

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Previously Assessed Tangible Personal Property

Bill Number(s): CS/HB 289; CS/HB 226

☐ **Entire Bill**

☒ **Partial Bill:** Section 9 of CS/HB 289; Section 10 of CS/SB 226

Sponsor(s): Rep. Donalds, Rep. Avila, Sen. Artiles

Month/Year Impact Begins: July 1, 2017

Date of Analysis: 2/1/2017

Section 1: Narrative

- a. Current Law:** Section 196.183 (4) provides: Owners of property previously assessed by the property appraiser without a return being filed may, at the option of the property appraiser, qualify for the exemption under this section without filing an initial return.
- b. Proposed Change:** Revises section 196.183 (4) to provide: Owners of property ~~previously~~ assessed by the property appraiser without a return being filed may, at the option of the property appraiser, qualify for the exemption under this section without filing an initial return.

Section 2: Description of Data and Sources

2013, 2014, 2015 and 2016 Tangible Personal Property Taxrolls

Data provided by Miami-Dade County

2016-2017 Aggregate Millage Rates

Section 3: Methodology (Include Assumptions and Attach Details)

An assumption that is made for the middle and low estimate is that there are certain TPP accounts that are not eligible for the \$25,000 exemption due to the provisions of section 196.183 (1) with respect to freestanding property placed at multiple locations being able to receive only 1 exemption.

Method 1

Extracted by county from the 2013 to the 2016 TPP Taxroll those accounts that indicated that no part of the \$25,000 exemption was allowed for that account. The high estimate was based on the amount identified for 2013. Given the atypical growth pattern in the history, no growth was estimated for the forecast period. 2016-17 aggregate millage was applied to estimate school and non-school impacts.

For the middle estimate, additional information obtained from Miami-Dade County was used. Miami-Dade performed their own analysis and estimated that 78.5% of the impact indicated by method 1 actually occurred in 2015 and 85.1% of the impact indicated by method 1 actually occurred in 2016. The average of these two years was 81.8%. This amount (81.8%) was multiplied against the amounts in method 1 to arrive at the tax base impact for the low estimate.

The High and Middle estimate assume that all county property appraisers will grant the \$25,000 TPP exemption for property not previously assessed and where no return has been filed. The low estimate recognizes that the change in law gives discretion to the appraiser as to whether the exemption is granted and as such the impact is indeterminate.

Section 4: Proposed Fiscal Impact

School

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$4.6 M)	(\$4.6 M)	(\$3.7 M)	(\$3.7 M)	(Indeterminate)	(Indeterminate)
2018-19	(\$4.6 M)	(\$4.6 M)	(\$3.7 M)	(\$3.7 M)	(Indeterminate)	(Indeterminate)
2019-20	(\$4.6 M)	(\$4.6 M)	(\$3.7 M)	(\$3.7 M)	(Indeterminate)	(Indeterminate)
2020-21	(\$4.6 M)	(\$4.6 M)	(\$3.7 M)	(\$3.7 M)	(Indeterminate)	(Indeterminate)
2021-22	(\$4.6 M)	(\$4.6 M)	(\$3.7 M)	(\$3.7 M)	(Indeterminate)	(Indeterminate)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Previously Assessed Tangible Personal Property

Bill Number(s): CS/HB 289; CS/HB 226

NonSchool

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$7.1 M)	(\$7.1 M)	(\$5.8 M)	(\$5.8 M)	(Indeterminate)	(Indeterminate)
2018-19	(\$7.1 M)	(\$7.1 M)	(\$5.8 M)	(\$5.8 M)	(Indeterminate)	(Indeterminate)
2019-20	(\$7.1 M)	(\$7.1 M)	(\$5.8 M)	(\$5.8 M)	(Indeterminate)	(Indeterminate)
2020-21	(\$7.1 M)	(\$7.1 M)	(\$5.8 M)	(\$5.8 M)	(Indeterminate)	(Indeterminate)
2021-22	(\$7.1 M)	(\$7.1 M)	(\$5.8 M)	(\$5.8 M)	(Indeterminate)	(Indeterminate)

