

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Vessel Registrations

**Issue:** Emergency Position-Indicating Beacon – Rate Reduction

**Bill Number(s):** CS HB 711/CS SB 718

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Representative Magar and Senator Powell

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

**Date of Analysis:** March 24, 2017

**Section 1: Narrative**

- a. Current Law:** Section 328.72, F.S. provides for a reduction of base vessel registration fees for recreational vessels equipped with an emergency position-indicating radio beacon or for a recreational vessel the owner of which owns a personal locator beacon; for each vessel registration qualifying for the fee reduction, an amount equal to the difference shall be transferred from the General Revenue Fund to the Department of Highway Safety and Motor Vehicles to be distributed pursuant to section 328.76, F.S.; the fee reduction is to expire July 1, 2017.
- b. Proposed Change:** Revises section 328.72, F.S. to where the base registration fee reductions mentioned above would be increased and would no longer have an expiration date. The difference between the regular rate and reduced rate would continue to be transferred from the General Revenue Fund to the Department of Highway Safety and Motor Vehicles to be distributed pursuant to section 328.76, F.S.

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

Correspondence with staff from the Department of Highway Safety and Motor Vehicles  
March 2017 Highway Safety REC

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

The Department of Highway Safety and Motor Vehicles supplied counts of vessel registrations reduced pursuant to section 328.72, F.S. for the time period July 2016 through January 2017. These amounts were annualized to get a total for FY 2016-17 which was then grown by the vessel growth rates per the March 2017 Highway Safety REC. The forecasted counts were next multiplied by the rate reduction in the bill. The result ranged from \$12,589.45 to \$13,992.90, resulting in a negative insignificant impact assuming current market conditions persist. The impact will be to the Marine Resources Conservation Trust Fund, which will eventually be made whole pursuant to section 328.72(18)(e), F.S.

**Section 4: Proposed Fiscal Impact**

TRUST	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:**

Marine Resources Conservation Trust Fund. Per section 328.72(18)(e), F.S., General Revenue is to be transferred to HSMV in an amount equal to the difference in fees collected and distributed pursuant to section 328.76, F.S.

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the proposed estimate. The impact to HSOTF will be offset by a transfer from General Revenue that will make HSOTF whole.**

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

Vessel Registration Rate Change				
	Base Rate	FY 17 Rate	HB711/SB 718 Rate	Rate Change
Class A-1	\$ 5.50	\$ 4.24	\$ 2.95	\$ (2.55)
Class A-2	\$ 16.25	\$ 13.77	\$ 11.00	\$ (5.25)
Class 1	\$ 28.75	\$ 24.83	\$ 20.40	\$ (8.35)
Class 2	\$ 78.25	\$ 68.56	\$ 57.50	\$ (20.75)
Class 3	\$ 127.75	\$ 112.31	\$ 94.95	\$ (32.80)
Class 4	\$ 152.75	\$ 134.41	\$ 113.40	\$ (39.35)
Class5	\$ 189.75	\$ 167.11	\$ 141.15	\$ (48.60)

Vessel Registration Emergency Position-Indicating Beacon Fee Counts							
	7/16 thru 1/17	FY 17 Annualized	FY 18	FY 19	FY 20	FY 21	FY 22
Class A-1	14	26	26	26	26	26	26
Class A-2	15	28	28	28	28	28	28
Class 1	161	304	309	314	319	324	328
Class 2	175	330	335	340	346	351	356
Class 3	39	74	75	76	77	78	79
Class 4	3	6	6	6	6	6	6
Class5	0	0	0	0	0	0	0
<b>Total</b>	<b>407</b>	<b>768</b>	<b>779</b>	<b>790</b>	<b>802</b>	<b>813</b>	<b>823</b>

<b>03/17 HS REC Vessel Growth Rates</b>	<b>1.63%</b>	<b>1.59%</b>	<b>1.63%</b>	<b>1.48%</b>	<b>1.32%</b>
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Vessel Registration Reduction - Emergency Position-Indicating Beacon					
	FY 18	FY 19	FY 20	FY 21	FY 22
Class A-1	\$ (66.30)	\$ (66.30)	\$ (66.30)	\$ (66.30)	\$ (66.30)
Class A-2	\$ (147.00)	\$ (147.00)	\$ (147.00)	\$ (147.00)	\$ (147.00)
Class 1	\$ (2,580.15)	\$ (2,621.90)	\$ (2,663.65)	\$ (2,705.40)	\$ (2,738.80)
Class 2	\$ (6,951.25)	\$ (7,055.00)	\$ (7,179.50)	\$ (7,283.25)	\$ (7,387.00)
Class 3	\$ (2,460.00)	\$ (2,492.80)	\$ (2,525.60)	\$ (2,558.40)	\$ (2,591.20)
Class 4	\$ (236.10)	\$ (236.10)	\$ (236.10)	\$ (236.10)	\$ (236.10)
Class5	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ (12,440.80)</b>	<b>\$ (12,619.10)</b>	<b>\$ (12,818.15)</b>	<b>\$ (12,996.45)</b>	<b>\$ (13,166.40)</b>

## REVENUE ESTIMATING CONFERENCE

**Tax:** Ad Valorem

**Issue:** Drywall

**Bill Number(s):** SB 948

**Entire Bill**

**Partial Bill:**

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

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

**Date of Analysis:** 3/21/2017

### Section 1: Narrative

- a. Current Law:** Section 193.1552 provides direction for the valuation of property that is affected by imported or domestic drywall. The section reads (in part): (2) When a property appraiser determines that a single-family residential property is affected by imported or domestic drywall and needs remediation to bring that property up to current building standards, the property appraiser shall adjust the assessed value of that property by taking into consideration the presence of the imported or domestic drywall and the impact of such drywall on the assessed value. If the building cannot be used for its intended purpose without remediation or repair, the value of such building shall be assessed at the nominal just value of \$0. Subsection (8) of Section 193.1552 provides that the section is repealed July 1, 2017 unless reviewed and reenacted by the Legislature on or before that date.
- b. Proposed Change:** revises subsection (8) of Section 193.1552 to provide that this section expires July 1, 2025.

### Section 2: Description of Data and Sources

211 parcels with disaster codes were identified on the 2016 taxrolls. Value information was pulled for these parcels.

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

Two methods were used to develop an impact. Method one (High) attempted to estimate the impact at the parcel level. Improvement values were calculated for all single family homes on the 2016 taxrolls by subtracting land values from just value amounts. Ratios of the improvement value to the land value were developed at the parcel level. Average ratios were calculated at the county level. In developing these ratios, the dataset was trimmed to remove all cases where the ratio was 50 or greater. The resulting county level ratio was multiplied by the value on the roll for the 211 parcels. It was assumed that all of these parcels were on at land value. Existing exemptions were estimated by subtracting taxable value from just value. New exemption amounts were forecast by considering existing exemption and the total computed taxable value of the parcel. The resulting taxable value was calculated and the respective 2016-17 millage rates were applied. No growth was assumed as these are still properties in need of remediation.

The second method (middle) used the average improvement value at the county level multiplied by the number of parcels per county. The new exemptions from method one were applied to the resulting value to get an estimated school and non-school taxable values. Respective school and non-school 2016-17 millage rates were applied. No growth was again assumed.

The low was assumed to be 10% of the middle as these are by law required to be properties in need of remediation to bring that property up to current building standards and that have been in that condition for up to seven years.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Ad Valorem

**Issue:** Drywall

**Bill Number(s):** SB 948

**Section 4: Proposed Fiscal Impact**

School

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.6 M)	(0.6 M)	(0.2 M)	(0.2 M)	(0.02 M)	(0.02 M)
2018-19	(0.6 M)	(0.6 M)	(0.2 M)	(0.2 M)	(0.02 M)	(0.02 M)
2019-20	(0.6 M)	(0.6 M)	(0.2 M)	(0.2 M)	(0.02 M)	(0.02 M)
2020-21	(0.6 M)	(0.6 M)	(0.2 M)	(0.2 M)	(0.02 M)	(0.02 M)
2021-22	(0.6 M)	(0.6 M)	(0.2 M)	(0.2 M)	(0.02 M)	(0.02 M)

Non-School

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.9 M)	(0.9 M)	(0.4 M)	(0.4 M)	(0.04 M)	(0.04 M)
2018-19	(0.9 M)	(0.9 M)	(0.4 M)	(0.4 M)	(0.04 M)	(0.04 M)
2019-20	(0.9 M)	(0.9 M)	(0.4 M)	(0.4 M)	(0.04 M)	(0.04 M)
2020-21	(0.9 M)	(0.9 M)	(0.4 M)	(0.4 M)	(0.04 M)	(0.04 M)
2021-22	(0.9 M)	(0.9 M)	(0.4 M)	(0.4 M)	(0.04 M)	(0.04 M)

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

**Section 5: Consensus Estimate (Adopted: 03/24/2017):** The Conference adopted an average of the middle and the low.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)
2018-19	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)
2019-20	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)
2020-21	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)
2021-22	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)
2018-19	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)
2019-20	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)
2020-21	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)
2021-22	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)

	A	B	G	H	I	N	O	P	Q	R	S	T
	CO NO	COUNTY	JUST	ASSD	TAX	Improvement to Land Ratio	Exemption?	Assumed Improvement Value	Assumed additional Exemption School	Assumed additional Exemption NonSchool	New Taxable Value - School	New Taxable Value - Non School
1												
2	23	MIAMI-DADE	7618	7618	7618	2.0676	0	\$15,751	0	0	\$15,751	\$15,751
3	23	MIAMI-DADE	5185	5185	5185	2.0676	0	\$10,721	0	0	\$10,721	\$10,721
4	23	MIAMI-DADE	6780	6780	6780	2.0676	0	\$14,018	0	0	\$14,018	\$14,018
5	23	MIAMI-DADE	4921	4921	0	2.0676	1	\$10,175	25000	50000	\$0	\$0
6	23	MIAMI-DADE	8172	8172	8172	2.0676	0	\$16,896	0	0	\$16,896	\$16,896
7	23	MIAMI-DADE	12776	12776	12776	2.0676	0	\$26,416	0	0	\$26,416	\$26,416
8	23	MIAMI-DADE	29364	29364	29364	2.0676	0	\$60,713	0	0	\$60,713	\$60,713
9	23	MIAMI-DADE	29365	29365	4365	2.0676	1	\$60,715	25000	50000	\$35,715	\$10,715
10	23	MIAMI-DADE	29364	29364	4364	2.0676	1	\$60,713	0	25000	\$60,713	\$35,713
11	23	MIAMI-DADE	29365	29365	29365	2.0676	0	\$60,715	0	0	\$60,715	\$60,715
12	23	MIAMI-DADE	29364	29364	29364	2.0676	0	\$60,713	0	0	\$60,713	\$60,713
13	23	MIAMI-DADE	29365	29365	4365	2.0676	1	\$60,715	25000	50000	\$35,715	\$10,715
14	23	MIAMI-DADE	29365	29365	4365	2.0676	1	\$60,715	12421	37421	\$48,294	\$23,294
15	23	MIAMI-DADE	29365	29365	4365	2.0676	1	\$60,715	25000	50000	\$35,715	\$10,715
16	23	MIAMI-DADE	18427	18427	18427	2.0676	0	\$38,100	0	0	\$38,100	\$38,100
17	23	MIAMI-DADE	23344	12579	0	2.0676	1	\$48,266	25000	50000	\$23,266	\$0
18	23	MIAMI-DADE	20500	20500	20500	2.0676	0	\$42,386	0	0	\$42,386	\$42,386
19	23	MIAMI-DADE	25289	15326	0	2.0676	1	\$52,288	10113	35113	\$42,175	\$17,175
20	23	MIAMI-DADE	20355	20355	20355	2.0676	0	\$42,086	0	0	\$42,086	\$42,086
21	23	MIAMI-DADE	26881	26881	26881	2.0676	0	\$55,579	0	0	\$55,579	\$55,579
22	23	MIAMI-DADE	27924	14887	0	2.0676	1	\$57,736	9645	34645	\$48,091	\$23,091
23	23	MIAMI-DADE	20865	12353	0	2.0676	1	\$43,140	25000	50000	\$18,140	\$0
24	23	MIAMI-DADE	70272	39670	14670	2.0676	1	\$145,294	15770	40770	\$129,524	\$104,524
25	23	MIAMI-DADE	25924	15355	0	2.0676	1	\$53,600	25000	50000	\$28,600	\$3,600
26	23	MIAMI-DADE	22848	22848	22848	2.0676	0	\$47,241	0	0	\$47,241	\$47,241
27	23	MIAMI-DADE	16931	9230	0	2.0676	1	\$35,007	25000	50000	\$10,007	\$0
28	23	MIAMI-DADE	23531	23531	23531	2.0676	0	\$48,653	0	0	\$48,653	\$48,653
29	23	MIAMI-DADE	33400	15159	0	2.0676	1	\$69,058	2480	27480	\$66,578	\$41,578
30	23	MIAMI-DADE	7167	7167	7167	2.0676	0	\$14,818	0	0	\$14,818	\$14,818
31	23	MIAMI-DADE	42702	20141	0	2.0676	1	\$88,291	25000	50000	\$63,291	\$38,291
32	23	MIAMI-DADE	45012	22520	0	2.0676	1	\$93,067	25000	50000	\$68,067	\$43,067
33	23	MIAMI-DADE	31200	31200	31200	2.0676	0	\$64,509	0	0	\$64,509	\$64,509
34	23	MIAMI-DADE	22425	22425	22425	2.0676	0	\$46,366	0	0	\$46,366	\$46,366
35	23	MIAMI-DADE	22425	22425	22425	2.0676	0	\$46,366	0	0	\$46,366	\$46,366
36	23	MIAMI-DADE	22425	22425	0	2.0676	1	\$46,366	25000	50000	\$21,366	\$0
37	23	MIAMI-DADE	32467	32467	32467	2.0676	0	\$67,129	0	0	\$67,129	\$67,129
38	23	MIAMI-DADE	22425	22425	22425	2.0676	0	\$46,366	0	0	\$46,366	\$46,366
39	23	MIAMI-DADE	22425	22425	22425	2.0676	0	\$46,366	0	0	\$46,366	\$46,366
40	23	MIAMI-DADE	22425	22425	0	2.0676	1	\$46,366	25000	50000	\$21,366	\$0
41	23	MIAMI-DADE	22425	22425	22425	2.0676	0	\$46,366	0	0	\$46,366	\$46,366
42	23	MIAMI-DADE	22425	22425	22425	2.0676	0	\$46,366	0	0	\$46,366	\$46,366
43	23	MIAMI-DADE	22425	22425	22425	2.0676	0	\$46,366	0	0	\$46,366	\$46,366
44	23	MIAMI-DADE	75733	46054	21054	2.0676	1	\$156,586	0	25000	\$156,586	\$131,586
45	23	MIAMI-DADE	76216	44424	19424	2.0676	1	\$157,584	0	25000	\$157,584	\$132,584
46	23	MIAMI-DADE	75579	45950	20950	2.0676	1	\$156,267	25000	50000	\$131,267	\$106,267
47	28	FLAGLER	128215	120237	95237	7.8212	1	\$1,002,795	0	25000	\$1,002,795	\$977,795
48	28	FLAGLER	213939	208735	183735	7.8212	1	\$1,673,260	25000	50000	\$1,648,260	\$1,623,260
49	41	INDIAN RIVER	79800	79800	79800	6.7335	0	\$537,333	0	0	\$537,333	\$537,333
50	41	INDIAN RIVER	77960	64780	39780	6.7335	1	\$524,944	25000	50000	\$499,944	\$474,944
51	41	INDIAN RIVER	61720	61720	61720	6.7335	0	\$415,592	0	0	\$415,592	\$415,592
52	41	INDIAN RIVER	46500	46500	46500	6.7335	0	\$313,108	0	0	\$313,108	\$313,108
53	41	INDIAN RIVER	34660	34660	34660	6.7335	0	\$233,383	0	0	\$233,383	\$233,383
54	51	MANATEE	174968	174968	174968	4.9239	0	\$861,525	0	0	\$861,525	\$861,525
55	51	MANATEE	68334	68334	68334	4.9239	0	\$336,470	0	0	\$336,470	\$336,470
56	51	MANATEE	61350	61350	36350	4.9239	1	\$302,081	25000	50000	\$277,081	\$252,081
57	51	MANATEE	158300	158300	158300	4.9239	0	\$779,453	0	0	\$779,453	\$779,453
58	51	MANATEE	158300	158300	158300	4.9239	0	\$779,453	0	0	\$779,453	\$779,453
59	51	MANATEE	41000	41000	41000	4.9239	0	\$201,880	0	0	\$201,880	\$201,880
60	51	MANATEE	117751	117751	117751	4.9239	0	\$579,794	0	0	\$579,794	\$579,794
61	53	MARTIN	101550	101550	101550	1.2311	0	\$125,018	0	0	\$125,018	\$125,018
62	53	MARTIN	86230	86230	86230	1.2311	0	\$106,158	0	0	\$106,158	\$106,158
63	53	MARTIN	20000	20000	20000	1.2311	0	\$24,622	0	0	\$24,622	\$24,622
64	53	MARTIN	22000	19536	0	1.2311	1	\$27,084	4941	29941	\$22,143	\$0
65	53	MARTIN	91690	68275	43275	1.2311	1	\$112,880	0	25000	\$112,880	\$87,880
66	53	MARTIN	25440	11505	0	1.2311	1	\$31,319	0	25000	\$31,319	\$6,319
67	57	OKEECHOBEE	27625	20059	0	7.1252	1	\$196,834	25000	50000	\$171,834	\$146,834
68	60	PALM BEACH	151553	72578	47578	2.6128	1	\$395,978	-500	24500	\$396,478	\$371,478
69	60	PALM BEACH	162141	83738	58738	2.6128	1	\$423,642	0	25000	\$423,642	\$398,642
70	60	PALM BEACH	145290	145290	145290	2.6128	0	\$379,614	0	0	\$379,614	\$379,614
71	60	PALM BEACH	101619	55374	29874	2.6128	1	\$265,510	0	25000	\$265,510	\$240,510
72	60	PALM BEACH	85539	44856	19856	2.6128	1	\$223,496	-500	24500	\$223,996	\$198,996
73	60	PALM BEACH	102000	56253	31253	2.6128	1	\$266,506	0	25000	\$266,506	\$241,506
74	60	PALM BEACH	102725	56898	31898	2.6128	1	\$268,400	25000	50000	\$243,400	\$218,400
75	60	PALM BEACH	102000	56253	30753	2.6128	1	\$266,506	0	25000	\$266,506	\$241,506
76	60	PALM BEACH	104636	58290	33290	2.6128	1	\$273,393	25000	50000	\$248,393	\$223,393
77	60	PALM BEACH	226973	226973	226973	2.6128	0	\$593,035	0	0	\$593,035	\$593,035
78	60	PALM BEACH	291418	178640	153640	2.6128	1	\$761,417	25000	50000	\$736,417	\$711,417

