofing Contractor	47	100	4,700	25	-75	-3,525
Registered Plumbing Contractor	45	100	4,500	25	-75	-3,375
Registered General Contractor	51	100	5,100	25	-75	-3,825
Registered Mechanical Contractor	9	100	900	25	-75	-675
Registered Pool/Spa Contractor	58	100	5,800	25	-75	-4,350
Registered Precision Tank Tester	1	100	100	25	-75	-75
Registered Residential Contractor	55	100	5,500	25	-75	-4,125
Registered Sheet Metal Contractor	1	100	100	25	-75	-75
Registered Utility and Excavation Contr	2	100	200	25	-75	-150
Registered Specialty Contractor	21	100	2,100	25	-75	-1,575
Mold Assessor	21	100	2,100	25	-75	-1,575
Mold Remediator	31	100	3,100	25	-75	-2,325
Cert. Electrical Contractors (EC)	29	50	1,450	25	-25	-725
Cert. Alarm System Contractors I (EF)	7	50	350	25	-25	-175
Cert. Specialty Contractors (ES)	9	50	450	25	-25	-225
Reg. Electrical Contractors (ER)	24	50	1,200	25	-25	-600
Reg. Alarm System Contractors I (EY)	1	50	50	25	-25	-25
Reg. Specialty Contractors (ET)	4	50	200	25	-25	-100
Reg. Alarm System Contractors I (EH)	1	50	50	25	-25	-25
Reg. Alarm System Contractors II (EI)	1	50	50	25	-25	-25
Professional Engineer	338	200	67,600	25	-175	-59,150
Certificate of Authorization	132	100	13,200	25	-75	-9,900
Registered Landscape Architect	69	100	6,900	25	-75	-5,175
Landscape Architect Business	8	100	800	25	-75	-600
Real Estate Broker or Sales	6,795	45	305,775	25	-20	-135,900
Real Estate Corporation	835	45	37,575	25	-20	-16,700
Real Estate Partnership	4	45	180	25	-20	-80
Real Estate Branch Office	92	45	4,140	25	-20	-1,840
Real Estate Instructor	41	45	1,845	25	-20	-820
Real Estate School	22	45	990	25	-20	-440
Real Estate Additional Location	14	45	630	25	-20	-280
Veterinarian	100	260	26,000	25	-235	-23,500
Community Association Manager	133	50	6,650	25	-25	-3,325
CAM Firm	76	50	3,800	25	-25	-1,900
Auctioneer Apprentice	1	100	100	25	-75	-75
Auctioneer	105	100	10,500	25	-75	-7,875
Auction Business	36	100	3,600	25	-75	-2,700
Professional Geologist	13	100	1,300	25	-75	-975
Asbestos Consultant	1	250	250	25	-225	-225
Asbestos Business	13	150	1,950	25	-125	-1,625
Athlete Agents	12	100	1,200	25	-75	-900

Total Annual Fee Reduction	-680,060
8% Surcharge to GR	-54,405
Cash Reduction	-625,655