List of affected Trust Funds:

Ad Valorem Group

Section 5: Consensus Estimate (Adopted: 03/31/2017): The Conference adopted the middle estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(3.7)	(3.7)	(5.8)	(5.8)	(9.5)	(9.5)
2018-19	(3.7)	(3.7)	(5.8)	(5.8)	(9.5)	(9.5)
2019-20	(3.7)	(3.7)	(5.8)	(5.8)	(9.5)	(9.5)
2020-21	(3.7)	(3.7)	(5.8)	(5.8)	(9.5)	(9.5)
2021-22	(3.7)	(3.7)	(5.8)	(5.8)	(9.5)	(9.5)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	0.0	0.0	(9.5)	(9.5)	(9.5)	(9.5)
2018-19	0.0	0.0	0.0	0.0	(9.5)	(9.5)	(9.5)	(9.5)
2019-20	0.0	0.0	0.0	0.0	(9.5)	(9.5)	(9.5)	(9.5)
2020-21	0.0	0.0	0.0	0.0	(9.5)	(9.5)	(9.5)	(9.5)
2021-22	0.0	0.0	0.0	0.0	(9.5)	(9.5)	(9.5)	(9.5)

	A	B	C	D	E	F
1	Taxable Value Impact for TPP Accounts with Exemption Value = \$0					
2	County	2016	2015	2014	2013	
3	11 Alachua	\$11,257,781	\$12,592,716	\$14,869,312	\$12,309,619	
4	12 Baker	\$226,215	\$235,201	\$245,201	\$319,201	
5	13 Bay	\$8,378,211	\$11,736,979	\$14,438,315	\$11,907,757	
6	14 Bradford	\$952,563	\$175,000	\$250,000	\$233,627	
7	15 Brevard	\$13,189,390	\$15,429,990	\$16,321,370	\$17,027,040	
8	16 Broward	\$1,328,503	\$1,485,932	\$1,504,970	\$1,616,779	
9	17 Calhoun	\$14,265	\$19,733	\$34,071	\$0	
10	18 Charlotte	\$13,492,631	\$14,105,391	\$15,441,941	\$19,848,233	
11	19 Citrus	\$4,168,952	\$3,975,145	\$4,517,528	\$3,591,327	
12	20 Clay	\$5,842,410	\$2,513,403	\$1,717,785	\$2,355,234	
13	21 Collier	\$15,668,759	\$13,838,916	\$12,676,169	\$16,302,051	
14	22 Columbia	\$1,365,658	\$1,471,239	\$1,159,115	\$974,240	
15	23 Miami-Dade	\$69,544,675	\$86,864,829	\$96,613,674	\$123,285,605	
16	24 Desoto	\$473,946	\$700,000	\$797,404	\$1,142,660	
17	25 Dixie	\$0	\$0	\$51,945	\$0	
18	26 Duval	\$64,278,435	\$54,134,944	\$49,200,697	\$44,636,809	
19	27 Escambia	\$10,021,358	\$16,357,249	\$17,965,008	\$19,703,593	
20	28 Flagler	\$4,689,700	\$5,218,838	\$2,933,327	\$3,720,400	
21	29 Franklin	\$101,483	\$1,483	\$1,483	\$1,483	
22	30 Gadsden	\$176,505	\$189,693	\$258,046	\$418,839	
23	31 Gilchrist	\$375,206	\$437,011	\$401,638	\$226,685	
24	32 Glades	\$1,729,888	\$1,619,660	\$1,882,039	\$1,427,894	
25	33 Gulf	\$83,150	\$83,150	\$90,947	\$88,150	
26	34 Hamilton	\$212,339	\$216,189	\$189,899	\$241,845	
27	35 Hardee	\$1,958,515	\$1,420,110	\$2,245,169	\$2,267,239	
28	36 Hendry	\$1,710,630	\$1,940,890	\$1,832,540	\$1,699,910	
29	37 Hernando	\$3,721,062	\$2,384,936	\$4,231,916	\$6,056,317	
30	38 Highlands	\$2,729,369	\$3,025,650	\$3,214,870	\$3,246,150	
31	39 Hillsborough	\$90,862,710	\$80,859,780	\$74,671,500	\$62,705,490	
32	40 Holmes	\$348,196	\$364,427	\$366,238	\$376,882	
33	41 Indian River	\$4,182,871	\$2,703,188	\$2,373,652	\$3,902,322	
34	42 Jackson	\$54,121	\$82,271	\$85,350	\$161,610	
35	43 Jefferson	\$45,142	\$4,092	\$100,000	\$70,576	
36	44 Lafayette	\$777	\$777	\$777	\$792	
37	45 Lake	\$12,336,812	\$11,504,586	\$11,908,110	\$15,239,869	
38	46 Lee	\$34,465,403	\$52,252,129	\$32,380,185	\$45,186,126	
39	47 Leon	\$4,157,020	\$2,932,782	\$3,469,108	\$3,154,102	
40	48 Levy	\$8,967	\$0	\$34,537	\$3	
41	49 Liberty	\$200,615	\$175,000	\$125,000	\$150,000	
42	50 Madison	\$25,000	\$50,000	\$25,000	\$214,740	
43	51 Manatee	\$15,814,254	\$15,720,722	\$11,331,359	\$15,791,624	
44	52 Marion	\$11,487,024	\$7,526,609	\$6,773,056	\$6,959,451	
45	53 Martin	\$10,582,412	\$13,791,877	\$8,365,779	\$7,790,823	
46	54 Monroe	\$7,429,506	\$2,217,115	\$65,360	\$32,936,624	
47	55 Nassau	\$3,808,011	\$3,621,418	\$3,995,175	\$3,355,871	
48	56 Okaloosa	\$3,752,569	\$3,510,791	\$3,311,098	\$3,107,186	
49	57 Okeechobee	\$1,178,815	\$1,143,549	\$865,250	\$589,813	
50	58 Orange	\$1,567	\$9,882	\$2,857	\$336	