	A	B	G	H	I	N	O	P	Q	R	S	T
1	CO NO	COUNTY	JUST	ASSD	TAX	Improvement to Land Ratio	Exemption?	Assumed Improvement Value	Assumed additional Exemption School	Assumed additional Exemption NonSchool	New Taxable Value - School	New Taxable Value - Non School
79	60	PALM BEACH	338940	338940	338940	2.6128	0	\$885,582	0	0	\$885,582	\$885,582
80	60	PALM BEACH	350388	272301	247301	2.6128	1	\$915,494	0	25000	\$915,494	\$890,494
81	60	PALM BEACH	59000	59000	59000	2.6128	0	\$154,155	0	0	\$154,155	\$154,155
82	60	PALM BEACH	64000	64000	64000	2.6128	0	\$167,219	0	0	\$167,219	\$167,219
83	60	PALM BEACH	124000	124000	99000	2.6128	1	\$323,987	25000	50000	\$298,987	\$273,987
84	60	PALM BEACH	119000	119000	119000	2.6128	0	\$310,923	0	0	\$310,923	\$310,923
85	60	PALM BEACH	119000	119000	119000	2.6128	0	\$310,923	0	0	\$310,923	\$310,923
86	60	PALM BEACH	130789	130789	130789	2.6128	0	\$341,725	0	0	\$341,725	\$341,725
87	60	PALM BEACH	129000	129000	104000	2.6128	1	\$337,051	0	25000	\$337,051	\$312,051
88	60	PALM BEACH	119000	119000	119000	2.6128	0	\$310,923	0	0	\$310,923	\$310,923
89	60	PALM BEACH	123219	123219	98219	2.6128	1	\$321,947	0	25000	\$321,947	\$296,947
90	60	PALM BEACH	137073	137073	112073	2.6128	1	\$358,144	0	25000	\$358,144	\$333,144
91	60	PALM BEACH	119000	119000	119000	2.6128	0	\$310,923	0	0	\$310,923	\$310,923
92	60	PALM BEACH	147196	147196	122196	2.6128	1	\$384,594	25000	50000	\$359,594	\$334,594
93	60	PALM BEACH	129000	118093	93093	2.6128	1	\$337,051	0	25000	\$337,051	\$312,051
94	60	PALM BEACH	120257	120257	120257	2.6128	0	\$314,207	0	0	\$314,207	\$314,207
95	60	PALM BEACH	119000	119000	119000	2.6128	0	\$310,923	0	0	\$310,923	\$310,923
96	60	PALM BEACH	139189	139189	114189	2.6128	1	\$363,673	0	25000	\$363,673	\$338,673
97	60	PALM BEACH	125200	125200	125200	2.6128	0	\$327,123	0	0	\$327,123	\$327,123
98	60	PALM BEACH	136662	80276	55276	2.6128	1	\$357,070	25000	50000	\$332,070	\$307,070
99	60	PALM BEACH	121824	69527	44527	2.6128	1	\$318,302	0	25000	\$318,302	\$293,302
100	60	PALM BEACH	117200	111978	86978	2.6128	1	\$306,220	0	25000	\$306,220	\$281,220
101	60	PALM BEACH	117290	117290	117290	2.6128	0	\$306,455	0	0	\$306,455	\$306,455
102	60	PALM BEACH	79315	49680	24680	2.6128	1	\$207,234	-5000	20000	\$212,234	\$187,234
103	60	PALM BEACH	119603	87093	62093	2.6128	1	\$312,499	0	25000	\$312,499	\$287,499
104	60	PALM BEACH	118070	118070	118070	2.6128	0	\$308,493	0	0	\$308,493	\$308,493
105	60	PALM BEACH	331377	67657	37657	2.6128	1	\$865,822	0	25000	\$865,822	\$840,822
106	60	PALM BEACH	203857	77073	52073	2.6128	1	\$532,638	25000	50000	\$507,638	\$482,638
107	60	PALM BEACH	174006	52052	27052	2.6128	1	\$454,643	0	25000	\$454,643	\$429,643
108	60	PALM BEACH	167864	70146	45146	2.6128	1	\$438,595	25000	50000	\$413,595	\$388,595
109	60	PALM BEACH	307741	307741	307741	2.6128	0	\$804,066	0	0	\$804,066	\$804,066
110	60	PALM BEACH	224500	224500	199500	2.6128	1	\$586,574	25000	50000	\$561,574	\$536,574
111	60	PALM BEACH	352085	352085	352085	2.6128	0	\$919,928	0	0	\$919,928	\$919,928
112	60	PALM BEACH	200248	122095	97095	2.6128	1	\$523,208	25000	50000	\$498,208	\$473,208
113	60	PALM BEACH	200000	200000	200000	2.6128	0	\$522,560	0	0	\$522,560	\$522,560
114	60	PALM BEACH	266000	266000	266000	2.6128	0	\$695,005	0	0	\$695,005	\$695,005
115	60	PALM BEACH	155334	155334	155334	2.6128	0	\$405,857	0	0	\$405,857	\$405,857
116	60	PALM BEACH	184519	105862	80862	2.6128	1	\$482,111	0	25000	\$482,111	\$457,111
117	60	PALM BEACH	240000	240000	215000	2.6128	1	\$627,072	25000	50000	\$602,072	\$577,072
118	60	PALM BEACH	183143	102862	77862	2.6128	1	\$478,516	25000	50000	\$453,516	\$428,516
119	60	PALM BEACH	177230	159064	134064	2.6128	1	\$463,067	25000	50000	\$438,067	\$413,067
120	60	PALM BEACH	188121	188121	188121	2.6128	0	\$491,523	0	0	\$491,523	\$491,523
121	60	PALM BEACH	195723	195723	195723	2.6128	0	\$511,385	0	0	\$511,385	\$511,385
122	60	PALM BEACH	159045	159045	159045	2.6128	0	\$415,553	0	0	\$415,553	\$415,553
123	60	PALM BEACH	145036	95210	70210	2.6128	1	\$378,950	0	25000	\$378,950	\$353,950
124	60	PALM BEACH	140543	140543	140543	2.6128	0	\$367,211	0	0	\$367,211	\$367,211
125	62	PINELLAS	102592	102592	102592	2.2017	0	\$225,877	0	0	\$225,877	\$225,877
126	62	PINELLAS	261263	60569	35569	2.2017	1	\$575,223	0	25000	\$575,223	\$550,223
127	62	PINELLAS	168517	42698	17698	2.2017	1	\$371,024	14613	39613	\$356,411	\$331,411
128	62	PINELLAS	164579	42186	16686	2.2017	1	\$362,354	25000	50000	\$337,354	\$312,354
129	62	PINELLAS	95348	82741	57741	2.2017	1	\$209,928	1839	26839	\$208,089	\$183,089
130	62	PINELLAS	26653	10387	0	2.2017	1	\$58,682	0	25000	\$58,682	\$33,682
131	62	PINELLAS	49300	49300	49300	2.2017	0	\$108,544	0	0	\$108,544	\$108,544
132	62	PINELLAS	33109	23161	0	2.2017	1	\$72,896	25000	50000	\$47,896	\$22,896
133	62	PINELLAS	41708	29700	4700	2.2017	1	\$91,829	-500	24500	\$92,329	\$67,329
134	62	PINELLAS	49300	49300	49300	2.2017	0	\$108,544	0	0	\$108,544	\$108,544
135	62	PINELLAS	41708	41708	41708	2.2017	0	\$91,829	0	0	\$91,829	\$91,829
136	62	PINELLAS	49300	49204	23704	2.2017	1	\$108,544	25000	50000	\$83,544	\$58,544
137	62	PINELLAS	41708	41708	41708	2.2017	0	\$91,829	0	0	\$91,829	\$91,829
138	62	PINELLAS	49300	49300	49300	2.2017	0	\$108,544	0	0	\$108,544	\$108,544
139	62	PINELLAS	49800	49800	49800	2.2017	0	\$109,645	0	0	\$109,645	\$109,645
140	62	PINELLAS	91776	91776	91776	2.2017	0	\$202,063	0	0	\$202,063	\$202,063
141	63	POLK	4150	3978	0	4.8756	1	\$20,234	25000	50000	\$0	\$0
142	63	POLK	25000	25000	25000	4.8756	0	\$121,890	0	0	\$121,890	\$121,890
143	63	POLK	40000	40000	40000	4.8756	0	\$195,024	0	0	\$195,024	\$195,024
144	66	SAINT LUCIE	83500	83500	83500	4.4654	0	\$372,861	0	0	\$372,861	\$372,861
145	66	SAINT LUCIE	22000	8654	0	4.4654	1	\$98,239	0	25000	\$98,239	\$73,239
146	66	SAINT LUCIE	107100	107100	107100	4.4654	0	\$478,244	0	0	\$478,244	\$478,244
147	67	SANTA ROSA	17700	17700	0	5.3174	1	\$94,118	25000	50000	\$69,118	\$44,118
148	67	SANTA ROSA	27024	26988	1988	5.3174	1	\$143,697	15211	40211	\$128,486	\$103,486
149	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
150	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
151	67	SANTA ROSA	10001	9789	0	5.3174	1	\$53,179	25000	50000	\$28,179	\$3,179
152	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
153	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
154	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
155	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174

	A	B	G	H	I	N	O	P	Q	R	S	T
1	CO NO	COUNTY	JUST	ASSD	TAX	Improvement to Land Ratio	Exemption?	Assumed Improvement Value	Assumed additional Exemption School	Assumed additional Exemption NonSchool	New Taxable Value - School	New Taxable Value - Non School
156	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
157	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
158	67	SANTA ROSA	10001	9789	0	5.3174	1	\$53,179	25000	50000	\$28,179	\$3,179
159	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
160	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
161	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
162	67	SANTA ROSA	10001	9789	0	5.3174	1	\$53,179	25000	50000	\$28,179	\$3,179
163	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
164	67	SANTA ROSA	10001	9789	0	5.3174	1	\$53,179	25000	50000	\$28,179	\$3,179
165	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
166	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
167	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
168	67	SANTA ROSA	10000	10000	10000	5.3174	0	\$53,174	0	0	\$53,174	\$53,174
169	67	SANTA ROSA	118862	118862	118862	5.3174	0	\$632,037	0	0	\$632,037	\$632,037
170	67	SANTA ROSA	107374	106882	81882	5.3174	1	\$570,951	18198	43198	\$552,753	\$527,753
171	67	SANTA ROSA	12008	12008	0	5.3174	1	\$63,851	25000	50000	\$38,851	\$13,851
172	67	SANTA ROSA	169800	169800	144800	5.3174	1	\$902,895	25000	50000	\$877,895	\$852,895
173	67	SANTA ROSA	19939	7671	869	5.3174	1	\$106,024	0	25000	\$106,024	\$81,024
174	68	SARASOTA	147700	147700	147700	5.6656	0	\$836,809	0	0	\$836,809	\$836,809
175	68	SARASOTA	138900	138900	138900	5.6656	0	\$786,952	0	0	\$786,952	\$786,952
176	68	SARASOTA	126400	88502	63502	5.6656	1	\$716,132	25000	50000	\$691,132	\$666,132
177	68	SARASOTA	444000	444000	444000	5.6656	0	\$2,515,526	0	0	\$2,515,526	\$2,515,526
178	68	SARASOTA	51900	51900	51900	5.6656	0	\$294,045	0	0	\$294,045	\$294,045
179	68	SARASOTA	149500	149500	149500	5.6656	0	\$847,007	0	0	\$847,007	\$847,007
180	68	SARASOTA	153300	153300	153300	5.6656	0	\$868,536	0	0	\$868,536	\$868,536
181	68	SARASOTA	5900	5900	5900	5.6656	0	\$33,427	0	0	\$33,427	\$33,427
182	68	SARASOTA	137300	137300	137300	5.6656	0	\$777,887	0	0	\$777,887	\$777,887
183	68	SARASOTA	182500	182500	157500	5.6656	1	\$1,033,972	25000	50000	\$1,008,972	\$983,972
184	68	SARASOTA	142000	142000	142000	5.6656	0	\$804,515	0	0	\$804,515	\$804,515
185	68	SARASOTA	4800	4800	4800	5.6656	0	\$27,195	0	0	\$27,195	\$27,195
186	68	SARASOTA	65600	65600	65600	5.6656	0	\$371,663	0	0	\$371,663	\$371,663
187	68	SARASOTA	4800	2934	0	5.6656	1	\$27,195	25000	50000	\$2,195	\$0
188	68	SARASOTA	187300	187300	187300	5.6656	0	\$1,061,167	0	0	\$1,061,167	\$1,061,167
189	68	SARASOTA	27100	27100	27100	5.6656	0	\$153,538	0	0	\$153,538	\$153,538
190	68	SARASOTA	133600	133600	133600	5.6656	0	\$756,924	0	0	\$756,924	\$756,924
191	68	SARASOTA	249400	249400	249400	5.6656	0	\$1,413,001	0	0	\$1,413,001	\$1,413,001
192	68	SARASOTA	249400	249400	249400	5.6656	0	\$1,413,001	0	0	\$1,413,001	\$1,413,001
193	68	SARASOTA	207000	207000	207000	5.6656	0	\$1,172,779	0	0	\$1,172,779	\$1,172,779
194	68	SARASOTA	265900	239115	214115	5.6656	1	\$1,506,483	25000	50000	\$1,481,483	\$1,456,483
195	68	SARASOTA	247300	247300	247300	5.6656	0	\$1,401,103	0	0	\$1,401,103	\$1,401,103
196	68	SARASOTA	217300	145549	120549	5.6656	1	\$1,231,135	25000	50000	\$1,206,135	\$1,181,135
197	68	SARASOTA	227700	227700	227700	5.6656	0	\$1,290,057	0	0	\$1,290,057	\$1,290,057
198	68	SARASOTA	227700	204491	179491	5.6656	1	\$1,290,057	25000	50000	\$1,265,057	\$1,240,057
199	68	SARASOTA	244200	244200	244200	5.6656	0	\$1,383,540	0	0	\$1,383,540	\$1,383,540
200	68	SARASOTA	210500	210500	210500	5.6656	0	\$1,192,609	0	0	\$1,192,609	\$1,192,609
201	68	SARASOTA	210500	210500	210500	5.6656	0	\$1,192,609	0	0	\$1,192,609	\$1,192,609
202	68	SARASOTA	252200	252200	252200	5.6656	0	\$1,428,864	0	0	\$1,428,864	\$1,428,864
203	68	SARASOTA	210500	210500	210500	5.6656	0	\$1,192,609	0	0	\$1,192,609	\$1,192,609
204	68	SARASOTA	222900	222900	222900	5.6656	0	\$1,262,862	0	0	\$1,262,862	\$1,262,862
205	68	SARASOTA	222900	222900	222900	5.6656	0	\$1,262,862	0	0	\$1,262,862	\$1,262,862
206	68	SARASOTA	212400	212400	212400	5.6656	0	\$1,203,373	0	0	\$1,203,373	\$1,203,373
207	68	SARASOTA	287400	287400	262400	5.6656	1	\$1,628,293	25000	50000	\$1,603,293	\$1,578,293
208	68	SARASOTA	287400	287400	287400	5.6656	0	\$1,628,293	0	0	\$1,628,293	\$1,628,293
209	68	SARASOTA	310900	279846	174892	5.6656	1	\$1,761,435	0	25000	\$1,761,435	\$1,736,435
210	68	SARASOTA	227000	227000	227000	5.6656	0	\$1,286,091	0	0	\$1,286,091	\$1,286,091
211	68	SARASOTA	227000	227000	227000	5.6656	0	\$1,286,091	0	0	\$1,286,091	\$1,286,091
212	68	SARASOTA	95500	56951	31951	5.6656	1	\$541,065	27016	52016	\$514,049	\$489,049
213									\$1,325,747	\$3,600,747	\$83,358,738	\$81,190,255
214						Growth	School	NonSchool				
215						2016	0	\$579,760			\$878,803	
216						2017	0	\$579,760			\$878,803	
217						2018	0	\$579,760			\$878,803	
218						2019	0	\$579,760			\$878,803	
219						2020	0	\$579,760			\$878,803	
220						2021	0	\$579,760			\$878,803	

	A	B	C	D	E	F
1	Method 2					
2	County #	County	Parcels	2016 Taxable Value	Average Improvement Value	Implied improvement value
3	23	Miami-Dade	45	\$586,897	\$163,844	\$7,372,980
4	28	Flagler	2	\$278,972	\$138,853	\$277,706
5	41	Indian River	5	\$262,460	\$180,999	\$904,995
6	51	Manatee	7	\$755,003	\$178,264	\$1,247,848
7	53	Martin	6	\$251,055	\$155,558	\$933,348
8	57	Okeechobee	1	\$0	\$82,891	\$82,891
9	60	Palm Beach	57	\$6,742,427	\$228,659	\$13,033,563
10	62	Pinellas	16	\$631,582	\$119,704	\$1,915,264
11	63	Polk	3	\$65,000	\$99,615	\$298,845
12	66	Saint Lucie	3	\$190,600	\$111,447	\$334,341
13	67	Santa Rosa	27	\$508,401	\$114,108	\$3,080,916
14	68	Sarasota	39	\$6,701,600	\$165,727	\$6,463,353
15	Grand Total		211	\$16,973,997		\$35,946,050
16						
17						
18					New School exemptions	\$1,325,747
19					New NonSchool Exemptions	\$3,600,747
20						
21					School TV	\$34,620,303
22					NonSchool TV	\$32,345,303
23						
24	2016-17 Millage Rates					
25					School	6.955
26					Non-school	10.824
27					Total	18.1969
28						
29						
30				Growth	School Impact	NonSchool Impact
31			2016	0	\$240,784	\$350,106
32			2017	0	\$240,784	\$350,106
33			2018	0	\$240,784	\$350,106
34			2019	0	\$240,784	\$350,106
35			2020	0	\$240,784	\$350,106



## REVENUE ESTIMATING CONFERENCE

**Tax:** Ad Valorem

**Issue:** Homestead Exemption Increase 25K

**Bill Number(s):** Proposed Language/ SJR 1774

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** N/A / Sen. Lee

**Month/Year Impact Begins:** January 1, 2019 first affecting 2019-20 levies

**Date of Analysis:** 3/21/2017

### Section 1: Narrative

**a. Current Law:** Article VII, Section 6(a) of the Florida Constitution provides (in part):

Every person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, or another legally or naturally dependent upon the owner, shall be exempt from taxation thereon, except assessments for special benefits, up to the assessed valuation of twenty-five thousand dollars and, for all levies other than school district levies, on the assessed valuation greater than fifty thousand dollars and up to seventy-five thousand dollars, upon establishment of right thereto in the manner prescribed by law.

**b. Proposed Change:** Increases the homestead exemption to exempt the assessed valuation greater than \$50,000 and up to \$100,000 for all levies other than school districts.

### Section 2: Description of Data and Sources

2016 Ad Valorem Tax Rolls

March 2017 Ad Valorem Assessments Estimating Conference

February 2017 Florida Demographic Estimating Conference

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

Performed a microsimulation on the 2016 tax rolls that simulated for all homestead properties the increased exemption amount. Separately examined those parcels that were mixed use with homestead on some portion of the property to determine the amount that the increased homestead would affect these parcels.

For those parcels that were homestead only, the data was broken into three groups:

Group 1 had Just Value – Homestead greater than \$100,000 and Taxable Value- NonSchool greater than \$50,000. For this group the impact is the number of parcels multiplied by \$25,000.

Group 2 had Just Value – Homestead greater than \$100,000 and had taxable value greater than \$25,000 and less than \$50,000. The impact for this group is the Total Taxable Value – NonSchool less the product of the number of parcels multiplied by \$25,000.

Group 3 had Just Value less than \$100,000 and Taxable Value – NonSchool greater than \$25,000 and less than \$50,000. The impact for this group is the Total Taxable Value – NonSchool less the product of the number of parcels multiplied by \$25,000.

For those parcels that were mixed homestead and some other use, first a Homestead Taxable Value – NonSchool was calculated by subtracting from Assessed Value – Homestead the personal exemption associated with each parcel. The following exemptions were treated as personal exemptions: (Exemption number refers to the NAL roll record layout) Exemption 1 - Homestead Exemption, Exemption 2 – Second Homestead Exemption, Exemption 3 – County Senior Exemption, Exemption 5 – certain totally and permanently disabled veterans and surviving spouses and surviving spouses of first responders killed in the line of duty, Exemption 6 – disabled veterans confined to wheel chair, Exemption 8 – totally and permanently disabled, Exemption 31 - blind, Exemption 32 - widows, Exemption 33 - widowers, Exemption 34 – totally and permanently disabled , Exemption 35 partially disabled veterans, Exemption 38 – deployed military, Exemption 39 – low income long term senior, Exemption 80 – disabled veteran discount, Exemption 81 – living quarters for parents or grandparents.

Once the Homestead Taxable Value was computed, these parcels were split into two groups. The first group consisted of those mixed-use parcels with Homestead NonSchool Taxable Value greater than \$50,000. For this group the impact is the number of parcels multiplied by \$25,000.

The second group consisted of those mixed-use parcels with Homestead NonSchool Taxable Value less than \$50,000. For this group the impact is the Total Homestead Taxable Value – NonSchool less the product of the number of parcels multiplied by \$25,000. The proposed impact is indeterminate starting in 2019-20 as the proposed constitutional amendment requires a successful statewide referendum. Should the amendment pass, the proposed fiscal impact is (\$773.5 M) in 2019-20, (\$794.9 M) in 2020-21, and (\$816.8 M) in 2021-22.