	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<u>Sections 8 and 9 - Veteran License Discount</u>							
Veteran Status D.L. Fee per HS REC History	\$ 58,644						
Miscellaneous 18B Forecast	\$ 169,127	\$ 182,243	\$ 184,445	\$ 186,123	\$ 187,788	\$ 189,439	\$ 191,067
Miscellaneous 18B Forecast Growth Rate		7.76%	1.21%	0.91%	0.89%	0.88%	0.86%
<b>Derived Veteran Status D.L. Fee (HSOTF)</b>		\$ 63,192	<b>\$ 63,956</b>	<b>\$ 64,537</b>	<b>\$ 65,115</b>	<b>\$ 65,687</b>	<b>\$ 66,252</b>
<u>Section 10 - Veteran CDL Discount</u>							
Original CDL (transactions)			38,006	38,582	39,180	39,723	40,262
Original CDL (revenue)			\$ 2,801,044	\$ 2,843,486	\$ 2,887,600	\$ 2,927,570	\$ 2,967,299
Florida Population (2/2017 FDEC)		20,393,653	20,717,787	21,040,280	21,359,361	21,674,659	21,984,736
# of Florida Veterans (FL DoVA website)		1,785,913					
% of Florida Population who are Veterans		8.76%					
<b>Low (8.76% of CDL originals are veterans) (GR)</b>			<b>\$ 249,700</b>	<b>\$ 253,483</b>	<b>\$ 257,416</b>	<b>\$ 260,979</b>	<b>\$ 264,520</b>
<b>Middle (10% of CDL originals are veterans) (GR)</b>			<b>\$ 285,045</b>	<b>\$ 289,364</b>	<b>\$ 293,853</b>	<b>\$ 297,921</b>	<b>\$ 301,964</b>
<b>High (15% of CDL originals are veterans) (GR)</b>			<b>\$ 427,568</b>	<b>\$ 434,046</b>	<b>\$ 440,780</b>	<b>\$ 446,881</b>	<b>\$ 452,946</b>
<b>Adopted (5% of CDL originals are veterans) (GR)</b>			<b>\$ 142,523</b>	<b>\$ 144,682</b>	<b>\$ 146,927</b>	<b>\$ 148,960</b>	<b>\$ 150,982</b>
<u>Section 10 - Over 80 ID Card Discount</u>							
Florida Population Over 80 (2/2017 FDEC)			1,076,926	1,104,910	1,132,722	1,170,776	1,214,911
Florida Population Over 80 % of Population			5.2%	5.3%	5.3%	5.4%	5.5%
ID Card Originals			261,487	263,523	265,522	267,481	269,395
ID Card Renewals			127,247	116,794	131,987	139,692	138,295
ID Card Replacements			130,041	131,054	132,048	133,022	133,974
<b>Low - 5% of ID Cards</b>							
ID Card Originals (GR)			<b>\$ 326,859</b>	<b>\$ 329,404</b>	<b>\$ 331,903</b>	<b>\$ 334,351</b>	<b>\$ 336,744</b>
ID Card Renewals (GR & HSOTF)			<b>\$ 159,059</b>	<b>\$ 145,993</b>	<b>\$ 164,984</b>	<b>\$ 174,615</b>	<b>\$ 172,869</b>
ID Card Replacements (GR, HSOTF, & Local)			<b>\$ 162,552</b>	<b>\$ 163,817</b>	<b>\$ 165,060</b>	<b>\$ 166,278</b>	<b>\$ 167,468</b>
<b>Middle - 8% of ID Cards</b>							
ID Card Originals (GR)			<b>\$ 522,974</b>	<b>\$ 527,046</b>	<b>\$ 531,044</b>	<b>\$ 534,962</b>	<b>\$ 538,790</b>
ID Card Renewals (GR & HSOTF)			<b>\$ 254,494</b>	<b>\$ 233,588</b>	<b>\$ 263,974</b>	<b>\$ 279,384</b>	<b>\$ 276,590</b>
ID Card Replacements (GR, HSOTF, & Local)			<b>\$ 260,083</b>	<b>\$ 262,108</b>	<b>\$ 264,096</b>	<b>\$ 266,045</b>	<b>\$ 267,948</b>
<b>High - 12% of ID Cards</b>							
ID Card Originals (GR)			<b>\$ 980,576</b>	<b>\$ 988,211</b>	<b>\$ 995,708</b>	<b>\$ 1,003,054</b>	<b>\$ 1,010,231</b>
ID Card Renewals (GR & HSOTF)			<b>\$ 477,176</b>	<b>\$ 437,978</b>	<b>\$ 494,951</b>	<b>\$ 523,845</b>	<b>\$ 518,606</b>
ID Card Replacements (GR, HSOTF, & Local)			<b>\$ 487,656</b>	<b>\$ 491,452</b>	<b>\$ 495,180</b>	<b>\$ 498,834</b>	<b>\$ 502,403</b>
<u>Section 12 - CDL School Fees</u>							
Current Forecast			\$49,078	\$50,258	\$51,425	\$52,578	\$53,712
<b>Reduced by 1/2 (GR)</b>			<b>\$24,539</b>	<b>\$25,129</b>	<b>\$25,712</b>	<b>\$26,289</b>	<b>\$26,856</b>

<b>Title Fee Exemption for Surviving Spouses (Sections 6 &amp; 7)</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Deaths Aged 15 and Above (02/2017 DEC)	202,815	207,137	211,377	215,899	220,909
% Married Above Age 15 (ACS)	45.5%	45.5%	45.5%	45.5%	45.5%
# of Married Deaths	92,281	94,247	96,177	98,234	100,514
2009 NHTS % of Households with No Vehicles	8.7%	8.7%	8.7%	8.7%	8.7%
<b># of Married Deaths Owning a Vehicle</b>	<b>84,252</b>	<b>86,048</b>	<b>87,809</b>	<b>89,688</b>	<b>91,769</b>
<b>High (60% reduction for sales, repossessions, and "or" joint titles)</b>					
# of Applicable Titles (40% of Married Car-Owner Deaths)	33,701	34,419	35,124	35,875	36,708
Reduction to STTF	(707,720)	(722,802)	(737,597)	(753,377)	(770,859)
Reduction to GR	(1,651,347)	(1,686,537)	(1,721,060)	(1,757,879)	(1,798,671)
Reduction to HSOTF	(47,181)	(48,187)	(49,173)	(50,225)	(51,391)
<b>Middle (75% reduction for sales, repossessions, and "or" joint titles)</b>					
# of Applicable Titles (25% of Married Car-Owner Deaths)	21,063	21,512	21,952	22,422	22,942
Reduction to STTF	(442,325)	(451,751)	(460,998)	(470,860)	(481,787)
Reduction to GR	(1,032,092)	(1,054,086)	(1,075,662)	(1,098,674)	(1,124,169)
Reduction to HSOTF	(29,488)	(30,117)	(30,733)	(31,391)	(32,119)
<b>Low (90% reduction for sales, repossessions, and "or" joint titles)</b>					
# of Applicable Titles (10% of Married Car-Owner Deaths)	8,425	8,605	8,781	8,969	9,177
Reduction to STTF	(176,930)	(180,700)	(184,399)	(188,344)	(192,715)
Reduction to GR	(412,837)	(421,634)	(430,265)	(439,470)	(449,668)
Reduction to HSOTF	(11,795)	(12,047)	(12,293)	(12,556)	(12,848)