	A	B	C	D	E	F
1	Taxable Value Impact for TPP Accounts with Exemption Value = \$0					
2	County	2016	2015	2014	2013	
51	59 Osceola	\$721,268	\$925,192	\$709,427	\$375,405	
52	60 Palm Beach	\$63,562,934	\$52,473,577	\$54,167,327	\$55,293,423	
53	61 Pasco	\$119,024	\$171,418	\$66,018	\$56,748	
54	62 Pinellas	\$41,238,487	\$44,384,409	\$21,102,985	\$20,243,865	
55	63 Polk	\$29,355,086	\$34,529,649	\$34,862,465	\$27,216,486	
56	64 Putnam	\$2,119,540	\$2,163,705	\$2,300,325	\$2,018,362	
57	65 Saint Johns	\$7,775,345	\$6,356,372	\$8,748,952	\$8,723,721	
58	66 Saint Lucie	\$2,931,470	\$3,432,733	\$4,293,074	\$2,327,006	
59	67 Santa Rosa	\$7,277,342	\$12,613,955	\$4,481,260	\$6,046,824	
60	68 Sarasota	\$20,038,326	\$17,398,723	\$14,958,715	\$16,123,581	
61	69 Seminole	\$0	\$0	\$0	\$0	
62	70 Sumter	\$4,107,165	\$3,358,772	\$4,228,790	\$3,554,772	
63	71 Suwannee	\$1,223,166	\$1,749,960	\$1,562,664	\$1,373,911	
64	72 Taylor	\$1,786,497	\$308,854	\$57,617	\$239,980	
65	73 Union	\$69,190	\$39,904	\$73,913	\$48,920	
66	74 Volusia	\$15,774,777	\$13,546,093	\$10,417,193	\$7,409,235	
67	75 Wakulla	\$76,299	\$112,957	\$124,576	\$28,746	
68	76 Walton	\$6,943,564	\$6,417,596	\$6,897,928	\$7,406,378	
69	77 Washington	\$402,033	\$447,742	\$447,771	\$913,990	
70	Statewide	\$643,954,904	\$651,076,883	\$594,836,770	\$655,744,280	
71						
72	Accounts		TV Impact - Unadjusted	Miami-Dade Factor	Middle Impact	
73	2016	53,635	\$643,954,904	81.80%	\$526,755,111	
74	2015	55,417	\$651,076,883	81.80%	\$532,580,890	
75	2014	52,106	\$594,836,770	81.80%	\$486,576,478	
76	2013	56,831	\$655,744,280	81.80%	\$536,398,821	
77						
78	2016-17 Millage Rates					
79	School		6.955			
80	Non-school		10.824			
81	Total		18.1969			
82						
83	School	Growth	High	Middle	Low	
84	2017	0	\$4,560,701	\$3,730,654	Indeterminate	
85	2018	0	\$4,560,701	\$3,730,654	Indeterminate	
86	2019	0	\$4,560,701	\$3,730,654	Indeterminate	
87	2020	0	\$4,560,701	\$3,730,654	Indeterminate	
88	2021	0	\$4,560,701	\$3,730,654	Indeterminate	
89						
90	Non-School		High	Middle	Low	
91	2017	0	\$7,097,776	\$5,805,981	Indeterminate	
92	2018	0	\$7,097,776	\$5,805,981	Indeterminate	
93	2019	0	\$7,097,776	\$5,805,981	Indeterminate	
94	2020	0	\$7,097,776	\$5,805,981	Indeterminate	
95	2021	0	\$7,097,776	\$5,805,981	Indeterminate	