### Section 4: Proposed Fiscal Impact

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Ad Valorem

**Issue:** Homestead Exemption Increase 25K

**Bill Number(s):** Proposed Language/ SJR 1774

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

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

**Section 5: Consensus Estimate (Adopted: 03/24/2017):** The Conference adopted a zero/negative indeterminate impact. If the constitutional amendment should pass, the impact of the bill would be:

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	0.0	(752.7)	0.0	(752.7)
2018-19	0.0	0.0	0.0	(773.5)	0.0	(773.5)
2019-20	0.0	0.0	(794.9)	(794.9)	(794.9)	(794.9)
2020-21	0.0	0.0	(816.8)	(816.8)	(816.8)	(816.8)
2021-22	0.0	0.0	(839.2)	(839.2)	(839.2)	(839.2)

	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/(**)
2018-19	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/(**)
2020-21	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/(**)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1			Homestead only parcels with JV_HMSTD >= 100k and TV_NSD >= 50k		Homestead only parcels with JV_HMSTD >= 100k and (TV_NSD < 50k & TV_NSD > 25k)			Homestead only parcels with JV_HMSTD < 100k and (TV_NSD < 50k & TV_NSD > 25k)			Homestead Mixed-use parcels with > 50k HMSTD TVNSD		Homestead Mixed-use parcels with <=50k HMSTD TVNSD and HMSTD_TVNSD > 25k			Total Impact	
2	County #	County	Count	Impact - TVNSD	Count	Total TV_NSD	Impact - TVNSD	Count	Total TV_NSD	Impact - TVNSD	Count	Impact - TVNSD	Count	total - TVNSD	Impact - TVNSD	Count	Impact - TVNSD
3	11	Alachua	25,714	\$642,850,000	3,285	\$133,943,789	\$51,818,789	3,788	\$130,290,230	\$35,590,230	1,119	\$27,975,000	354	\$13,400,358	\$4,550,358	34,260	\$762,784,377
4	12	Baker	1,638	\$40,950,000	334	\$13,465,076	\$5,115,076	404	\$13,899,181	\$3,799,181	407	\$10,175,000	192	\$6,915,626	\$2,115,626	2,975	\$62,154,883
5	13	Bay	19,936	\$498,400,000	2,142	\$83,422,037	\$29,872,037	3,182	\$116,274,925	\$36,724,925	383	\$9,575,000	138	\$5,143,678	\$1,693,678	25,781	\$576,265,640
6	14	Bradford	1,182	\$29,550,000	137	\$5,753,633	\$2,328,633	540	\$18,770,223	\$5,270,223	342	\$8,550,000	189	\$7,175,010	\$2,450,010	2,390	\$48,148,866
7	15	Brevard	71,196	\$1,779,900,000	20,369	\$758,290,092	\$249,065,092	2,786	\$96,153,536	\$26,503,536	431	\$10,775,000	210	\$7,735,121	\$2,485,121	94,992	\$2,068,728,749
8	16	Broward	240,033	\$6,000,825,000	39,249	\$1,474,169,330	\$492,944,330	2,731	\$96,291,120	\$28,016,120	2,809	\$70,225,000	1,317	\$48,305,410	\$15,380,410	286,139	\$6,607,390,860
9	17	Calhoun	381	\$9,525,000	45	\$1,767,795	\$642,795	201	\$6,947,286	\$1,922,286	164	\$4,100,000	79	\$2,864,960	\$889,960	870	\$17,080,041
10	18	Charlotte	26,479	\$661,975,000	6,534	\$246,206,571	\$82,856,571	963	\$33,766,318	\$9,691,318	106	\$2,650,000	62	\$2,218,420	\$668,420	34,144	\$757,841,309
11	19	Citrus	15,097	\$377,425,000	2,913	\$120,363,974	\$47,538,974	3,382	\$110,842,741	\$26,292,741	333	\$8,325,000	144	\$5,305,721	\$1,705,721	21,869	\$461,287,436
12	20	Clay	28,487	\$712,175,000	5,558	\$228,992,566	\$90,042,566	2,780	\$91,143,944	\$21,643,944	370	\$9,250,000	143	\$5,188,432	\$1,613,432	37,338	\$834,724,942
13	21	Collier	66,908	\$1,672,700,000	6,600	\$252,805,032	\$87,805,032	420	\$14,501,991	\$4,001,991	718	\$17,950,000	213	\$7,771,513	\$2,446,513	74,859	\$1,784,903,536
14	22	Columbia	3,821	\$95,525,000	306	\$12,515,813	\$4,865,813	1,487	\$53,647,231	\$16,472,231	847	\$21,175,000	373	\$13,754,865	\$4,429,865	6,834	\$142,467,909
15	23	Dade	253,605	\$6,340,125,000	47,844	\$1,791,170,594	\$595,070,594	2,467	\$86,403,349	\$24,728,349	2,689	\$67,225,000	1,347	\$49,031,106	\$15,356,106	307,952	\$7,042,505,049
16	24	Desoto	941	\$23,525,000	171	\$6,827,687	\$3,552,687	393	\$13,241,015	\$3,416,015	335	\$8,375,000	144	\$5,242,386	\$1,642,386	1,984	\$39,511,088
17	25	Dixie	247	\$6,175,000	48	\$1,789,069	\$589,069	165	\$5,916,558	\$1,791,558	67	\$1,675,000	74	\$2,756,337	\$906,337	601	\$11,136,964
18	26	Duval	99,023	\$2,475,575,000	18,146	\$715,604,303	\$261,954,303	8,472	\$280,623,433	\$68,823,433	1,080	\$27,000,000	375	\$13,626,932	\$4,251,932	127,096	\$2,837,604,668
19	27	Escambia	27,108	\$677,700,000	6,673	\$273,029,835	\$106,204,835	5,351	\$174,616,381	\$40,841,381	262	\$6,550,000	126	\$4,686,636	\$1,536,636	39,520	\$832,832,852
20	28	Flagler	18,720	\$468,000,000	3,141	\$128,424,637	\$49,899,637	1,544	\$50,607,581	\$12,007,581	161	\$4,025,000	107	\$3,906,194	\$1,231,194	23,673	\$535,163,412
21	29	Franklin	1,141	\$28,525,000	118	\$4,707,680	\$1,757,680	170	\$6,099,017	\$1,849,017	61	\$1,525,000	9	\$357,834	\$132,834	1,499	\$33,789,531
22	30	Gadsden	2,290	\$57,250,000	196	\$8,356,317	\$3,456,317	1,033	\$37,807,475	\$11,982,475	472	\$11,800,000	168	\$6,126,997	\$1,926,997	4,159	\$86,415,789
23	31	Gilchrist	766	\$19,150,000	113	\$4,606,654	\$1,781,654	269	\$9,166,843	\$2,441,843	353	\$8,825,000	199	\$7,480,321	\$2,505,321	1,700	\$34,703,818
24	32	Glades	354	\$8,850,000	50	\$2,169,001	\$919,001	229	\$8,086,974	\$2,361,974	155	\$677,892	56	\$2,077,892	\$677,892	844	\$16,683,867
25	33	Gulf	1,086	\$27,150,000	190	\$7,254,895	\$2,504,895	238	\$8,630,916	\$2,680,916	52	\$1,300,000	23	\$831,159	\$256,159	1,589	\$33,891,970
26	34	Hamilton	238	\$5,950,000	26	\$1,012,062	\$362,062	203	\$7,167,161	\$2,092,161	117	\$2,925,000	47	\$1,721,212	\$546,212	631	\$11,875,435
27	35	Hardee	620	\$15,500,000	157	\$6,586,691	\$2,661,691	286	\$9,403,791	\$2,253,791	349	\$8,725,000	113	\$4,215,027	\$1,390,027	1,525	\$30,530,509
28	36	Hendry	1,130	\$28,250,000	340	\$13,893,520	\$5,393,520	392	\$12,770,300	\$2,875,300	115	\$587,580	47	\$1,762,580	\$587,580	2,024	\$40,076,400
29	37	Hernando	15,088	\$377,200,000	4,178	\$172,767,529	\$68,317,529	5,516	\$183,146,368	\$45,246,368	375	\$9,375,000	163	\$5,703,109	\$1,628,109	25,320	\$501,767,006
30	38	Highlands	5,954	\$148,850,000	1,859	\$74,352,864	\$27,877,864	1,961	\$64,188,262	\$15,163,262	318	\$7,950,000	153	\$5,738,527	\$1,913,527	10,245	\$201,754,653
31	39	Hillsborough	137,766	\$3,444,150,000	31,928	\$1,211,730,575	\$413,530,575	5,315	\$180,233,881	\$47,358,881	1,553	\$38,825,000	698	\$25,791,039	\$8,341,039	177,260	\$3,952,205,495
32	40	Holmes	362	\$9,050,000	91	\$3,900,981	\$1,625,981	239	\$7,968,479	\$1,993,479	380	\$9,500,000	236	\$8,848,027	\$2,948,027	1,308	\$25,117,487
33	41	Indian River	21,652	\$541,300,000	4,343	\$162,351,138	\$53,776,138	550	\$18,878,410	\$5,128,410	343	\$8,575,000	80	\$2,893,855	\$893,855	26,968	\$609,673,403
34	42	Jackson	1,692	\$42,300,000	170	\$6,962,326	\$2,712,326	718	\$25,527,235	\$7,577,235	576	\$14,400,000	271	\$10,001,931	\$3,226,931	3,427	\$70,216,492
35	43	Jefferson	566	\$14,150,000	99	\$3,846,990	\$1,371,990	193	\$6,834,786	\$2,009,786	552	\$13,800,000	201	\$7,492,927	\$2,467,927	1,611	\$33,799,703
36	44	Lafayette	213	\$5,325,000	44	\$1,757,022	\$657,022	104	\$3,613,698	\$1,013,698	159	\$3,975,000	109	\$4,078,175	\$1,353,175	629	\$12,323,895
37	45	Lake	44,760	\$1,119,000,000	6,895	\$275,938,860	\$103,563,860	4,245	\$147,390,508	\$41,265,508	1,213	\$30,325,000	373	\$13,499,848	\$4,174,848	57,486	\$1,298,329,216
38	46	Lee	91,431	\$2,285,775,000	18,192	\$682,775,950	\$227,975,950	2,207	\$79,481,318	\$24,306,318	895	\$22,375,000	312	\$11,327,337	\$3,527,337	113,037	\$2,563,959,605
39	47	Leon	34,833	\$870,825,000	3,196	\$131,764,319	\$51,864,319	2,980	\$103,282,793	\$28,782,793	336	\$8,400,000	105	\$3,910,570	\$1,285,570	41,450	\$961,157,682
40	48	Levy	1,736	\$43,400,000	303	\$12,582,439	\$5,607,439	847	\$29,237,223	\$8,062,223	632	\$15,800,000	274	\$10,123,586	\$3,273,586	3,792	\$75,543,248
41	49	Liberty	180	\$4,500,000	65	\$2,444,906	\$819,906	45	\$1,583,438	\$458,438	106	\$2,650,000	52	\$1,944,541	\$644,541	448	\$9,072,885
42	50	Madison	364	\$9,100,000	60	\$2,446,969	\$946,969	269	\$9,475,976	\$2,750,976	339	\$8,475,000	174	\$6,532,752	\$2,182,752	1,206	\$23,455,697
43	51	Manatee	51,931	\$1,298,275,000	7,097	\$271,545,531	\$94,120,531	1,404	\$46,317,302	\$11,217,302	705	\$17,625,000	301	\$11,082,638	\$3,557,638	61,438	\$1,424,795,471
44	52	Marion	33,112	\$827,800,000	7,439	\$299,341,102	\$113,366,102	7,124	\$236,378,847	\$58,278,847	2,404	\$60,100,000	559	\$20,525,588	\$6,550,588	50,638	\$1,066,095,537
45	53	Martin	29,070	\$726,750,000	3,076	\$118,115,107	\$41,215,107	552	\$19,313,412	\$5,513,412	563	\$14,075,000	116	\$4,315,781	\$1,415,781	33,377	\$788,969,300
46	54	Monroe	13,199	\$329,975,000	572	\$21,728,295	\$7,428,295	61	\$2,027,224	\$502,224	1,004	\$25,100,000	177	\$6,648,464	\$2,223,464	15,013	\$365,228,983
47	55	Nassau	12,660	\$316,500,000	1,196	\$48,993,906	\$19,093,906	828	\$28,658,802	\$7,958,802	945	\$23,625,000	308	\$11,669,466	\$3,969,466	15,937	\$371,147,174
48	56	Okaloosa	27,262	\$681,550,000	4,146	\$167,265,102	\$63,615,102	2,455	\$82,853,907	\$21,478,907	501	\$12,525,000	173	\$6,326,751	\$2,001,751	34,537	\$781,170,760
49	57	Okeechobee	1,567	\$39,175,000	495	\$20,142,411	\$7,767,411	377	\$12,216,518	\$2,791,518	198	\$4,950,000	70	\$2,513,132	\$763,132	2,707	\$55,447,061
50	58	Orange	137,326	\$3,433,150,000	22,055	\$845,679,677	\$294,304,677	3,164	\$107,792,784	\$28,692,784	260	\$6,500,000	126	\$4,479,420	\$1,329,420	162,931	\$3,763,976,881
51	59	Osceola	26,107	\$652,675,000	9,261	\$344,966,798	\$113,441,798	1,118	\$39,330,909	\$11,380,909	2,211	\$55,275,000	735	\$26,996,903	\$8,621,903	39,432	\$841,394,610
52	60	Palm Beach	217,082	\$5,427,050,000	27,876	\$1,057,426,079	\$360,526,079	2,306	\$81,021,799	\$23,371,799	778	\$19,450,000	286	\$10,627,804	\$3,477,804	248,328	\$5,833,875,682

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	
1			Homestead only parcels with JV_HMSTD >= 100k and TV_NSD >= 50k		Homestead only parcels with JV_HMSTD >= 100k and (TV_NSD < 50k & TV_NSD > 25k)			Homestead only parcels with JV_HMSTD < 100k and (TV_NSD < 50k & TV_NSD > 25k)			Homestead Mixed-use parcels with > 50k HMSTD TVNSD		Homestead Mixed-use parcels with <=50k HMSTD TVNSD and HMSTD_TVNSD > 25k			Total Impact		
2	County #	County	Count	Impact - TVNSD	Count	Total TV_NSD	Impact - TVNSD	Count	Total TV_NSD	Impact - TVNSD	Count	Impact - TVNSD	Count	total - TVNSD	Impact - TVNSD	Count	Impact - TVNSD	
53	61	Pasco	57,892	\$1,442,300,000	8,976	\$361,516,512	\$137,116,512	4,779	\$157,884,581	\$38,409,581	761	\$19,025,000	430	\$15,600,705	\$4,850,705	72,638	\$1,641,701,798	
54	62	Pinellas	118,132	\$2,953,300,000	33,282	\$1,245,862,718	\$413,812,718	3,651	\$125,926,720	\$34,651,720	758	\$18,950,000	395	\$14,265,000	\$4,390,000	156,218	\$3,425,104,438	
55	63	Polk	43,635	\$1,090,875,000	15,384	\$578,797,819	\$194,197,819	3,603	\$121,626,429	\$31,551,429	242	\$6,050,000	93	\$3,438,419	\$1,113,419	62,957	\$1,323,787,667	
56	64	Putnam	3,466	\$86,650,000	480	\$18,603,846	\$6,603,846	1,575	\$55,804,825	\$16,429,825	379	\$9,475,000	134	\$4,984,660	\$1,634,660	6,034	\$120,793,331	
57	65	Saint Johns	46,687	\$1,167,175,000	2,990	\$117,859,064	\$43,109,064	1,256	\$42,356,983	\$10,956,983	259	\$6,475,000	139	\$4,935,230	\$1,460,230	51,331	\$1,229,176,277	
58	66	Saint Lucie	31,392	\$784,800,000	11,254	\$422,193,962	\$140,843,962	1,528	\$51,838,214	\$13,638,214	608	\$15,200,000	239	\$8,861,392	\$2,886,392	45,021	\$957,368,568	
59	67	Santa Rosa	23,935	\$598,375,000	2,004	\$86,316,733	\$36,216,733	4,081	\$144,391,548	\$42,366,548	490	\$12,250,000	160	\$5,823,274	\$1,823,274	30,670	\$691,031,555	
60	68	Sarasota	74,238	\$1,855,950,000	14,938	\$563,630,790	\$190,180,790	1,111	\$38,338,974	\$10,563,974	150	\$3,750,000	148	\$5,274,096	\$1,574,096	90,585	\$2,062,018,860	
61	69	Seminole	66,436	\$1,660,900,000	7,996	\$315,509,093	\$115,609,093	2,034	\$68,557,385	\$17,707,385	893	\$22,325,000	409	\$15,166,847	\$4,941,847	77,768	\$1,821,483,325	
62	70	Sumter	31,997	\$799,925,000	1,488	\$58,406,743	\$21,206,743	571	\$19,030,470	\$4,755,470	901	\$22,525,000	613	\$22,468,836	\$7,143,836	35,570	\$855,556,049	
63	71	Suwannee	1,184	\$29,600,000	218	\$8,512,252	\$3,062,252	646	\$22,727,071	\$6,577,071	162	\$4,050,000	100	\$3,728,505	\$1,228,505	2,310	\$44,517,828	
64	72	Taylor	744	\$18,600,000	128	\$4,993,398	\$1,793,398	426	\$14,774,340	\$4,124,340	269	\$6,725,000	153	\$5,470,801	\$1,645,801	1,720	\$32,888,539	
65	73	Union	245	\$6,125,000	23	\$885,686	\$310,686	163	\$6,062,006	\$1,987,006	747	\$18,675,000	210	\$7,918,472	\$2,668,472	1,388	\$29,766,164	
66	74	Volusia	57,880	\$1,447,000,000	19,327	\$725,000,441	\$241,825,441	3,851	\$128,984,756	\$32,709,756	352	\$8,800,000	92	\$3,310,466	\$1,010,466	81,502	\$1,731,345,663	
67	75	Wakulla	2,507	\$62,675,000	377	\$15,051,245	\$5,626,245	688	\$23,743,520	\$6,543,520	543	\$13,575,000	231	\$8,414,223	\$2,639,223	4,346	\$91,058,988	
68	76	Walton	7,623	\$190,575,000	454	\$18,179,585	\$6,829,585	690	\$24,589,519	\$7,339,519	308	\$7,700,000	196	\$7,181,045	\$2,281,045	9,271	\$214,725,149	
69	77	Washington	711	\$17,775,000	58	\$2,391,436	\$941,436	471	\$16,928,404	\$5,153,404	566	\$14,150,000	240	\$8,494,365	\$2,494,365	2,046	\$40,514,205	
70			2,382,558	\$59,563,950,000	438,698	\$16,781,666,852	\$5,814,216,852	119,578	\$4,073,389,144	\$1,083,939,144	40,031	\$1,000,775,000	16,283	\$980,102,340	\$190,935,234	2,997,148	\$67,653,816,230	
71																2016-17 NonSchool Millage		10.824
72	Year	First Homestead Exemption	Growth - 1st Homestead	Second Homestead exemption	Growth - 2nd Homestead			Second Homestead Exemption Value	Growth Rate	Middle								
73	2016	106,802		84,489			2016			\$732,284,907								
74	2017	108,404	1.50%	86,840	2.78%		2017	2.78%		\$752,661,545								
75	2018	110,030	1.50%	89,243	2.77%		2018	2.77%		\$773,488,880								
76	2019	111,703	1.52%	91,717	2.77%		2019	2.77%		\$794,931,586								
77	2020	113,401	1.52%	94,245	2.76%		2020	2.76%		\$816,842,323								
78	2021	115,125	1.52%	96,829	2.74%		2021	2.74%		\$839,238,425								

## REVENUE ESTIMATING CONFERENCE

**Tax:** Ad Valorem

**Issue:** Inventory Definition

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

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Not Available

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

**Date of Analysis:** 3/23/2017

### Section 1: Narrative

- a. **Current Law:** Section 4 of Article VII of the Florida Constitution provides (in part): Taxation; assessments.—By general law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation, provided:
- (c) Pursuant to general law tangible personal property held for sale as stock in trade and livestock may be valued for taxation at a specified percentage of its value, may be classified for tax purposes, or may be exempted from taxation.

Section 192.001(11)(c), Florida Statutes, defines “Inventory” to mean only those chattels consisting of items commonly referred to as goods, wares, and merchandise (as well as inventory) which are held for sale or lease to customers in the ordinary course of business. Supplies and raw materials shall be considered to be inventory only to the extent that they are acquired for sale or lease to customers in the ordinary course of business or will physically become a part of merchandise intended for sale or lease to customers in the ordinary course of business. Partially finished products which when completed will be held for sale or lease to customers in the ordinary course of business shall be deemed items of inventory. All livestock shall be considered inventory. Items of inventory held for lease to customers in the ordinary course of business, rather than for sale, shall be deemed inventory only prior to the initial lease of such items. For the purposes of this section, fuels used in the production of electricity shall be considered inventory.

Section 196.185 provides: Exemption of inventory.—All items of inventory are exempt from ad valorem taxation.

Conversations with Property Appraisers indicated that the current administration is to treat the property as taxable TPP once in the hands of a lessee. Should the property be back in the hands of the lessor, there is a test as to whether the intent of the lessor is to sell or lease the equipment. If the intent is to lease the equipment, it remains TPP. If the intent is to sell the equipment, it is again treated as inventory. In no instances is it treated as inventory when it is in the hands of a lessee.

- b. **Proposed Change:** Amends section 192.001 (11)(c) definition of “inventory” to create a new subparagraph to read:
- (2) Construction and agricultural equipment weighing 1,000 pounds or more that is returned to a dealership under a rent to purchase option and held for sale to customers in the ordinary course of business shall be deemed inventory. This subparagraph may not be considered in determining whether property that is not construction and agricultural equipment weighing 1,000 pounds or more that is returned under a rent to purchase option is deemed inventory under subparagraph 1.

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

2015 and 2016 Tangible Personal Property tax rolls

2016-76 Aggregate School and Non-School Millage Rates

Tangible Personal Property Growth rates from the March 4, 2017 Ad Valorem Assessment Estimating Conference

Internet research

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

Extracted from the 2015 TPP tax rolls those accounts that were designated as the 5 NAICS code groups below. Sorted the accounts by Taxable Value – largest to smallest. Examined the top 300 accounts that comprised 44.5% of the total taxable value of all accounts in these 5 NAICS code groups. Went to the website of each of the top 300 to see if they appeared to meet the requirements to take advantage of the proposed language. If they appeared to be eligible, identified them with a code of 1. If they appeared to be a finance company that was associated with the manufacturer of such equipment, they were assigned a code of 2. The data set was then sorted alphabetically and all accounts for entities that had been designated as discussed above were coded similarly to those that were in the top 300.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Ad Valorem

**Issue:** Inventory Definition

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

NAICS Code groups included in the analysis

238990 All Other Specialty Trade Contractors

238910 Site Preparation Contractors

115310 Support Activities for Forestry

532412 Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing

532490 Other Commercial and Industrial Machinery and Equipment Rental and Leasing

As a result of this analysis, a percentage of the total value for each of the 5 NAICS code groups examined that represents an assumed percent of the total value that would be able to benefit from the language due to the nature of the entity as a dealer. Due to the method used relied on positive identification, the percentage was factored by 1.3, to reflect that the method used likely missed some that might qualify as dealers. As the impact would be isolated to equipment that had previously been leased and returned to the lessee, it was assumed that impact is limited to 8.33% or 1/12th of the total amount of the equipment (one month's worth) and because it consisted only of those items under a rent to purchase option it was assumed that 50% of the value of the returned equipment would be under this type of arrangement. The percentages measured using the 2015 TPP values were then applied to 2016 TPP values for the 5 select NAICS code groups.

For the middle, it was assumed that only Orange County administered the current law differently and therefore any impact would be isolated to equipment within Orange County at the percentages measured as discussed above. It was further assumed that 20% of the statewide measure was also impacted by the language.

**Section 4: Proposed Fiscal Impact**

School

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			(\$0.08 M)	(\$0.08M)		
2018-19			(\$0.09 M)	(\$0.09 M)		
2019-20			(\$0.09 M)	(\$0.09 M)		
2020-21			(\$0.09 M)	(\$0.09 M)		
2021-22			(\$0.1 M)	(\$0.1 M)		

Non-School

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			(\$0.14 M)	(\$0.14 M)		
2018-19			(\$0.14 M)	(\$0.14 M)		
2019-20			(\$0.14 M)	(\$0.14 M)		
2020-21			(\$0.15 M)	(\$0.15 M)		
2021-22			(\$0.15 M)	(\$0.15 M)		

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

**Section 5: Consensus Estimate (Adopted: 03/24/2017):** The Conference adopted the proposed estimate but with the first year's cash equal to zero.

	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	(0.2)	0.0	(0.2)
2018-19	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)
2019-20	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)
2020-21	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)
2021-22	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)

	A	B	C	D	E	F	G	H	I		
1		Additional impact from other areas of the state	20.0%								
2		Percent of equipment that is held by a lessor after an initial lease	8.3%								
3		Percent of Equipment subject to a rent to purchase option	50.0%								
4		Adjustment to percentage to adjust for positive identification for inclusion	1.3								
5			Statewide	Orange	Assumed Percent Applicable	Middle Part 1- 1 month on Orange County Agricultural and Construction Equipment as adjusted	Middle part 2 - Additional Florida Impact to account for some other county that might be similar to Orange				
6	NAICS Code	NAICS Description	Number of Accounts	Taxable Value	Number of Accounts	Taxable Value	Middle	\$144,853	\$275,716		
7	238910	Site Preparation Contractors	1330	\$155,187,201	57	\$16,306,185	16.4%	\$0	\$0		
8	238990	All Other Specialty Trade Contractors	11614	\$254,570,304	862	\$39,347,000	0.0%	\$3,569,357	\$3,356,978		
9	532412	Construction, Mining, & Forestry Machinery & Equipment Rental & Leasing	949	\$968,358,951	46	\$205,924,437	32.0%	\$452,986	\$4,563,876		
10	532490	Other Commercial & Industrial Machinery & Equipment Rental & Leasing	29634	\$2,633,005,379	37	\$52,267,577	16.0%	\$4,167,196	\$8,196,570		
11				\$4,011,121,835		\$313,845,199					
12											
13	2016-17 Millage Rates								Middle		
14	School		6.955							School	\$85,989.99
15	Non-school		10.824							Non-School	\$133,825.40
16	Total		18.1969								
17											
18	TPP Growth rates - March 7, 2017 Ad Valorem Assessment Estimating Conference										
19			School	High	Middle	Low					
20		2017	2.5%		-\$88,140						
21		2018	2.5%		-\$90,340						
22		2019	2.5%		-\$92,595						
23		2020	2.5%		-\$94,907						
24		2021	2.5%		-\$97,276						
25											
26			Non-School	Low	Middle	Low					
27		2017	2.5%		-\$137,171						
28		2018	2.5%		-\$140,595						
29		2019	2.5%		-\$144,105						
30		2020	2.5%		-\$147,703						
31		2021	2.5%		-\$151,390						

## REVENUE ESTIMATING CONFERENCE

**Tax:** Ad Valorem

**Issue:** Renewable Energy Devices

**Bill Number(s):** HB 1351- Proposed Amendment

**Entire Bill**

**Partial Bill:** Sections 3, 4

**Sponsor(s):** Representative Rodrigues

**Month/Year Impact Begins:** January 1, 2019

**Date of Analysis:** March 24, 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:

The Proposed Amendment for HB 1351 changes section 193.624, F.S., to expand the treatment under the section to all real property rather than residential property. It modifies 193.624 (i) F.S.; Pipes, ducts, wiring, structural supports, refrigerant handling systems, and other components equipment used as integral parts of to interconnect such systems; however, such equipment does not include conventional backup systems of any type or any equipment or structures that would be required in the absence of the renewable energy source device. It changes 193.624 (l) Power conditioning and storage devices that store or use solar energy, wind energy, or energy derived from geothermal deposits to generate electricity or mechanical forms of energy.

The Proposed Amendment for HB 1351 adds to Section 193.624 (1), F.S.: The term does not include any equipment that is on the distribution or transmission side of the point of interconnection where a renewable energy source device is interconnected to an electric utility's distribution grid or transmission lines.



## REVENUE ESTIMATING CONFERENCE

**Tax:** Ad Valorem

**Issue:** Renewable Energy Devices

**Bill Number(s):** HB 1351- Proposed Amendment

New Sections 193.624 (2) and (3) F.S., are created: As used in this section, the term “utility scale renewable energy project” means an electrical generating facility that incorporates one or more renewable energy devices and:

(a) Is certified pursuant to ss. 403.501 – 403.518, or

(b) When the devices are used together, are designed to achieve a total AC electric generating capacity of greater than 20 megawatts.

(3) For purposes of (2)(b) a “facility” includes, but is not limited to, renewable energy devices located on the same parcel, any contiguous parcels, and any parcels otherwise in close proximity to each other, regardless of the ownership of the parcels or the renewable energy devices located on the parcels. The combined AC electric generating capacity of all renewable energy devices on such parcels is used to determine the AC electric generating capacity of the facility.

Section 193.624 (2) F.S., is modified: ~~(2)-(4)~~ 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)-(5)~~ 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. This section applies to a renewable energy source device installed on or after January 1, 2018, to all other real property, except when installed as part of a utility scale renewable energy project planned for a location in a fiscally constrained county, as defined in s. 218.67(1), and for which an application for comprehensive plan amendment or planned unit development zoning has been filed with the county on or before December 31, 2017.

The proposed amendment creates section 196.182 F.S., (1) A renewable energy source device, as defined in s. 193.624, which is considered tangible personal property, and which is installed on real property on or after January 1, 2018 is exempt from ad valorem taxation.

(2) The exemption provided in this section does not apply to any renewable energy source device which is installed as part of a utility scale renewable energy project, as defined in s. 193.624(2), that is planned for a location in a fiscally constrained county, as defined in s. 218.67(1), and for which an application for comprehensive plan amendment or planned unit development zoning has been filed with the county on or before December 31, 2017.

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.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Ad Valorem

**Issue:** Renewable Energy Devices

**Bill Number(s):** HB 1351- Proposed Amendment

**The proposed changes specifically exclude renewable energy sources devices installed as non-residential real property or TPP prior to 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.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18				\$-		
2018-19			\$-	\$-		
2019-20			\$(11.6 M)	\$(11.6 M)		
2020-21			\$(15.4 M)	\$(15.4 M)		
2021-22			\$(22.0 M)	\$(22.0 M)		

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

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the proposed estimate, except choosing the fifth year's recurring impact as the recurring impact for every year.**

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	(8.6)	0.0	(13.4)	0.0	(22.0)
2018-19	0.0	(8.6)	0.0	(13.4)	0.0	(22.0)
2019-20	(4.6)	(8.6)	(7.1)	(13.4)	(11.7)	(22.0)
2020-21	(6.0)	(8.6)	(9.4)	(13.4)	(15.4)	(22.0)
2021-22	(8.6)	(8.6)	(13.4)	(13.4)	(22.0)	(22.0)

	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	(22.0)	0.0	(22.0)
2018-19	0.0	0.0	0.0	0.0	0.0	(22.0)	0.0	(22.0)
2019-20	0.0	0.0	0.0	0.0	(11.7)	(22.0)	(11.7)	(22.0)
2020-21	0.0	0.0	0.0	0.0	(15.4)	(22.0)	(15.4)	(22.0)
2021-22	0.0	0.0	0.0	0.0	(22.0)	(22.0)	(22.0)	(22.0)

	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				\$ -		
7	2018-19			\$ -	\$ -		
8	2019-20			\$ (4.6 M)	\$ (4.6 M)		
9	2020-21			\$ (6.0 M)	\$ (6.0 M)		
10	2021-22			\$ (8.6 M)	\$ (8.6 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				\$ -		
16	2018-19			\$ -	\$ -		
17	2019-20			\$ (7.1 M)	\$ (7.1 M)		
18	2020-21			\$ (9.4 M)	\$ (9.4 M)		
19	2021-22			\$ (13.4 M)	\$ (13.4 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				\$ -		
25	2018-19			\$ -	\$ -		
26	2019-20			\$ (11.6 M)	\$ (11.6 M)		
27	2020-21			\$ (15.4 M)	\$ (15.4 M)		
28	2021-22			\$ (22.0 M)	\$ (22.0 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	\$ (0.11 M)	\$ (0.11 M)	\$ (0.17 M)	\$ (0.17 M)	\$ (0.00 M)	\$ (0.00 M)
7	2020-21	\$ (0.23 M)	\$ (0.23 M)	\$ (0.36 M)	\$ (0.36 M)	\$ (0.01 M)	\$ (0.01 M)
8	2021-22	\$ (0.35 M)	\$ (0.35 M)	\$ (0.54 M)	\$ (0.54 M)	\$ (0.01 M)	\$ (0.01 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		\$ -		\$ -		\$ -
14	2018-19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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)	\$ (0.02 M)	\$ (0.02 M)
25	2020-21	\$ (1.9 M)	\$ (1.9 M)	\$ (2.9 M)	\$ (2.9 M)	\$ (0.05 M)	\$ (0.05 M)
26	2021-22	\$ (2.9 M)	\$ (2.9 M)	\$ (4.6 M)	\$ (4.6 M)	\$ (0.08 M)	\$ (0.08 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		\$ -		\$ -		\$ -
32	2018-19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ (3.5 M)	\$ (3.5 M)	\$ (5.5 M)	\$ (5.5 M)	\$ (0.09 M)	\$ (0.09 M)
43	2020-21	\$ (3.9 M)	\$ (3.9 M)	\$ (6.0 M)	\$ (6.0 M)	\$ (0.10 M)	\$ (0.10 M)
44	2021-22	\$ (5.2 M)	\$ (5.2 M)	\$ (8.1 M)	\$ (8.1 M)	\$ (0.13 M)	\$ (0.13 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 installed on or after January 1, 2018</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	
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	
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 (after 1/1/2018)	Residential/Commercial TPP after 2018	Residential/Commercial TPP Look back	Commercial Real Property (after 1/1/2018)		
90	2017	\$ -	\$ -	\$ -	\$ -		
91	2018	\$ -	\$ -	\$ -	\$ -		
92	2019	\$ 129,329,663	\$ 129,329,663	\$ -	\$ 15,345,345		
93	2020	\$ 270,234,599	\$ 270,234,599	\$ -	\$ 33,521,937		
94	2021	\$ 423,633,287	\$ 423,633,287	\$ -	\$ 50,265,335		
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 (after 1/1/2018)	Residential/Commercial TPP after 2018	Residential/Commercial TPP Look back	Commercial Real Property (after 1/1/2018)		
99	2017-18	\$ -	\$ -	\$ -	\$ -		
100	2018-19	\$ -	\$ -	\$ -	\$ -		
101	2019-20	\$ 129,329,663	\$ 129,329,663	\$ -	\$ 15,345,345		
102	2020-21	\$ 270,234,599	\$ 270,234,599	\$ -	\$ 33,521,937		
103	2021-22	\$ 423,633,287	\$ 423,633,287	\$ -	\$ 50,265,335		
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	\$ 37,859,867	\$ 11,329,636			
113		leased	\$ 73,492,683	\$ 21,992,823			
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	\$ 106,727	\$ 166,098	\$ 272,825			
126	2020-21	\$ 233,145	\$ 362,841	\$ 595,987			
127	2021-22	\$ 349,595	\$ 544,072	\$ 893,667			
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							
147							



	A	B	C	D	E	F	G
148	<b>Residential/Commercial TPP (after 1/1/2018)</b>						
149	Year	School	Non-School	Total			
150	2017-18	\$ -	\$ -	\$ -			
151	2018-19	\$ -	\$ -	\$ -			
152	2019-20	\$ 899,488	\$ 1,399,864	\$ 2,299,352			
153	2020-21	\$ 1,879,482	\$ 2,925,019	\$ 4,804,501			
154	2021-22	\$ 2,946,370	\$ 4,585,407	\$ 7,531,776			
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		(a)-(m) use of energy	Other Renewables	Middle	Local-Infrastructure-Changes not-captured by \$/kW	1(i) Integral-parts	1(l) Conditioning-expansion
159	2017-18	0.5%	0.5%	1%	5%	1%	1%
160	2018-19	0.5%	0.5%	1%	5%	1%	1%
161	2019-20	0.5%	0.5%	1%	5%	1%	1%
162	2020-21	0.5%	0.5%	1%	5%	1%	1%
163	2021-22	0.5%	0.5%	1%	5%	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				\$ -		
170	2018-19			\$ -	\$ -		
171	2019-20			\$ (1.0 M)	\$ (1.0 M)		
172	2020-21			\$ (2.1 M)	\$ (2.1 M)		
173	2021-22			\$ (3.3 M)	\$ (3.3 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				\$ -		
179	2018-19			\$ -	\$ -		
180	2019-20			\$ (1.6 M)	\$ (1.6 M)		
181	2020-21			\$ (3.3 M)	\$ (3.3 M)		
182	2021-22			\$ (5.2 M)	\$ (5.2 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				\$ -		
188	2018-19			\$ -	\$ -		
189	2019-20			\$ (2.6 M)	\$ (2.6 M)		
190	2020-21			\$ (5.5 M)	\$ (5.5 M)		
191	2021-22			\$ (8.5 M)	\$ (8.5 M)		
192							

HB 1351 Proposed Amendment Renewable Energy Devices

	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	687,165	73%	290,500	112,500		
20	2018	922,165	34%	235,000	225,000		
21	2019	972,165	5%	50,000			
22	2020	1,102,165	13%	130,000	-300,000		
23	2021	1,137,165	3%	35,000			
28	TBD*	1,737,165	21%	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	687,165	326.4%	30%			
36	2018	922,165	34.2%	30%			
37	2019	972,165	5.4%	30%			
38	2020	1,102,165	13.4%	26%			
39	2021	1,137,165	3.2%	22%			
40	2021	1,137,165	0.0%	22%			
41							
43							

HB 1351 Proposed Amendment Renewable Energy Devices

	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	
68	2018			\$ 503,707,813	\$ 478,522,422	\$ 454,596,301	
69	2019				\$ 101,813,281	\$ 96,722,617	
70	2020					\$ 251,478,805	
71	2021						

HB 1351 Proposed Amendment Renewable Energy Devices

	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	\$ -	\$ -	\$ -			
76	2018	\$ -	\$ -	\$ -			
77	2019	\$ 503,707,813	\$ 503,707,813	\$ -			
78	2020	\$ 556,409,582	\$ 556,409,582.03	\$ -			
79	2021	\$ 752,501,962	\$ 752,501,961.72	\$ -			
80							
81	Depreciated Total installed price for all systems CY to FY						
82		Utility	Utility after 2018	Utility Look Back			
83	2017-18	\$ -	\$ -	\$ -			
84	2018-19	\$ -	\$ -	\$ -			
85	2019-20	\$ 503,707,813	\$ 503,707,813	\$ -			
86	2020-21	\$ 556,409,582	\$ 556,409,582	\$ -			
87	2021-22	\$ 752,501,962	\$ 752,501,962	\$ -			
88							
89	% Utility TPP				100%		
90	2016 Millage Rate (School)				6.955		
91	2016 Millage Rate (Non-School)				10.824		
92							
93							

HB 1351 Proposed Amendment Renewable Energy Devices

	A	B	C	D	E	F	G
94	<b>Utility Impact</b>						
95	Year	School	Non-School	Total			
96	2017-18	\$ -	\$ -	\$ -			
97	2018-19	\$ -	\$ -	\$ -			
98	2019-20	\$ 3,503,288	\$ 5,452,133	\$ 8,955,421			
99	2020-21	\$ 3,869,829	\$ 6,022,577	\$ 9,892,406			
100	2021-22	\$ 5,233,651	\$ 8,145,081	\$ 13,378,732			
101							
102							
103	Adjustment for inclusion of Components and Other renewable energy devices						
104		(a)-(m) use of energy	Other Renewables	Middle Total adjustment	±(l) Conditioning-expansion	±(i) Integral parts	Infrastructure-Changes not-captured by \$/kW
105	2017-18	0.5%	0.5%	1.0%	1%	1%	10%
106	2018-19	0.5%	0.5%	1.0%	1%	1%	10%
107	2019-20	0.5%	0.5%	1.0%	1%	1%	10%
108	2020-21	0.5%	0.5%	1.0%	1%	1%	10%
109	2021-22	0.5%	0.5%	1.0%	1%	1%	10%
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				\$ -		
116	2018-19			\$ -	\$ -		
117	2019-20			\$ (3.5 M)	\$ (3.5 M)		
118	2020-21			\$ (3.9 M)	\$ (3.9 M)		
119	2021-22			\$ (5.3 M)	\$ (5.3 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				\$ -		
125	2018-19			\$ -	\$ -		
126	2019-20			\$ (5.5 M)	\$ (5.5 M)		
127	2020-21			\$ (6.1 M)	\$ (6.1 M)		
128	2021-22			\$ (8.2 M)	\$ (8.2 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				\$ -		
134	2018-19			\$ -	\$ -		
135	2019-20			\$ (9.0 M)	\$ (9.0 M)		
136	2020-21			\$ (10.0 M)	\$ (10.0 M)		
137	2021-22			\$ (13.5 M)	\$ (13.5 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:** Alcoholic Beverage Tax

**Issue:** Beer and Malt Beverages

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

**Entire Bill**

**Partial Bill:** Proposed Language

**Sponsor(s):**

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

**Date of Analysis:** 03/01/17

### Section 1: Narrative

#### a. Current Law:

Section 563.01, Florida Statutes, defines the terms “beer” and “malt beverage.” The statute provides that “[t]he terms “beer” and “malt beverage” mean all brewed beverages containing malt.”

#### b. Proposed Change:

The draft bill amends section 563.01, Florida Statutes, to correlate the term “beer” with the definition of the term in federal law set forth in 27-CFR 25.11. However, the bill limits the state statute correlation to the federal definition to brewed beverages covered by 27 CFR 25.11 that are under 6 percent alcohol by volume. The federal meaning of the term “beer” in 27 CFR 25.11 provides that “beer” means:

Beer, ale, porter, stout, and other similar fermented beverages (including saké and similar products) of any name or description containing one-half of one percent or more of alcohol by volume, brewed or produced from malt, wholly or in part, or from any substitute for malt. Standards for the production of beer appear in § 25.15.

The term “malt beverage” continues to mean “all brewed beverages containing malt,” consistent with the current law definition in section 563.01, Florida Statutes.

The draft bill excludes from the amended definition of “beer” and “malt beverage” any alcoholic beverage that requires a certificate of label approval by the federal government as a wine or as a distilled spirit.

### Section 2: Description of Data and Sources

N/A

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

The draft bill’s inclusion of alcoholic beverage products under 6 percent alcohol by volume meeting the federal definition of beer in the provisions of chapter 563, Florida Statutes, including the chapter’s applicable excise tax rates on these products, will effectively reclassify certain alcoholic beverages in the Florida market as malt beverages.

For example, the inclusion of sake, similar products, and other beverages produced from substitutes for malt in the meaning of beer in 27 CFR 25.11 will result in these types of beverages being regulated as a chapter 563 beer in Florida, if the beverage is under 6 percent alcohol by volume. If these beverages are currently classified and taxed as a wine or liquor in Florida currently, the transition to a chapter 563 beer in Florida will result in an indeterminate reduction in alcoholic beverage excise taxes based on the lower tax rate applied to these products under chapter 563, Florida Statutes, compared to the tax rates provided under chapter 564 (wine) and chapter 565 (liquor), Florida Statutes.

The impact of this change in tax revenue is indeterminate because alcoholic beverage excise taxes are reported categorically (malt beverage, wine, or liquor) and not by individual product variety within each alcoholic beverage category. The number of products within the federal meaning of beer that are under 6 percent alcohol by volume, but not currently classified as a malt beverage in Florida, is unknown. Additionally, the amount of excise taxes applicable to products which may be subject to reclassification under the draft bill, is indeterminate based on the manner in which applicable tax information on these products are reported.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Alcoholic Beverage Tax

**Issue:** Beer and Malt Beverages

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

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18					Indeterminate reduction	Yes
2018-19					Indeterminate reduction	Yes
2019-20					Indeterminate reduction	Yes
2020-21					Indeterminate reduction	Yes
2021-22					Indeterminate reduction	Yes

**List of affected Trust Funds:**

Alcoholic Beverages and Tobacco Trust Fund

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted a negative 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	(**)	(**)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Alcoholic Beverage Tax

**Issue:** Craft Distilleries

**Bill Number(s):** PCS/HB 689 – Sections 3 & 4

**Entire Bill**

**Partial Bill:** Sections 3 and 4 of PCS HB 689

**Sponsor(s):** Burton

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

**Date of Analysis:** 03/22/17

### Section 1: Narrative

#### a. Current Law:

**Fee Elimination for Selected License Transactions:** Section 561.331, F.S., governs temporary beverage licenses upon application for transfer, change of location, or change of type or series. Subsection (1) establishes the authority and associated fees for a temporary license upon application for transfer of a license to a purchaser of a currently licensed business. Subsection (3) establishes the authority and associated fees for a temporary license upon application for a change in the type or series of a currently valid license. For example, a licensee authorized to sell beer and wine only as package sales may apply to increase the license to allow sales of beer and wine for consumption on the premises, or a licensee authorized to sell beer and wine only for consumption on the premises may apply to increase the license to a type and series allowing sales of liquor in addition to beer and wine for consumption on the premises, depending on the applicant's eligibility for the licenses sought.

Section 561.331(1), Fla. Stat., relating to a temporary license upon application for transfer, provides in pertinent part:

(1) Upon the filing of a properly completed application for transfer pursuant to s. 561.32, which application does not on its face disclose any reason for denying an alcoholic beverage license, by any purchaser of a business which possesses a beverage license of any type or series, the purchaser of such business and the applicant for transfer are entitled as a matter of right to receive a temporary beverage license of the same type and series as that held by the seller of such business. The temporary license will be valid for all purposes under the Beverage Law until the application is denied or until 14 days after the application is approved. Such temporary beverage license shall be issued by the district supervisor of the district in which the application for transfer is made upon the payment of a fee of \$100.

Section 561.331(3), Fla. Stat., relating to a temporary license upon application for change of type or series, provides in pertinent part:

(3) Upon the filing of a properly completed application to change the type or series of a beverage license by any qualified licensee having a beverage license of any type or series, which application does not on its face disclose any reason for denying an alcoholic beverage license, the licensee is entitled as a matter of right to receive a temporary beverage license of the type or series applied for, which temporary license is valid for all purposes under the Beverage Law until the application is denied or until 14 days after the application is approved. Such temporary license shall be issued by the district supervisor of the district in which the application for change of type or series is made. If the department issues a notice of intent to deny the license application for failure of the applicant to disclose the information required by s. 561.15(2) or (4), the temporary license for transfer, change of location, or change of type of series expires and shall not be extended during any proceeding for administrative or judicial review pursuant to chapter 120. If the fee for the type or series or license applied for is greater than the fee for the license then held by the applicant, the applicant for such temporary license must pay a fee in the amount of \$100 or one-fourth of the difference between the fees, whichever amount is greater. A fee is not required for an application for a temporary license of a type or series for which the fee is the same as or less than the fee for the license then held by the applicant.

**Fee Reduction for Craft Distillery Licenses:** Section 565.03, F.S., establishes the annual license fees for distilleries, including craft distilleries. A craft distillery is a licensed distillery that produces 75,000 or fewer gallons per calendar year of distilled

## REVENUE ESTIMATING CONFERENCE

**Tax:** Alcoholic Beverage Tax

**Issue:** Craft Distilleries

**Bill Number(s):** PCS/HB 689 – Sections 3 & 4

spirits on its premises and has notified the division in writing of its decision to qualify as a craft distillery. All distilleries, regardless of designation as a craft distillery, are subject to the distillery license fee of \$4,000 under current law.

**b. Proposed Change:**

**Fee Elimination for Selected License Transactions:** Section 3 of PCS HB 689 eliminates the fees associated with issuance of a temporary license on applications for license transfer or changes in license series under s. 561.331, F.S. The permanent license fees associated with a license transfer or change in series to a license subject to a higher annual license fee are not impacted by the bill.

**Fee Reduction for Craft Distillery Licenses:** Section 4 of PCS HB 689 reduces the annual license fee for craft distilleries from \$4,000 to \$1,000. Manufacturers of distilled spirits whose production volume exceeds the amount needed to qualify as a craft distillery will continue to be subject to the \$4,000 annual license fee in current law.

### Section 2: Description of Data and Sources

FY 2014-15 and FY 2015-16 fee data relating to temporary licenses issued pursuant to section 561.331, Fla. Stat., and manufacturer of distilled spirits licenses issued pursuant to section 565.03, Fla. Stat., with additional license data relating to the number of current and active licenses from Versa Regulation.

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

**Fee Elimination for Selected License Transactions:**

Fiscal: During FY 2014-15, six temporary beverage wholesaler licenses were issued as part of an application for an increase in license type or series. Additionally, in FY 2014-15, 261 temporary beverage retailer licenses were issued for a change in license type or series, and 11 temporary beverage retailer licenses were issued for transfers with an increase in series. These temporary license fees amounted to \$191,600.

During FY 2015-16, four temporary beverage wholesaler licenses were issued as part of an application for an increase in license type or series. Additionally, in FY 2015-16, 135 temporary beverage retailer licenses were issued for a change in type or series, and 16 temporary beverage retailer licenses were issued for transfers with an increase in series. These temporary license fees amounted to \$251,300.

These amounts vary by year based on individual licensee circumstances and business discretion in determining whether to pursue the sale and transfer of a business or the increase in type or series of a license for expanded alcoholic beverage sales. However, this impact analysis utilizes the FY 2015-16 transactions and assumes a replicated number of these temporary license transactions for projections of impact in FYs 2017-18, 2018-19, and 2019-20.

**Fee Reduction for Craft Distillery Licenses:** There are currently 23 designated craft distilleries on record and an additional 21 licensed distilleries that could qualify as craft distilleries based on the reported number of gallons produced by the distilleries. The reduction in the annual fees for craft distilleries from \$4,000 to \$1,000 would equal \$69,000 for the currently licensed craft distilleries and may be up to \$132,000 if the 21 distilleries that have produced less than 75,000 gallons choose to be designated as craft distilleries and seek the reduced license fee in the future.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Alcoholic Beverage Tax

**Issue:** Craft Distilleries

**Bill Number(s):** PCS/HB 689 – Sections 3 & 4

**Section 4: Proposed Fiscal Impact**

Temporary License Impact = \$251,000 per year using 15/16 levels.

Craft Distilleries Impact = High - \$132,000 (All potential craft distilleries = 23+21)

Middle - \$100,500 (Average of high and low)

Low - \$69,000 (Only on-record craft distilleries = 23+0)

Temporary Licenses (High, Middle, Low are the same)

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)
2018-19	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)
2019-20	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)
2020-21	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)
2021-22	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)

Craft Distilleries

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)
2018-19	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)
2019-20	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)
2020-21	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)
2021-22	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)	(\$0.1M)

Total

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

**List of affected Trust Funds:**

Alcoholic Beverages and Tobacco Trust Fund

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the middle estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(Insignificant)	(Insignificant)	(0.4)	(0.4)	0.0	0.0	(0.4)	(0.4)
2018-19	(Insignificant)	(Insignificant)	(0.4)	(0.4)	0.0	0.0	(0.4)	(0.4)
2019-20	(Insignificant)	(Insignificant)	(0.4)	(0.4)	0.0	0.0	(0.4)	(0.4)
2020-21	(Insignificant)	(Insignificant)	(0.4)	(0.4)	0.0	0.0	(0.4)	(0.4)
2021-22	(Insignificant)	(Insignificant)	(0.4)	(0.4)	0.0	0.0	(0.4)	(0.4)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Corporate Income Tax

**Issue:** Brownfield Credits

**Bill Number(s):** HB 753- Proposed Amendment

**Entire Bill**

**Partial Bill:**

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

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

**Date of Analysis:** 3/22/17

### Section 1: Narrative

- a. Current Law:** 220.1845(2) Contaminated site rehabilitation tax credit: A credit in the amount of 50 percent of the costs of voluntary cleanup activity that is integral to site rehabilitation at the following sites is available against any tax due for a taxable year under this chapter. A tax credit applicant, or multiple tax credit applicants working jointly to clean up a single site, may not be granted more than \$500,000 per year in tax credits for each site voluntarily rehabilitated. Multiple tax credit applicants shall be granted tax credits in the same proportion as their contribution to payment of cleanup costs. Subject to the same conditions and limitations as provided in this section, a municipality, county or other tax credit applicant which voluntarily rehabilitates a site may receive not more than \$500,000 per year in tax credits which it can subsequently transfer subject to the provisions in paragraph (g).

A brownfield site in a designated brownfield area under s. [376.80](#). If the credit granted under this section is not fully used in any one year because of insufficient tax liability on the part of the corporation, the unused amount may be carried forward for up to 5 years. The carryover credit may be used in a subsequent year if the tax imposed by this chapter for that year exceeds the credit for which the corporation is eligible in that year after applying the other credits and unused carryovers in the order provided by s. [220.02](#)(8). If during the 5-year period the credit is transferred, in whole or in part, pursuant to paragraph (g), each transferee has 5 years after the date of transfer to use its credit.

The total amount of the tax credits which may be granted under this section is \$21.6 million in the 2015-2016 fiscal year and \$5 million annually thereafter.

- b. Proposed Change:** The total amount of the tax credits which may be granted under this section is \$21.6 million in the 2015-2016 fiscal year, ~~and \$5 million in the 2016-2017 fiscal year, and \$10 million annually thereafter.~~

### Section 2: Description of Data and Sources

Florida Department of Environmental Protection (DEP) – Brownfield VCTC Credit Awards Based on Calendar Year Expenses

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

Each year from 2008 forward, the Voluntary Cleanup Tax Credits (VCTCs) awarded have exceeded the \$5 million authorization. A one year authorization of \$21.6 million in fiscal year 2015-2016 enabled DEP to issue certificates for all tax credits for site rehabilitation work completed in calendar year 2014 and those that had been carried over from previous years. The cap returned to \$5 million for fiscal year 2016-2017. The certificates to be awarded for calendar year 2015 exceeded the current cap by \$5.8 million, creating a backlog of \$5.8 million in certificates which will not be issued until fiscal years 2017-2018 and 2018-2019. DEP has estimated that it will award an additional \$14.8 million in tax credits based on applications for site rehabilitation work that occurred in calendar year 2016. This will further increase the backlog of certificates when they are awarded. We received the data below from DEP:

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Corporate Income Tax

**Issue:** Brownfield Credits

**Bill Number(s):** HB 753- Proposed Amendment

<b>Tax Credit Awards Based on Calendar Year Expenses</b>		
<b>Year</b>	<b>Tax Credit Award</b>	<b>No. of Apps</b>
2007	\$3,776,243	40
2008	\$5,414,925	52
2009	\$5,637,970	55
2010	\$5,326,572	52
2011	\$6,230,166	52
2012	\$6,130,212	68
2013	\$7,197,824	80
2014	\$9,229,751	86
2015	\$10,795,616	99
2016	\$14,837,947	133

\*Most tax credits for 2016 expenses have not been awarded; the total is based on requested/estimated award amounts.

For the high estimate, it is assumed that there will be enough eligible applications and backlogged awards to meet the proposed \$10 million cap for the duration of the forecast window. For the middle and low estimates, it is assumed that the proposed \$10 million cap will be met at first, but that the impact will decrease over the forecast window as the backlog is cleared out.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$5m)	(\$5m)	(\$5m)	(\$5m)	(\$5m)	(\$5m)
2018-19	(\$5m)	(\$5m)	(\$5m)	(\$5m)	(\$5m)	(\$5m)
2019-20	(\$5m)	(\$5m)	(\$5m)	(\$5m)	(\$5m)	(\$5m)
2020-21	(\$5m)	(\$5m)	(\$4m)	(\$5m)	(\$3m)	(\$5m)
2021-22	(\$5m)	(\$5m)	(\$3m)	(\$5m)	(\$3m)	(\$5m)

**List of affected Trust Funds:**

CIT Group

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the high estimate.**

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



**REVENUE ESTIMATING CONFERENCE**

**Tax:** Corporate Income Tax

**Issue:** CIT Filing Deadline

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

**Entire Bill**

**Partial Bill:**

**Sponsor(s):**

**Month/Year Impact Begins:** June 2018

**Date of Analysis:** March 24, 2017

**Section 1: Narrative**

- a. **Current Law:** FAC 12C-1.0222 provides that: “A return submitted to the Department by electronic means, as provided in Rule Chapter 12-24, F.A.C., is considered to be timely filed if the submission of the electronic return is initiated, and a confirmation from the Department is received, before 5:00 p.m. (Eastern Time), on or before the due date (including any extensions) prescribed by law. Taxpayers who meet the requirements of subsection (3) of Rule 12-24.003, F.A.C., must submit returns by electronic means. A hard-copy (paper) return is considered to be timely filed if postmarked on or before the due date (including any extensions) prescribed by law. If the due date falls on a Saturday, Sunday, or legal holiday, a return will be considered timely if a confirmation for an electronic return is received by the Department on or before 5:00 p.m. (Eastern Time), or a hard-copy (paper) return is postmarked, on the next succeeding day that is not a Saturday, Sunday, or legal holiday. For this purpose, a legal holiday will mean a holiday that is observed by federal or state agencies as this term is defined in Chapter 683, F.S., and s. 7503 of the Internal Revenue Code of 1986, as amended.”
- b. **Proposed Change:** “(7) Notwithstanding any administrative rule or determination of the Department which allows estimated payments otherwise due on a Saturday, Sunday or legal holiday to be paid on the next succeeding day that is not a Saturday, Sunday or legal holiday, any estimated tax payment required under this section which would otherwise be due on the last Saturday or Sunday of June, shall be paid on or before the last Friday or June.”

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

REC General Revenue – March 2017

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

Following the passage of this law, a portion of the Corporate Income Tax would be realized in the current Fiscal Year and not in the following fiscal year which it currently is expected. After the change, FY 2017-18 will see the \$83.9 Million that would have rolled over in to FY 2018-19. FY 2018-19 would lose the \$83.9M rolled over from FY 2017-18, but it would gain the \$84.5 M rolled over into FY 2019-20 for a net gain of \$0.6M in FY 2018-19. FY 2019-20’s CIT receipts would be reduced by the \$84.5 M it would not end up receiving. It reverses the specific assumption regarding this issue made at the 03/17 GR Conference.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			\$ 83.9 M			
2018-19			\$ 0.6 M			
2019-20			\$ (84.5 M)			
2020-21						
2021-22						

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

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	83.9	0.0	0.0	0.0	0.0	0.0	83.9	0.0
2018-19	0.6	0.0	0.0	0.0	0.0	0.0	0.6	0.0
2019-20	(84.5)	0.0	0.0	0.0	0.0	0.0	(84.5)	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

## REVENUE ESTIMATING CONFERENCE

**Tax:** Highway Safety Fees

**Issue:** Title Fee Exemption for Surviving Spouse

**Bill Number(s):** CS SB 164 and CS HB 97

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Senator Grimsley and Representative Pigman

**Month/Year Impact Begins:** 7/1/2017

**Date of Analysis:** 3/24/2017

### Section 1: Narrative

#### a. Current Law:

Section 319.32 F.S. provides 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; a \$1 security fee to be deposited into the General Revenue Fund, and a service charge of \$4.25 for each issuance, duplication, or transfer of any certificate of title to be kept by the collecting agency (Highway Safety Operating Trust Fund or Local Tax Collector). In addition, 319.324 F.S. provides for a \$1 fee for each original or duplicate certificate of title to be deposited into the Highway Safety Operating Trust Fund (HSOTF) for odometer fraud prevention.

#### b. Proposed Change:

Subsection 7 is added to 319.32 F.S. stating that the department and tax collectors may not charge any fee or service charge, except for the expedited title fee, for a certificate of title issued for a motor vehicle solely to remove the deceased co-owner from a title registered in the names of two persons if the other co-owner is the surviving spouse.

### Section 2: Description of Data and Sources

Highway Safety Revenue Estimating Conference (03/2017)

Demographic Estimating Conference (02/2017)

US Census 2015 American Community Survey (ACS)

FHWA 2009 National Household Travel Survey (NHTS)

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

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, HSOTF, and Local Trust Funds. For each applicable title, the impact to each trust fund is as follows: STTF - \$21; GR - \$50; HSOTF - \$1.0425; and Local - \$4.2075. 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. Also note that the impact of the \$4.25 fee is split between local tax collectors and HSOTF depending upon the ratio of which one collects the title fee.

The February 2017 Demographic Estimating Conference was used 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 Section 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 "\_\_\_ 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 not apply to surviving spouses when the vehicle is titled solely in the name of the deceased spouse. For the high analysis, applicable titles represents 40% of married car-owner deaths. For the middle analysis, applicable titles represents 25% of married car-owner deaths. For the low analysis, applicable titles represents 10% of married car-owner deaths. For all three scenarios, a half month lag was added to the first year's impact to account for the collection to cash lag.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Highway Safety Fees

**Issue:** Title Fee Exemption for Surviving Spouse

**Bill Number(s):** CS SB 164 and CS HB 97

**Section 4: Proposed Fiscal Impact**

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.37)	(0.38)	(0.23)	(0.24)	(0.09)	(0.10)
2018-19	(0.39)	(0.39)	(0.24)	(0.24)	(0.10)	(0.10)
2019-20	(0.40)	(0.40)	(0.25)	(0.25)	(0.10)	(0.10)
2020-21	(0.41)	(0.41)	(0.25)	(0.25)	(0.10)	(0.10)
2021-22	(0.42)	(0.42)	(0.26)	(0.26)	(0.10)	(0.10)

TRUST	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.17)	(0.18)	(0.11)	(0.11)	(insignificant)	(insignificant)
2018-19	(0.18)	(0.18)	(0.11)	(0.11)	(insignificant)	(insignificant)
2019-20	(0.19)	(0.19)	(0.12)	(0.12)	(insignificant)	(insignificant)
2020-21	(0.19)	(0.19)	(0.12)	(0.12)	(insignificant)	(insignificant)
2021-22	(0.19)	(0.19)	(0.12)	(0.12)	(insignificant)	(insignificant)

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

**List of affected Trust Funds:**

General Revenue Fund

Highway Safety Operating Trust Fund

State Transportation Trust Fund

Local Trust Funds

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the middle forecast.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.2)	(0.2)	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(0.3)	(0.4)
2018-19	(0.2)	(0.2)	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(0.4)	(0.4)
2019-20	(0.3)	(0.3)	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(0.4)	(0.4)
2020-21	(0.3)	(0.3)	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(0.4)	(0.4)
2021-22	(0.3)	(0.3)	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(0.4)	(0.4)

<b>CSSB 164 CSHB97 (Title Fee Exemption for Surviving Spouses)</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%
# of Married Deaths Owning a Vehicle	84,252	86,048	87,809	89,688	91,769
% of Titles Owned Jointly	22.6%	22.6%	22.6%	22.6%	22.6%
<b># of Married Deaths Owning a Vehicle Titled Jointly</b>	<b>19,066</b>	<b>19,473</b>	<b>19,871</b>	<b>20,296</b>	<b>20,767</b>
<b>High (60% reduction for sales, repossessions, and "or" joint titles)</b>					
# of Applicable Titles (40% of Married Car-Owner Deaths)	7,627	7,789	7,948	8,119	8,307
Reduction to STTF	(160,157)	(163,570)	(166,918)	(170,489)	(174,445)
Reduction to GR	(381,326)	(389,452)	(397,424)	(405,926)	(415,346)
Reduction to HSOTF	(18,628)	(19,025)	(19,414)	(19,830)	(20,290)
Reduction to Local	(32,089)	(32,772)	(33,443)	(34,159)	(34,951)
<b>Middle (75% reduction for sales, repossessions, and "or" joint titles)</b>					
# of Applicable Titles (25% of Married Car-Owner Deaths)	4,767	4,868	4,968	5,074	5,192
Reduction to STTF	(100,098)	(102,231)	(104,324)	(106,556)	(109,028)
Reduction to GR	(238,329)	(243,408)	(248,390)	(253,704)	(259,591)
Reduction to HSOTF	(11,642)	(11,890)	(12,134)	(12,393)	(12,681)
Reduction to Local	(20,055)	(20,483)	(20,902)	(21,349)	(21,845)
<b>Low (90% reduction for sales, repossessions, and "or" joint titles)</b>					
# of Applicable Titles (10% of Married Car-Owner Deaths)	1,907	1,947	1,987	2,030	2,077
Reduction to STTF	(40,039)	(40,893)	(41,730)	(42,622)	(43,611)
Reduction to GR	(95,332)	(97,363)	(99,356)	(101,482)	(103,837)
Reduction to HSOTF	(4,657)	(4,756)	(4,854)	(4,957)	(5,072)
Reduction to Local	(8,022)	(8,193)	(8,361)	(8,540)	(8,738)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** 1% rate reduction for Commercial Rent – revised Distributions

**Bill Number(s):** Proposed Committee Substitute – SB 378

**Entire Bill**

**Partial Bill:**

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

**Month/Year Impact Begins:** February 2018

**Date of Analysis:** 3/23/2017

### Section 1: Narrative

**a. Current Law:** Section 212.031 Provides for a tax levied in an amount equal to 6% of and on the total rent or license fee charged for the exercise of the taxable privilege of engaging in the business of renting, leasing, letting, or granting a license for the use of any real property unless the property is one of 13 specifically identified types of property.

Section 212.20 provides for the following percentages for local distributions:

Half Cent Distribution	8.9744%
Emergency Distribution -	.0966%
County Revenue Sharing	2.0810%
Municipal Revenue Sharing	1.3653%

**b. Proposed Change:** Reduces the tax levied on the taxable privilege of engaging in the business of renting, leasing, letting, or granting a license for the use of any real property from 6% to 5% effective January 1, 2018. Revises the distributions in 212.20 to the following percentages:

Half Cent Distribution	9.0720
Emergency Distribution	.0975%
County Revenue Sharing	2.1060%
Municipal Revenue Sharing	1.3810%

### Section 2: Description of Data and Sources

DOR Sales Tape for 2013, 2014 and 2015 Calendar Years

DR-15 Line 3.C. (Taxable Commercial Rent) or 4.C. (Tax on Commercial Rent).

DR-15EZ line 3 (Total Taxable Sales) and line 4 (Total Tax Collected)

Instructions for DR-15EZ read in part: "If you only report tax collected for the lease or rental of commercial property, you may file a DR-15EZ return."

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

For 2013, 2014 and 2015, those dealers who either were identified as Kind Code 82 – Lease or Rental of Real Property or as having positive amounts inform DR15 line 3.C. (Taxable Commercial Rent) or 4.C. (Tax on Commercial Rent). Those dealers that indicated Kind Code 82 were further broken into 5 groups:

KindCode 82 - Form DR15 With line 4C > 0

KindCode 82 - Form DR15 with line 4C = 0 multiplied by 50% as directed by REC

Kindcode 82 - Form DR15EZ

Kind Code 82 - No form ID with line 4C > 0

Kind Code 82 - No form ID with line 4C = 0

For 2014 and 2015 the data file contained form information for all sales tax dealers. As a result, the data was broken into three groups:

KindCode 82 - Form DR15 With line 4C > 0

KindCode 82 - Form DR15 with line 4C = 0 multiplied by 50% as directed by REC

Kindcode 82 - Form DR15EZ

Additionally, the amount of taxable commercial rent reported on Form DR-15 line 3c for all sales tax dealers not in kind code 82 was identified for 2013, 2014 and 2015.

For those dealers that were Kind Code 82 and filed using form DR-15, taxable sales amounts for commercial rent were used to calculate the state 6% sales tax on commercial rent where the dealer had reported some amount on line 3.C. For those dealers in Kindcode 82 that either filed form DR-15EZ or filed DR-15 but did not report any tax on line 4.C., line 3 (Taxable Sales/Purchases) or line 3.A. (Taxable Sales) multiplied by the state 6% rate to calculate the state 6% sales tax collected on commercial rent.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** 1% rate reduction for Commercial Rent – revised Distributions

**Bill Number(s):** Proposed Committee Substitute – SB 378

For those dealers that were not in Kindcode 82 the amount reported on line 3.C. was multiplied by the state 6% rate to calculate the sales tax on commercial rent.

The growth rates for nonresidential property from the December 2016 Ad Valorem Assessments Estimating Conference were used to grow the 2015 calendar year amount into the forecast period. Calendar year amounts were converted to fiscal year amounts. The amount of tax that would have been generated were the tax rate 5% was calculated and converted to a fiscal year basis. The difference between the revenues generated at the 6% rate and those generated at the 5% rate was calculated to determine the impact. As the effective date is January 1, 2018, the 2017-18 impact is assumed to be 5/12 of the annualized 2017-18 amount. For the high methodology, the data from the DOR 2015 Sales file was not adjusted. For the middle, and low estimates, the amounts from the DOR sales file were adjusted.

The reason for the adjustment is that in the processing of the returns, certain amounts reported on the return are recast in an effort to better characterize the data. For dealers in kind code 82 – Lease or Rental of Commercial Real Property that file the DR-15, if they file amounts only on one line and that line is not the commercial rent line, the department recast that return to show the tax remitted as being on the commercial rent line. This is referred to as “As Computed” data. Data that is in the form that was filed by the taxpayer is referred to as “As Filed” data. In order to evaluate the impact of this processing issue, a file consisting of both “As Filed” data and “As Computed” data was created on a monthly basis for Calendar year 2015. This file was analyzed to identify those entities that had reported taxable sales on a single line other than the commercial rent line “as filed” and that had reported sales on the commercial rent line “As Computed”.

Once those amounts that had been recast were identified, they were further examined. In order to evaluate these recast amounts, the department was directed to conduct an analysis of those entities that have a primary kind code of 82 but that have additional kind codes. A data set of those entities with multiple kind codes where 82 was the primary Kindcode was generated. This dataset was merged with the dataset of monthly remittances that was used to identify the recast data. Of 57,102 entities with primary Kindcode 82 that filed on the DR-15, 3233 entities had multiple kindcodes. The match identified that of the 3233 entities with multiple kindcodes, 823 had their return recast as discussed above. The analysis requested was to identify those entities with multiple kindcodes and then compare them to entities with the same multiple kindcodes but who had not had their data recast. For those that had not been recast, the percent that commercial rent represented on the return was calculated. This percent was then applied to those entities that had multiple kindcodes and had been recast to create an amount that is assumed to be commercial rent.

For the low estimate, the entire recast amount was initially assumed not to be commercial rent. The amounts for those recast entities that did not have multiple Kindcode was added to the impact total absent the recast entities’ amounts. Finally, the amount that resulted from the analysis of those entities with multiple kindcodes and the percentage from like entities that had not been recast was added to the impact total.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$127.6 M)	(\$306.2 M)			(\$127.1 M)	(\$305.1M)
2018-19	(\$320.5 M)	(\$320.5 M)			(\$319.4 M)	(\$319.4 M)
2019-20	(\$333.6 M)	(\$333.6 M)			(\$332.4 M)	(\$332.4 M)
2020-21	(\$346.3 M)	(\$346.3 M)			(\$345.1 M)	(\$345.1 M)
2021-22	(\$359.0 M)	(\$359.0 M)			(\$357.8 M)	(\$357.8 M)

**List of affected Trust Funds:** Sales and Use Tax Group

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** 1% rate reduction for Commercial Rent – revised Distributions

**Bill Number(s):** Proposed Committee Substitute – SB 378

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the proposed estimate.**

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(126.6)	(303.6)	(Insignificant)	(Insignificant)	(0.1)	(0.5)	(0.3)	(1.0)
2018-19	(317.8)	(317.8)	(Insignificant)	(Insignificant)	(0.5)	(0.5)	(1.1)	(1.1)
2019-20	(330.8)	(330.8)	(Insignificant)	(Insignificant)	(0.5)	(0.5)	(1.1)	(1.1)
2020-21	(343.5)	(343.5)	(Insignificant)	(Insignificant)	(0.5)	(0.5)	(1.0)	(1.0)
2021-22	(356.2)	(356.2)	(Insignificant)	(Insignificant)	(0.5)	(0.5)	(1.0)	(1.0)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	(0.4)	(1.5)	(127.0)	(305.1)
2018-19	0.0	0.0	(1.6)	(1.6)	(319.4)	(319.4)
2019-20	0.0	0.0	(1.6)	(1.6)	(332.4)	(332.4)
2020-21	0.0	0.0	(1.5)	(1.5)	(345.0)	(345.0)
2021-22	0.0	0.0	(1.5)	(1.5)	(357.7)	(357.7)

	A	B	C	D	E	F
1						
2						
3	Calendar Year 2015	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
4	KindCode 82 - Form DR15 With line 4C > 0	\$608,264,217	\$14,816,872,568		\$889,012,354	48,689
5	KindCode 82 - Form DR15 with line 4C = 0	\$276,925,549		\$16,615,533		8,078
6	Kindcode 82 - Form DR15EZ	\$9,703,296,086		\$582,197,765		87,625
7	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	\$0	\$0	0
8	Kind Code 82 - No form ID with line 4C = 0	\$0	\$0	\$0	\$0	0
9	Dealers with Commercial rental tax not in kindcode 82	\$25,033,351,388	\$1,424,118,566		\$85,447,114	8,606
10						
11	Statewide 2015			\$598,813,298	\$974,459,468	152,998
12						
13						
14						
15	Calendar Year 2014	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
16	KindCode 82 - Form DR15 With line 4C > 0	\$537,440,074	\$13,075,756,344		\$784,545,381	42,923
17	KindCode 82 - Form DR15 with line 4C = 0	\$369,105,345		\$22,146,321		6,158
18	Kindcode 82 - Form DR15EZ	\$9,969,543,929		\$598,172,636		90,846
19	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	0	\$0	0
20	Kind Code 82 - No form ID with line 4C = 0	\$0		\$0		0
21	Dealers with Commercial rental tax not in kindcode 82	\$23,876,968,994	\$1,147,816,198		\$68,868,972	7,699
22						
23	Statewide 2014			\$620,318,956	\$853,414,352	147,626
24						



	A	B	C	D	E	F
25						
26	Calendar Year 2013	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
27	KindCode 82 - Form DR15 With line 4C > 0	\$668,576,684	\$9,187,064,349		\$551,223,861	31,248
28	KindCode 82 - Form DR15 with line 4C = 0	\$411,980,060		\$24,718,804		2,954
29	Kindcode 82 - Form DR15EZ	\$10,219,270,436		\$613,156,226		90,719
30	Kind Code 82 - No form ID with line 4C > 0	\$120,898,245	\$2,626,883,968		\$157,613,038	10,001
31	Kind Code 82 - No form ID with line 4C = 0	\$84,173,669		\$5,050,420		2,435
32	Dealers with Commercial rental tax not in kindcode 82	\$20,940,595,250	\$1,166,438,863		\$69,986,332	7,699
33						
34	Statewide 2013			\$642,925,450	\$778,823,231	145,056
35						
36						
37	Analysis of Recast Commercial Rent (Low Estimate)		Taxable Amounts			
38			Totals	Amounts to add back		
39	Total Recast Commercial Rent (DR-15 filers only)- 2015		\$4,684,175,711			
40	Total Recast that are only kindcode 82			\$4,481,054,382		
41	Total recast that have multiple kindcodes		\$203,121,329			
42	portion of C41 that is assumed commercial rent by like analysis			\$111,631,023		
43	Total amount (taxable Commercial rent) to add back			\$4,592,685,405		
44	tax amount to add back			\$275,561,124		
45						
46			High Estimate	Middle Estimate	Low Estimate	
47			Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate	Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate - adjusted for low method to adjust for recast commercial rent	Business Investment Growth Rate (GR-REC 3//17)	NonResidential Property Growth Rate - December 23, 2015 Ad Valorem Assessments Estimating Conference
48	Total Estimated State Sales Tax - Commercial Rent	2013	\$1,408,103,037			
49		2014	\$1,462,660,149			
50		2015	\$1,564,965,000	\$1,559,475,581		
51		2016	\$1,680,615,913	\$1,674,720,827	6.10	7.39
52		2017	\$1,791,368,502	\$1,785,084,929	5.30	6.59
53		2018	\$1,883,265,706	\$1,876,659,786	4.80	5.13
54		2019	\$1,963,304,498	\$1,956,417,827	4.20	4.25
55		2020	\$2,039,677,043	\$2,032,522,481	3.80	3.89
56		2021	\$2,116,164,933	\$2,108,742,074	3.60	3.75
57		2022	\$2,192,135,254	\$2,184,445,914	3.60	3.59
58						

	A	B	C	D	E	F
59			High Estimate	Low Estimate		
60	Estimated Sales tax at new rates - (5%)	2016	\$1,400,513,261	\$1,395,600,689		
61		2017	\$1,492,807,085	\$1,487,570,774		
62		2018	\$1,569,388,088	\$1,563,883,155		
63		2019	\$1,636,087,082	\$1,630,348,189		
64		2020	\$1,699,730,870	\$1,693,768,734		
65		2021	\$1,763,470,777	\$1,757,285,061		
66		2022	\$1,826,779,378	\$1,820,371,595		
67						
68	Calendar Year to Fiscal Year conversion - 6%		Recurring Impact			
69		Sales Tax @ 6%				
70		2016-17	\$1,735,992,207	\$1,729,902,878		
71		2017-18	\$1,837,317,104	\$1,830,872,358		
72		2018-19	\$1,923,285,102	\$1,916,538,807		
73		2019-20	\$2,001,490,771	\$1,994,470,154		
74		2020-21	\$2,077,920,988	\$2,070,632,277		
75		2021-22	\$2,154,150,093	\$2,146,593,994		
76						
77	Calendar Year to Fiscal Year conversion - 5%	Sales Tax @ New rates				
78		2016-17	\$1,446,660,173	\$1,441,585,732		
79		2017-18	\$1,531,097,587	\$1,525,726,965		
80		2018-19	\$1,602,737,585	\$1,597,115,672		
81		2019-20	\$1,667,908,976	\$1,662,058,461		
82		2020-21	\$1,731,600,823	\$1,725,526,898		
83		2021-22	\$1,795,125,078	\$1,788,828,328		
84						
85			High	Low		
86			Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate	Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate and utilizing the recast analysis		
87		2017-18 Cash	-\$127,591,466	-\$127,143,914		-127.1
88		2017-18	-\$306,219,517	-\$305,145,393		-305.1
89		2018-19	-\$320,547,517	-\$319,423,134		-319.4
90		2019-20	-\$333,581,795	-\$332,411,692		-332.4
91		2020-21	-\$346,320,165	-\$345,105,380		-345.1
92		2021-22	-\$359,025,016	-\$357,765,666		-357.8

	A	B	C	D	E	F
93						
94	NAICS code for those dealers within Kind Code 82					
95	North American Industrial Classification Code	Description		Frequency	Percent	
96	531120	Lessors of Nonresidential Buildings (except Miniwarehouses)		139788	96.9	
97	531190	Lessors of Other Real Estate Property		2511	1.7	
98	531210	Offices of Real estate Agents and Brokers		381	.3	
99	531312	Nonresidential Property Managers		687	.5	
100	531320	Offices of Real Estate Appraisers		4	.0	
101	531390	Other Activities Related to Real Estate		536	.4	
102	561431	Private Mail Centers		100	.1	
103	561920	Convention and Trade Show Organizers		69	.0	
104	711310	Promoters of Performing arts, Sports, and Similar Events with Facil		91	.1	
105	812220	Cemeteries and Crematoriums		3	.0	
106	813990	(except Business,		56	.0	
107	Total			144,226	100.0	

Sales and Use Tax Distributions

Current Law Sales Tax Distributions

	current (effective)	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Total Collections		27141.1	28357.5	29573.1	30782.8	31976.4
Less - CST Transfer		631.5	645.8	647.2	648.1	649.3
Total Collections less CST Transfer		26509.6	27711.7	28925.9	30134.7	31327.1
Direct to GR	5.2000%	1378.5	1441.0	1504.1	1567.0	1629.0
Sales And Use Tax Only Distributions		25131.1	26270.7	27421.8	28567.7	29698.1
% In-state share	90.53%					
Local Government Half Cent	8.9744%	2039.8	2132.3	2225.7	2318.7	2410.5
Emergency Distribution	0.0966%	22.4	23.4	24.4	25.4	26.4
PERC		2.0	2.1	2.2	2.3	2.4
County Revenue Sharing	2.0810%	480.1	501.8	523.8	545.7	567.3
Municipal Revenue Sharing	1.3653%	315.0	329.2	343.7	358.0	372.2
General Revenue		23594.5	24667.0	25750.2	26828.6	27892.4
Total Distributions		26509.6	27711.7	28925.9	30134.7	31327.1

		FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
CST Transfer		631.5	645.8	647.2	648.1	649.3

Direct to GR	5.2000%	0	32.8	33.6	33.7	33.7	33.8
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Remaining amount		598.7	612.2	613.5	614.4	615.5
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Local Government Half Cent	8.9744%	53.7	54.9	55.0	55.1	55.2
Emergency Distribution	0.0966%	0.5	0.5	0.5	0.5	0.5
PERC		0.1	0.1	0.1	0.1	0.1
County Revenue Sharing	2.0810%	11.3	11.6	11.6	11.6	11.6
Municipal Revenue Sharing	1.3653%	7.4	7.6	7.6	7.6	7.6

General Revenue		558.5	571.1	572.4	573.2	574.2
Total Distributions		631.5	645.8	647.2	648.1	649.3

		FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 20-22
Total Sales Tax Distributions						
Direct to GR	5.2000%	1411.3	1474.6	1537.8	1600.7	1662.8
Remaining		25729.8	26882.9	28035.3	29182.1	30313.6
Local Government Half Cent	8.9744%	2093.5	2187.2	2280.7	2373.8	2465.6
Emergency Distribution	0.0966%	22.9	23.9	24.9	26.0	27.0
PERC		2.0	2.1	2.2	2.3	2.4
County Revenue Sharing	2.0810%	491.4	513.4	535.4	557.3	579.0
Municipal Revenue Sharing	1.3653%	322.4	336.8	351.3	365.7	379.8
General Revenue		24153.0	25238.1	26322.6	27401.8	28466.7
Total Distributions		27141.1	28357.5	29573.1	30782.8	31976.4

Proposed Sales Tax Distributions

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	27014.0	28038.1	29240.7	30437.7	31618.6
	631.5	645.8	647.2	648.1	649.3
	26382.5	27392.3	28593.5	29789.6	30969.3
5.2000%	1371.9	1424.4	1486.9	1549.1	1610.4
	25010.6	25967.9	27106.6	28240.5	29358.9
90.53%					
9.0720%	2039.2	2130.6	2224.1	2317.1	2408.8
0.0975%	22.3	23.3	24.3	25.3	26.3
	2.0	2.0	2.1	2.2	2.3
2.1060%	480.0	501.5	523.5	545.4	567.0
1.3810%	314.8	328.9	343.3	357.7	371.8
	23468.3	24350.0	25420.3	26486.0	27537.0
	26382.5	27392.3	28593.5	29789.6	30969.3

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	631.5	645.8	647.2	648.1	649.3

5.2000%	32.8	33.6	33.7	33.7	33.8
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	598.7	612.2	613.5	614.4	615.5
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9.0720%	53.9	55.5	55.6	55.7	55.8
0.0975%	0.5	0.5	0.5	0.5	0.5
	0.1	0.1	0.1	0.1	0.1
2.1060%	11.4	11.7	11.7	11.8	11.8
1.3810%	7.5	7.7	7.7	7.7	7.7

	558.1	570.3	571.6	572.4	573.4
	631.5	645.8	647.2	648.1	649.3

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 20-22
5.2000%	1404.7	1458.0	1520.5	1582.8	1644.2
	25609.3	26580.1	27720.2	28854.9	29974.4
9.0720%	2093.1	2186.1	2279.7	2372.8	2464.6
0.0975%	22.9	23.8	24.9	25.9	26.9
	2.0	2.1	2.2	2.3	2.4
2.1060%	491.3	513.2	535.3	557.2	578.8
1.3810%	322.3	336.6	351.0	365.4	379.5
	24026.4	24920.3	25991.8	27058.3	28110.5
	27014.0	28038.1	29240.7	30437.7	31618.6

Difference

FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
-127.1	-319.4	-332.4	-345.1	-357.8
0.0	0.0	0.0	0.0	0.0
-127.1	-319.4	-332.4	-345.1	-357.8
-6.6	-16.6	-17.3	-17.9	-18.6
-120.5	-302.8	-315.1	-327.2	-339.2
-0.6	-1.7	-1.6	-1.6	-1.6
0.0	-0.1	-0.1	-0.1	-0.1
0.0	0.0	0.0	0.0	0.0
-0.1	-0.3	-0.3	-0.3	-0.3
-0.1	-0.4	-0.4	-0.4	-0.4
-126.2	-317.0	-330.0	-342.7	-355.4
-127.1	-319.4	-332.4	-345.1	-357.8

FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
0.0	0.0	0.0	0.0	0.0

0.0	0.0	0.0	0.0	0.0
-----	-----	-----	-----	-----

0.0	0.0	0.0	0.0	0.0
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0.2	0.6	0.6	0.6	0.6
0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0
0.1	0.1	0.1	0.1	0.1
0.1	0.1	0.1	0.1	0.1

-0.4	-0.8	-0.8	-0.8	-0.8
0.0	0.0	0.0	0.0	0.0

FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 20-22
-6.6	-16.6	-17.3	-17.9	-18.6
-120.5	-302.8	-315.1	-327.2	-339.2
-0.3	-1.1	-1.1	-1.0	-1.0
0.0	-0.1	-0.1	-0.1	-0.1
0.0	0.0	0.0	0.0	0.0
-0.1	-0.2	-0.2	-0.2	-0.2
-0.1	-0.3	-0.3	-0.3	-0.3
-126.6	-317.8	-330.8	-343.5	-356.2
-127.1	-319.4	-332.4	-345.1	-357.8

REVENUE ESTIMATING CONFERENCE

Tax: Medical use of marijuana

Issue: Sales tax

Bill number(s): HB 1397

Entire Bill

Partial Bill:

Sponsor(s): Rodrigues

Month/Year Impact Begins: Upon becoming a law, except as otherwise specified

Date of Analysis: March 24, 2017

Section 1: Narrative

a. Current Law: The Revenue Estimating Conference met on March 2, 2017 and adopted a Sales Tax Baseline Impact, Absent Law Change, for s. 381.986, F.S. and article X, section 29 of the Florida Constitution (Amendment 2). The Conference adopted the middle cash estimate, with the recurring impact equal to the 2021-22 middle recurring impact.

i. The adopted Middle impact for FY 2016-17 to FY 2021-22 is listed in the table below:

	Middle (Scenario II)	
	Cash	Recurring
2016-17	0.4	24.3
2017-18	2.6	24.3
2018-19	4.2	24.3
2019-20	7.7	24.3
2020-21	15.6	24.3
2021-22	24.3	24.3

b. Proposed Change: HB 1397 implements Amendment 2 "Use of Marijuana for Debilitating Medical Conditions" (article X, section 29 of the Florida Constitution) and is effective upon becoming a law. The bill makes a number of changes to the medical marijuana program relative to what the conference assumed on March 2, 2017. The most pertinent changes resulting from HB 1397 to the adopted impact analysis include:

- i. HB 1397 exempts marijuana from sales tax by inserting a new paragraph (1) in s. 212.08, F.S. to read: "Marijuana, as defined in s. 381.986, is exempt from the taxes imposed under this chapter." Marijuana is defined to include both low-THC cannabis and high-THC marijuana. The bill preserves the current statutory definition of marijuana as only marijuana that is dispensed from a medical marijuana treatment center (replaces dispensing organization) for medical use by a qualified patient.
- ii. The bill preserves the currently authorized conditions with the exception of muscle spasms. In addition, it expands the qualifying medical conditions to include all additional conditions from Amendment 2, including "other conditions." For a comparison table by condition, please see Table 1 in section "User Estimates."
  - ⇒ HB 1397 builds on the current statutory definition of a terminal condition and defines it under s. 381.986 as "one diagnosed by a physician other than the qualified physician issuing the physician certification" and preserves as part of the definition the requirement that the terminal condition will "result in death within 1 year after diagnosis."
  - ⇒ The bill adds that a physician writing a certification for "medical conditions of the same kind or class as or comparable to those enumerated" must also submit the following documentation to the applicable board:
    - Documentation supporting the qualified physician's opinion that the medical condition is of the same kind or class as the [enumerated] conditions.
    - Documentation that establishes the efficacy of marijuana as treatment for the condition.
    - Documentation supporting the qualified physician's opinion that medical use of marijuana would likely outweigh the potential health risks for the patient.
    - Any other documentation requested by the board.
  - ⇒ The bill does not include the currently authorized condition "muscle spasms" in the list of authorized conditions. However, ALS, Parkinson's, and Multiple Sclerosis, which are some of the conditions that may

## REVENUE ESTIMATING CONFERENCE

**Tax:** Medical use of marijuana

**Issue:** Sales tax

**Bill number(s):** HB 1397

cause muscle spasms are listed as qualifying conditions in HB 1397 because they are listed in Amendment 2. So, even though muscle spasms are not specifically included in the bill, some of the conditions representing it are. Furthermore, other conditions causing muscle spasms may be included under “other conditions.”

- iii. HB 1397 adds more requirements to the current statutory and regulatory definition of a qualified patient but it also relaxes the requirements in some areas.
  - ⇒ The bill adds a requirement for the patient to hold “a qualified patient identification card” as specified in Amendment 2.
  - ⇒ It requires two documents to show proof of residency instead of one currently (per DOH rule 64-4.011). The proposed bill requires submission of a Florida driver’s license (or ID card) and one of a copy of a utility bill, a voter registration card, or a federal tax return.
  - ⇒ The bill preserves the current statutory requirement for the patient to have been treated by the ordering physician for three months immediately preceding the patient’s registration in the medical marijuana use registry, except for terminally ill patients. Terminally ill patients, as defined in the bill, are excluded from the three-month wait.
  - ⇒ Similarly to the proposed DOH implementing rule 64-4.012, the bill also requires a physical examination by the ordering physician. Moreover, the bill requires the physician to be physically present in the same room as the patient during the physical examination.
- iv. HB 1397 preserves the current statutory prohibition of smoking marijuana but also prohibits vaping (use of a vaporizer) and commercially produced food items. An exception is made to allow vaping for terminally ill patients. HB 1397 also prohibits marijuana in the form of commercially produced food items, which is consistent with the assumptions made under the DOH proposed implementing rule.

### Section 2: Description of Data and Sources

The analysis relied on the following data sources in addition to others:

- Medical Marijuana: Sales Tax Baseline Absent Law Changes, March 2, 2017, [http://edr.state.fl.us/Content/conferences/generalrevenue/Marijuana\\_A2\\_SB1030\\_HB307\\_Special-Impact\\_2017Pre-Session\\_final.pdf](http://edr.state.fl.us/Content/conferences/generalrevenue/Marijuana_A2_SB1030_HB307_Special-Impact_2017Pre-Session_final.pdf)
- Financial Impact Estimating Conference on proposed constitutional amendment “Use of Marijuana for Debilitating Medical Conditions” 15-01, Florida Legislature, Office of Economic and Demographic Research, October 21, 2015, <http://edr.state.fl.us/Content/constitutional-amendments/2016Ballot/MedicalMarijuanaFinancialInformationStatement.cfm>.
- Impact Analysis of CS/CS/SB 1030, Revenue Estimating Conference, May 29, 2014, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2014/pdf/page656-667.pdf>.
- Impact Analysis of CS/CS/CS/HB 307, Revenue Estimating Conference, May 10, 2016, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/pdf/page791-803.pdf>.
- Florida Department of Health, rule 64-4.011, proposed rule 64-4.012, and emails dated March 15 & 16, 2017.

REVENUE ESTIMATING CONFERENCE

Tax: Medical use of marijuana

Issue: Sales tax

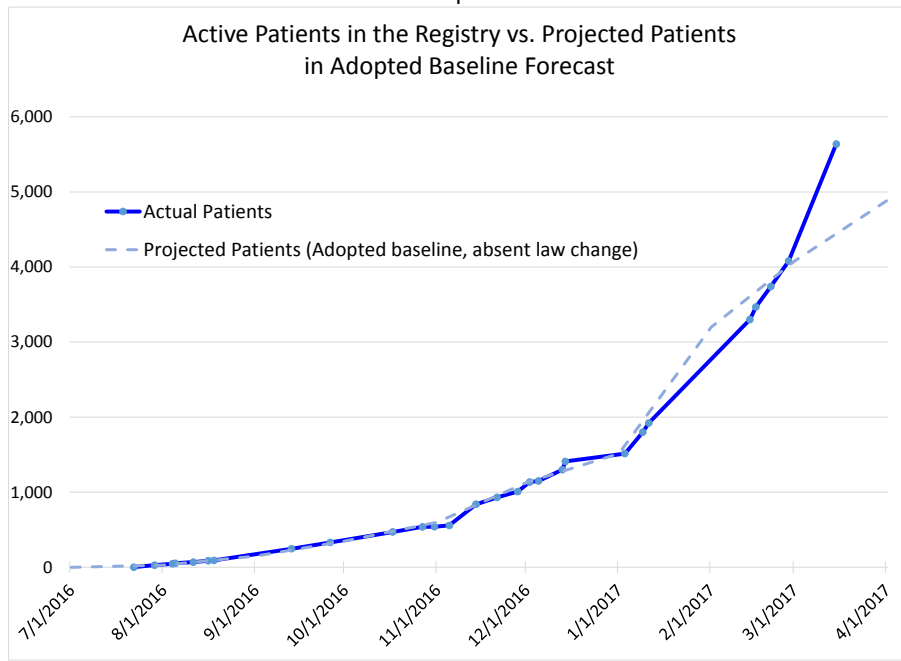
Bill number(s): HB 1397

Section 3: Methodology

a. Current Program Status

As of mid-March 2017, there were 5,639 patients in the Compassionate Use Registry. This is higher than the projected estimate of 4,884 for April 1, 2017.

Graph 1



Source: Florida Department of Health, Office of Compassionate Use, Unpublished Data, March 15, 2017.

b. User Estimates

Table 1 compares the conditions authorized under HB 1397, current statute, and Amendment 2 as implemented by proposed DOH rule 64-4.012.

Table 1

Comparison of Conditions for Marijuana for Medical Use by Authorized Product Type

Conditions	HB 1397		Current Statute (s. 381.986, F.S. 2016)		Current Statute (s. 381.986, F.S. 2016) and Article X, Section 29 of the Florida Constitution (Amendment 2), implemented by proposed DOH rule 64-4.012	
	Low-THC	High-THC	Low-THC	High-THC	Low-THC	High-THC
Cancer		X	X	X if terminal		X
Seizures/Epilepsy	X		X		X	
Glaucoma		X	Not authorized	Not authorized		X
HIV/AIDS		X	Not authorized	Not authorized		X
PTSD		X	Not authorized	Not authorized		X
ALS		X	Included in muscle spasms	Not authorized		X
Crohn's		X	Not authorized	Not authorized		X
Parkinson's		X	Included in muscle spasms	Not authorized		X
Multiple sclerosis		X	Included in muscle spasms	Not authorized		X
Muscle spasms (Multiple sclerosis, ALS, Parkinson's)	Not authorized, except for specified conditions		X			X
Terminal conditions (fatal within 1 year)		X		X		X
Any debilitating medical conditions of the same kind or class as or comparable to those enumerated (per Amendment 2)	X with additional restrictions omits "debilitating"	X	Not authorized		Appear not authorized until further clarification is provided by the Board of Pharmacy	

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Medical use of marijuana

**Issue:** Sales tax

**Bill number(s):** HB 1397

The regulatory structure proposed by HB 1397 is assumed to be essentially the same as the structure assumed by the Low Fiscal Impact (Scenario I) in the analysis dated March 2, 2017. Scenario I assumed that DOH successfully finalizes the proposed rule 64-4.012 without any changes. The Baseline adopted by the conference was the Middle impact and it assumed the DOH rule is challenged or modified to allow a more expansive interpretation of the amendment. The reason that the proposed bill and the proposed DOH rule are considered to have the same regulatory effect comes mainly from the fact that both implement Amendment 2 within the current statutory framework rather than repealing it. In essence, HB 1397 and Scenario I result in a similar total number of potential patients (estimated at 105,305 at full market adoption), even though there might be shifting of patients in different condition categories.

To account for the fact that there are differences in the assumptions under HB 1397 and the assumptions of the Sales Tax Baseline Absent Law Changes, this analysis shows the effect of HB 1397 in two parts:

- **Part 1:** HB 1397 is interpreted to narrow the Baseline’s potential pool of patients from 349,503 to 105,305 or 243,598 fewer patients at full market adoption. This results in a reduction of sales tax collection of 15.9 million annually at full market adoption.
- **Part 2:** The bill exempts all medical marijuana sales from sales tax upon becoming a law, thus removing the remaining projected sales tax collection of 8.4 million at full market adoption.

The **total effect** of HB 1397 on sales tax is a reduction of 24.3 million annually at full market adoption. At full market adoption, 65 percent of the bill’s impact would come from the reduction in patients and 35 percent would come from the tax exemption.

This analysis assumes that the bill becomes law by May 31, 2017, thus the sales tax collection estimate of \$0.4 million adopted in the Baseline for FY 2016-17 is assumed to be unaffected and collected by the state before the start of the next fiscal year.

**Table 2  
Projected Change in Sales Tax Collection as a Result of HB 1397 (\$)**

Fiscal Year	Month	Adopted Impact of Baseline, Absent Law Change	Part 1 Effect	Estimated Sales Tax from Remaining Patients After Part 1 Effect	Part 2 Effect	Total Effect
			Reduction Due to Fewer Patients per HB 1397		Reduction Due to Sales Tax Exemption Impact of HB 1397	HB 1397
2016-17	June 2017	437,898	0	437,898	0*	0
2017-18	June 2018	2,552,342	-30,386	2,521,956	-2,521,956	-2,552,342
2018-19	June 2019	4,206,479	-391,030	3,815,449	-3,815,449	-4,206,479
2019-20	June 2020	7,688,420	-1,584,208	6,104,212	-6,104,212	-7,688,420
2020-21	June 2021	15,602,428	-7,205,434	8,396,994	-8,396,994	-15,602,428
2021-22	June 2022	24,306,791	-15,877,785	8,429,007	-8,429,007	-24,306,791

\* This assumes all sales tax projected for FY 2016-17 is collected by the time the bill becomes law, leaving a positive effect for the fiscal year.

**Section 4: Proposed Fiscal Impact**

Sales Tax: Medical use of marijuana

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			0.0	(24.3)		
2018-19			(2.6)	(24.3)		
2019-20			(4.2)	(24.3)		
2020-21			(7.7)	(24.3)		
2021-22			(15.6)	(24.3)		



**REVENUE ESTIMATING CONFERENCE**

**Tax:** Medical use of marijuana

**Issue:** Sales tax

**Bill number(s):** HB 1397

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the proposed estimate.**

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	(21.5)	0.0	(Insignificant)	0.0	(0.7)	0.0	(2.1)
2018-19	(2.3)	(21.5)	(Insignificant)	(Insignificant)	(0.1)	(0.7)	(0.2)	(2.1)
2019-20	(3.7)	(21.5)	(Insignificant)	(Insignificant)	(0.1)	(0.7)	(0.4)	(2.1)
2020-21	(6.8)	(21.5)	(Insignificant)	(Insignificant)	(0.2)	(0.7)	(0.7)	(2.1)
2021-22	(13.8)	(21.5)	(Insignificant)	(Insignificant)	(0.5)	(0.7)	(1.3)	(2.1)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	(2.7)	0.0	(5.5)	0.0	(27.0)
2018-19	(0.3)	(2.7)	(0.6)	(5.5)	(2.9)	(27.0)
2019-20	(0.5)	(2.7)	(1.0)	(5.5)	(4.7)	(27.0)
2020-21	(0.9)	(2.7)	(1.8)	(5.5)	(8.6)	(27.0)
2021-22	(1.8)	(2.7)	(3.6)	(5.5)	(17.4)	(27.0)

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** Purchases by Governments/Golf Courses

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

**Entire Bill**

**Partial Bill:**

**Sponsor(s):**

**Month/Year Impact Begins:** July 1, 2017 (one month lag to collections)

**Date of Analysis:** March 24, 2017

**Section 1: Narrative**

- a. **Current Law:** Purchases made by political sub-division are exempt from sales tax. Purchases made on behalf of a political subdivision can be exempt if the purchase complies with the certificate of entitlement to exemption.
- b. **Proposed Change:** F.S. 212.08 (6) (d) is added: Payment is considered made directly to the dealer by the governmental entity if an entity under contract with a municipality to maintain and operate a golf course owned by the municipality pays for a purchase or lease required for the operation or maintenance of the golf course using the golf course revenues or other funds provided to or for the use of the entity under contract by the municipality.

This change makes the purchase by the contractor on behalf of the governmental entity the same as a purchase by the governmental entity. The certificate of entitlement to exemption criteria no longer apply.

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

State of Florida.com - Quick Facts

[www.golflink.com](http://www.golflink.com)

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

The population of municipal courses was found from an online list. This list included entities with a variety of course configurations. There were entities with multiple 9 hole courses, 9 and 18 hole courses, and multiple 18 hole courses. The known amount was attributed to an 18-hole course. For this reason, the entities listed were then converted so that all municipal courses would be evaluated as 9 hole courses.

The high assumes that 100% are paying currently. The middle assumes 50% of the entities are paying. The low assumes that 25% are paying.

The cash value for 2017-18 is equal to eleven months of collections.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	\$(3.8 M)	\$(4.2 M)	\$(2.4 M)	\$(2.6 M)	\$(1.0 M)	\$(1.0 M)
2018-19	\$(4.2 M)	\$(4.2 M)	\$(2.6 M)	\$(2.6 M)	\$(1.0 M)	\$(1.0 M)
2019-20	\$(4.2 M)	\$(4.2 M)	\$(2.6 M)	\$(2.6 M)	\$(1.0 M)	\$(1.0 M)
2020-21	\$(4.2 M)	\$(4.2 M)	\$(2.6 M)	\$(2.6 M)	\$(1.0 M)	\$(1.0 M)
2021-22	\$(4.2 M)	\$(4.2 M)	\$(2.6 M)	\$(2.6 M)	\$(1.0 M)	\$(1.0 M)

**List of affected Trust Funds:** Sales and Use Tax Grouping

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the middle estimate.**

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(2.1)	(2.3)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2018-19	(2.3)	(2.3)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2019-20	(2.3)	(2.3)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2020-21	(2.3)	(2.3)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2021-22	(2.3)	(2.3)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Purchases by Governments/Golf Courses

Bill Number(s): Proposed Language

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.3)	(0.3)	(0.6)	(0.6)	(2.7)	(2.9)
2018-19	(0.3)	(0.3)	(0.6)	(0.6)	(2.9)	(2.9)
2019-20	(0.3)	(0.3)	(0.6)	(0.6)	(2.9)	(2.9)
2020-21	(0.3)	(0.3)	(0.6)	(0.6)	(2.9)	(2.9)
2021-22	(0.3)	(0.3)	(0.6)	(0.6)	(2.9)	(2.9)

Proposed Language

Purchases by Governments/Golf Courses

	A	B	C	D	E	F	G	H
1								
2		Number of Courses			1250			
3		Number of Municipal Courses			122			
4								
5		Multiple Course Facilities				# courses per unit		
6		9-hole			5	3		
7		18-hole			8	2		
8		Mixed	9 holes		7			
9			18 Holes		8			
10								
11		Single Course Structure Entities						
12			9 holes		11			
13			18 Holes		65			
14		Total of Municipal GC Entities			95			
15								
16		<b>9 Hole Course Conversion</b>						
17		Multiple Course Facilities						
18		9-hole			15			
19		18-hole			16			
20		Mixed	9 holes		7			
21			18 Holes		16			
22					54			
23		Single Course Structure Entities						
24			9 Hole		11			
25			18 Hole		130			
26								
27		Total of Municipal GC Entities			195			
28								
29								
30								
31		Taxable activity per 18 Holes			714,286			
32		Sales Tax Collections per 18 Holes			42,857			
33		Sales Tax Collections			4,071,428.57			
34		Sales Tax Collections w/ 9 Hole Conversion			4,178,571			
35								
36								
37								
38		<b>Total</b>		100%		50%		25%
39			High		Middle		Low	
40			Cash	Recurring	Cash	Recurring	Cash	Recurring
41		2017-18	\$ (3.8 M)	\$ (4.2 M)	\$ (2.4 M)	\$ (2.6 M)	\$ (1.0 M)	\$ (1.0 M)
42		2018-19	\$ (4.2 M)	\$ (4.2 M)	\$ (2.6 M)	\$ (2.6 M)	\$ (1.0 M)	\$ (1.0 M)
43		2019-20	\$ (4.2 M)	\$ (4.2 M)	\$ (2.6 M)	\$ (2.6 M)	\$ (1.0 M)	\$ (1.0 M)
44		2020-21	\$ (4.2 M)	\$ (4.2 M)	\$ (2.6 M)	\$ (2.6 M)	\$ (1.0 M)	\$ (1.0 M)
45		2021-22	\$ (4.2 M)	\$ (4.2 M)	\$ (2.6 M)	\$ (2.6 M)	\$ (1.0 M)	\$ (1.0 M)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Ad Valorem

**Issue:** Insect, Useful to humans

**Bill Number(s):** CS/HB 1231

**Entire Bill**

**Partial Bill:** Section 5

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

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

**Date of Analysis:** 3/23/2017

### Section 1: Narrative

- a. **Current Law:** Article VII, Section 4(a) reads: Agricultural land, land producing high water recharge to Florida's aquifers, or land used exclusively for noncommercial recreational purposes may be classified by general law and assessed solely on the basis of character or use.

Section 193.461 (5) provides: 5) For the purpose of this section, the term "agricultural purposes" includes, but is not limited to, horticulture; floriculture; viticulture; forestry; dairy; livestock; poultry; bee; pisciculture, if the land is used principally for the production of tropical fish; aquaculture, including algaculture; sod farming; and all forms of farm products as defined in s. [823.14](#)(3) and farm production.

Section 824.14(3) reads: (c) "Farm product" means any plant, as defined in s. 581.011, or animal or insect useful to humans and includes, but is not limited to, any product derived therefrom.

McLendon v. Nikolits January 25, 2017 4<sup>th</sup> District Court of Appeals – the issue involved the raising of wild birds for commercial purposes. The Palm Beach County Property Appraisers Office had denied an agricultural classification for the property. The property owner appealed to the VAB, who granted the classification. The appraiser filed suit and prevailed at the trial court level. The property owner appealed and prevailed at the 4<sup>th</sup> district court of appeal. The court found that the list provided in statute was a non-exclusive list, and that the wild birds met the requirement of being useful to humans and thereby the property owner was engaged in bona fide agricultural production and entitled to receive the agricultural classification.

- b. **Proposed Change:** Amends section 824.13(3) as follows:

(c) "Farm product" means any plant, as defined in s. 581.011; livestock as defined in s. 585.01 or s. 588.13; poultry; aquatic plants and animals cultivated using aquaculture; and bees. ~~The term, or animal or insect useful to humans~~ and includes, but is not limited to, any product derived therefrom.

### Section 2: Description of Data and Sources

Conversations with Property Appraisers and their staff

Conversations with a representative of the Property Appraisers.

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

Spoke with staff in Palm Beach County and with the Appraiser of Okeechobee County. March 1 is the due date for Agricultural Classification applications. Okeechobee County did not receive any applications that would be affected by the court hearing. Palm Beach received one application for agricultural classification for a commercial snake breeding operation they felt would be approved due to the court decision. The tax value of that property as well as the ones that were the subject of the lawsuit collectively did not reach \$50,000. This data was used as the basis for the low of insignificant positive. For the high, the impact is proposed to be indeterminate. There is no indication on the property tax roll of property use beyond the traditional bona fide agriculture. We cannot identify those properties that might qualify under the court decision. Further, the property owner must start the process by applying for the agricultural classification. The analyst was only able to identify one additional parcel beyond the ones that were the subject of the law suit. However, property owners still can file a petition for the VAB to determine eligibility for the agricultural classification for good cause through September. For the Low it was assumed only those parcels identified by Palm Beach County are affected, for the High, an indeterminate number of parcels will receive Agricultural Classification under current law, including the court decision and would not receive such classification under the bill language.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Ad Valorem

**Issue:** Insect, Useful to humans

**Bill Number(s):** CS/HB 1231

**Section 4: Proposed Fiscal Impact**

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

**List of affected Trust Funds:**

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the high 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:** Various Taxes and Fees

**Issue:** Eliminates a supplemental biennial registration fee on certain pesticides

**Bill Number(s):** CS/HB 1231 (CS/SB 1536 – similar)

**Entire Bill**

**Partial Bill:** Section 3

**Sponsor(s):** Representative Raburn

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

**Date of Analysis:** March 24, 2017

**Section 1: Narrative**

**a. Current Law:** In 2009, the Legislature amended s. 487.041, F.S., to defray the expense of the Chemical Residue Laboratory by creating a supplemental biennial registration fee (i.e., supplemental fee) for each registered brand of pesticide that contains an active ingredient for which the United States Environmental Protection Agency (EPA) has established a food tolerance limit in 40 C.F.R. part 180. The Department of Agriculture and Consumer Services (DACS) must biennially publish by rule a list of the pesticide active ingredients for which a brand of pesticide is subject to the supplemental fee. The Department assesses each registration beginning in an odd-numbered year a supplemental registration fee of \$630 per brand of pesticide. The Department assesses each registration beginning in an even-numbered year a supplemental registration fee of \$315 per brand of pesticide.

The revenue from these fees, less those costs determined by the Department to be nonrecurring or one-time costs, must be deferred over the 2-year registration period, deposited in the General Inspection Trust Fund, and used by the Department to carry out the provisions of the Florida Pesticide Law. Revenues collected from the supplemental fee may also be used by DACS to test pesticides for food safety.

**b. Proposed Change:** Section 3 of the bill eliminates the supplemental fee for each registered brand of pesticide that contains an active ingredient for which the EPA has established a food tolerance limit in 40 C.F.R. part 180 by repealing s. 487.041(1)(d), F.S., and removing references to the supplemental fee throughout the section.

During the previous legislative session, the Legislature approved the fund shift of \$1,801,131 in costs associated with the Division of Food Safety Chemical Residue Laboratory from the General Inspection Trust Fund to the General Revenue Fund (LAS/PBS issue codes 3400460 and 3400470). These laboratory costs were previously supported by revenues from the supplemental pesticide registration fee that this bill would eliminate. As a result, the elimination of the supplemental fee will not have an impact on expenditures since these costs are now made from the General Revenue Fund.

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

FLAIR revenues from the previous four fiscal years in object code 001356 – Supplemental Pesticide Registration Fee.

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

High – Highest annual total of FLAIR supplemental pesticide registration revenue from the previous 4 fiscal years.

Middle - Average of the FLAIR supplemental pesticide registration revenue from the previous four fiscal years.

Low- Lowest annual total of FLAIR supplemental pesticide registration revenue from the previous 4 fiscal years.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$2,030,805)	(\$2,030,805)	(\$1,889,323)	(\$1,889,323)	(\$1,698,544)	(\$1,698,544)
2018-19	(\$2,030,805)	(\$2,030,805)	(\$1,889,323)	(\$1,889,323)	(\$1,698,544)	(\$1,698,544)
2019-20	(\$2,030,805)	(\$2,030,805)	(\$1,889,323)	(\$1,889,323)	(\$1,698,544)	(\$1,698,544)
2020-21	(\$2,030,805)	(\$2,030,805)	(\$1,889,323)	(\$1,889,323)	(\$1,698,544)	(\$1,698,544)
2021-22	(\$2,030,805)	(\$2,030,805)	(\$1,889,323)	(\$1,889,323)	(\$1,698,544)	(\$1,698,544)

**List of Affected Trust Funds:**

2321 – General Inspection Trust Fund

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Various Taxes and Fees

**Issue:** Eliminates a supplemental biennial registration fee on certain pesticides

**Bill Number(s):** CS/HB 1231 (CS/SB 1536 – similar)

**Section 5: Consensus Estimate (Adopted: 03/24/2017): The Conference adopted the middle estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.2)	(0.2)	(1.7)	(1.7)	0.0	0.0	(1.9)	(1.9)
2018-19	(0.2)	(0.2)	(1.7)	(1.7)	0.0	0.0	(1.9)	(1.9)
2019-20	(0.2)	(0.2)	(1.7)	(1.7)	0.0	0.0	(1.9)	(1.9)
2020-21	(0.2)	(0.2)	(1.7)	(1.7)	0.0	0.0	(1.9)	(1.9)
2021-22	(0.2)	(0.2)	(1.7)	(1.7)	0.0	0.0	(1.9)	(1.9)



**Historical Supplemental Pesticide Registration Fees from FLAIR**

<b>Fiscal Year</b>	<b>General Ledger Code</b>	<b>Category Code</b>	<b>Object Code</b>	<b>Amount</b>
2012-13	6XXXXX - Revenues	000100 - Fees	001356 - Supplemental Pesticide Registration Fee	\$ 1,799,280
2013-14	6XXXXX - Revenues	000100 - Fees	001356 - Supplemental Pesticide Registration Fee	\$ 2,030,805
2014-15	6XXXXX - Revenues	000100 - Fees	001356 - Supplemental Pesticide Registration Fee	\$ 1,698,544
2015-16	6XXXXX - Revenues	000100 - Fees	001356 - Supplemental Pesticide Registration Fee	\$ 2,028,664

**Total From Previous 4 years**                    \$    **7,557,294**

**Average From Previous 4 years**                \$    **1,889,323**

**High From Previous 4 years**                    \$    **2,030,805**

**Low From Previous 4 years**                     \$    **1,698,544**

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Various Taxes and Fees

**Issue:** Farm Use Trucks - Revision of Eligibility Requirement for the Agricultural Restricted License Plate

**Bill Number(s):** CS/HB 1231 (CS/SB 1536 – similar)

**Entire Bill**

**Partial Bill:** Section 2

**Sponsor(s):** Representative Raburn

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

**Date of Analysis:** March 24, 2017

**Section 1: Narrative**

- a. **Current Law:** Section 320.08(4)(n), F.S., allows for truck tractors or heavy trucks, not operated as for-hire vehicles and used exclusively to transport unmanufactured agricultural products within a 150 mile radius of their home address, to be eligible for a restricted license plate. If the vehicle’s weight is less than 44,000 pounds, the annual registration fee is \$87.75, of which \$22.75 is deposited into the General Revenue Fund and \$65 is deposited into the State Transportation Trust Fund. If the vehicle’s weight is 44,000 pounds or greater, the annual registration fee is \$324, of which \$84 is deposited into the General Revenue Fund and \$240 is deposited into the State Transportation Trust Fund. For the heavier class of restricted farm-use trucks, travel is restricted to transporting from the point of production to the primary point of manufacture or shipping. In FY 2015-16, the 1,688 restricted farm-use trucks registered in the state generating \$348,387. Approximately 62% of these trucks were above 44,000 pounds in weight.
- b. **Proposed Change:** Section 2 of the bill revises s. 320.08(4)(n), F.S., so that a truck registered with restricted farm-use license plates may be used to transport unmanufactured agricultural products anywhere within the state instead of within a 150 mile radius of its home address.

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

March 2017 Highway Safety REC

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

The bill extends the area which restricted farm-use trucks are able to travel; however, the heavier class of these trucks (which represents approximately 62% of the total) will still be restricted to travel from the point of production to the primary point of manufacture or shipping. The greater travel flexibility could encourage more heavy truck owners to register their vehicle as a restricted farm-use truck – moving these vehicles out of the heavy truck category (which pays an annual registration fee ranging from \$60.75 to \$1,322 depending upon weight) into the restricted farm-use category.

For the low estimate, it is assumed that the bill does not cause any behavioral changes related to vehicle registration choice. Instead, the bill only provides more flexibility to current truck owners who register their vehicle as a restricted farm-use truck. For the middle and high estimates, it is assumed that the greater flexibility will encourage more truck owners to register their vehicle as a restricted farm-use truck. These impacts are negative to General Revenue and the State Transportation Trust Fund because (with the exception of the smallest weight class of heavy trucks) trucks which shift from the heavy truck category to the restricted farm-use category will be paying a lower registration fee. The middle estimate increases restricted farm-use registrations by 10%, resulting in a negative insignificant impact to both GR and Trust. The high estimate increases restricted farm-use registrations by 15%, resulting in a negative insignificant impact to GR and a negative impact to State Trusts ranging from \$63,558 to \$67,472.

**Section 4: Proposed Fiscal Impact**

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(insignificant)	(insignificant)	(insignificant)	(insignificant)	0.00	0.00
2018-19	(insignificant)	(insignificant)	(insignificant)	(insignificant)	0.00	0.00
2019-20	(insignificant)	(insignificant)	(insignificant)	(insignificant)	0.00	0.00
2020-21	(insignificant)	(insignificant)	(insignificant)	(insignificant)	0.00	0.00
2021-22	(insignificant)	(insignificant)	(insignificant)	(insignificant)	0.00	0.00

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Various Taxes and Fees

**Issue:** Farm Use Trucks - Revision of Eligibility Requirement for the Agricultural Restricted License Plate

**Bill Number(s):** CS/HB 1231 (CS/SB 1536 – similar)

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.06)	(0.06)	(insignificant)	(insignificant)	0.00	0.00
2018-19	(0.06)	(0.06)	(insignificant)	(insignificant)	0.00	0.00
2019-20	(0.07)	(0.07)	(insignificant)	(insignificant)	0.00	0.00
2020-21	(0.07)	(0.07)	(insignificant)	(insignificant)	0.00	0.00
2021-22	(0.07)	(0.07)	(insignificant)	(insignificant)	0.00	0.00

**List of affected Trust Funds:**

General Revenue Fund

State Transportation Trust Fund

**Section 5: Consensus Estimate (Adopted: 03/24/2017):** The Conference adopted an impact that reduces the middle impact to a 5% shift from a 10% shift.

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

	Current Law				Proposed - Middle (10% Shift)				Proposed - High (15% Shift)				Adopted (5% Shift)			
	#	Total \$	GR \$	STTF \$	#	Total \$	GR \$	STTF \$	#	Total \$	GR \$	STTF \$	#	Total \$	GR \$	STTF \$
<b>CS HB 1231, Sec. 2 Farm-Use Trucks</b>																
<b>FY 2017-18</b>																
Ag Trucks < 44,000 lbs	694	\$ 59,206	\$ 15,333	\$ 43,873	763	65,126	16,866	48,260	798	68,087	17,633	50,454	729	62,166	16,099	46,067
Ag Trucks = or > 44,000 lbs	1,054	\$ 301,567	\$ 78,184	\$ 223,383	1,160	331,723	86,002	245,721	1,212	346,802	89,911	256,890	1,107	316,645	82,093	234,552
Trucks < 44,000 lbs	1,212,408	\$ 111,188,963	\$ 28,920,484	\$ 82,268,479	1,212,338	111,182,600	28,918,829	82,263,771	1,212,304	111,179,419	28,918,002	82,261,417	1,212,373	111,185,782	28,919,657	82,266,125
Trucks = or > 44,000 lbs	92,500	\$ 76,304,878	\$ 19,799,401	\$ 56,505,478	92,395	76,217,916	19,776,836	56,441,080	92,342	76,174,435	19,765,554	56,408,882	92,447	76,261,397	19,788,118	56,473,279
Total		\$ 187,854,614	\$ 48,813,402	\$ 139,041,212		187,797,366	48,798,534	138,998,832		187,768,742	48,791,088	138,977,654		187,825,990	48,805,968	139,020,022
Difference							(14,868)	(42,380)			(22,314)	(63,558)			(7,434)	(21,190)
<b>FY 2018-19</b>																
Ag Trucks < 44,000 lbs	705	\$ 60,147	\$ 15,576	\$ 44,570	775	66,161	17,134	49,027	811	69,169	17,913	51,256	740	63,154	16,355	46,799
Ag Trucks = or > 44,000 lbs	1,071	\$ 306,359	\$ 79,426	\$ 226,933	1,178	336,995	87,369	249,626	1,232	352,313	91,340	260,973	1,124	321,677	83,398	238,279
Trucks < 44,000 lbs	1,246,104	\$ 113,691,842	\$ 29,571,040	\$ 84,120,802	1,246,033	113,685,411	29,569,367	84,116,044	1,245,998	113,682,195	29,568,531	84,113,664	1,246,068	113,688,626	29,570,204	84,118,423
Trucks = or > 44,000 lbs	94,401	\$ 77,902,812	\$ 20,213,873	\$ 57,688,939	94,294	77,814,434	20,190,941	57,623,493	94,240	77,770,245	20,179,475	57,590,770	94,348	77,858,623	20,202,407	57,656,216
Total		\$ 191,961,159	\$ 49,879,916	\$ 142,081,243		191,903,001	49,864,811	142,038,189		191,873,922	49,857,248	142,016,674		191,932,080	49,872,364	142,059,716
Difference							(15,104)	(43,054)			(22,668)	(64,569)			(7,552)	(21,527)
<b>FY 2019-20</b>																
Ag Trucks < 44,000 lbs	716	\$ 61,124	\$ 15,830	\$ 45,295	788	67,237	17,413	49,824	824	70,293	18,204	52,089	752	64,180	16,621	47,559
Ag Trucks = or > 44,000 lbs	1,088	\$ 311,339	\$ 80,717	\$ 230,621	1,197	342,473	88,789	253,684	1,252	358,040	92,825	265,215	1,143	326,906	84,753	242,153
Trucks < 44,000 lbs	1,274,669	\$ 115,837,951	\$ 30,128,886	\$ 85,709,065	1,274,597	115,831,442	30,127,193	85,704,249	1,274,562	115,828,187	30,126,346	85,701,841	1,274,633	115,834,697	30,128,039	85,706,657
Trucks = or > 44,000 lbs	96,040	\$ 79,279,086	\$ 20,570,860	\$ 58,708,226	95,932	79,189,245	20,547,548	58,641,697	95,877	79,144,325	20,535,893	58,608,432	95,986	79,234,166	20,559,204	58,674,962
Total		\$ 195,489,500	\$ 50,796,293	\$ 144,693,208		195,430,396	50,780,943	144,649,453		195,400,844	50,773,256	144,627,588		195,459,948	50,788,618	144,671,331
Difference							(15,350)	(43,754)			(23,037)	(65,620)			(7,675)	(21,877)
<b>FY 2020-21</b>																
Ag Trucks < 44,000 lbs	727	\$ 62,031	\$ 16,064	\$ 45,966	800	68,234	17,671	50,563	836	71,335	18,474	52,861	763	65,132	16,868	48,265
Ag Trucks = or > 44,000 lbs	1,104	\$ 315,955	\$ 81,914	\$ 234,041	1,215	347,551	90,106	257,445	1,270	363,349	94,201	269,147	1,160	331,753	86,010	245,743
Trucks < 44,000 lbs	1,303,779	\$ 118,028,533	\$ 30,698,295	\$ 87,330,238	1,303,706	118,021,953	30,696,583	87,325,369	1,303,670	118,018,662	30,695,728	87,322,935	1,303,743	118,025,243	30,697,439	87,327,804
Trucks = or > 44,000 lbs	97,715	\$ 80,684,765	\$ 20,935,475	\$ 59,749,290	97,605	80,593,566	20,911,811	59,681,754	97,549	80,549,966	20,899,979	59,647,987	97,660	80,639,165	20,923,643	59,715,522
Total		\$ 199,091,284	\$ 51,731,749	\$ 147,359,535		199,031,303	51,716,171	147,315,131		199,001,312	51,708,370	147,292,942		199,061,293	51,723,960	147,337,333
Difference							(15,577)	(44,404)			(23,378)	(66,594)			(7,789)	(22,202)
<b>FY 2021-22</b>																
Ag Trucks < 44,000 lbs	736	\$ 62,847	\$ 16,276	\$ 46,572	810	69,132	17,904	51,229	847	72,275	18,717	53,557	773	65,990	17,090	48,900
Ag Trucks = or > 44,000 lbs	1,119	\$ 320,116	\$ 82,993	\$ 237,123	1,231	352,128	91,292	260,836	1,287	368,134	95,442	272,692	1,175	336,122	87,143	248,979
Trucks < 44,000 lbs	1,325,016	\$ 119,576,232	\$ 31,100,549	\$ 88,475,683	1,324,943	119,569,586	31,098,821	88,470,765	1,324,906	119,566,262	31,097,956	88,468,306	1,324,980	119,572,909	31,099,685	88,473,224
Trucks = or > 44,000 lbs	98,879	\$ 81,665,383	\$ 21,189,817	\$ 60,475,565	98,767	81,572,960	21,165,836	60,407,124	98,712	81,526,749	21,153,846	60,372,903	98,823	81,619,171	21,177,827	60,441,345
Total		\$ 201,624,579	\$ 52,389,636	\$ 149,234,943		201,563,806	52,373,853	149,189,953		201,533,420	52,365,949	149,167,471		201,594,192	52,381,744	149,212,448
Difference							(15,783)	(44,990)			(23,686)	(67,472)			(7,891)	(22,495)