MIAMI-DADE COUNTY**OFFICE OF THE PROPERTY APPRAISER***Fiscal Impact of Change from Legislation Allowing \$25,000 Exemption in First Year***APRIL 3, 2017****Fiscal Impact of Allowing \$25,000 TPP Exemption in First Year****Values are Based on the 2016 First Certified Roll***

Authority	Accounts	Taxable Value Reduction	Operating Millage	Fiscal Impact	Debt Millage	Fiscal Impact	Total Millage	Fiscal Impact
Countywide	5,556	59,201,797	4.6669	\$276,289	0.4000	\$23,681	5.0669	\$299,970
UMSA	1,827	20,228,375	1.9283	\$39,006			1.9283	\$39,006
Fire & Rescue	3,587	39,007,019	2.4207	\$94,424	0.0075	\$293	2.4282	\$94,717
Library	4,833	52,046,950	0.2840	\$14,781			0.2840	\$14,781
Total Fiscal Impact to Miami-Dade County:				\$424,501		\$23,973		\$448,474

These accounts were new for 2016 with no \$25,000 exemption in Tangible Personal Property on the 2016 Assessment Roll. The \$25,000 exemption was subsequently applied in 2017.

Taxable value are from 2016 that would be removed based on the \$25,000 tangible personal exemption being applied in 2016.

Fiscal impact is using 2016 adopted millage rates.

*It is assumed that all new 2016 accounts will be exempted for 2017. The 2017 Roll will be certified by July 1, 2017.

MIAMI-DADE COUNTY**OFFICE OF THE PROPERTY APPRAISER***Fiscal Impact of Change from Legislation Allowing \$25,000 Exemption in First Year***APRIL 3, 2017**

Fiscal Impact of Allowing \$25,000 TPP Exemption in First Year
Values are Based on the 2015 Final Assessment Roll and 2016 Exemptions

Authority	Accounts	Taxable Value Reduction	Operating Millage	Fiscal Impact	Debt Millage	Fiscal Impact	Total Millage	Fiscal Impact
Countywide	6,152	68,215,261	4.6669	\$318,354	0.4500	\$30,697	5.1169	\$349,051
UMSA	1,901	19,726,515	1.9283	\$38,039			1.9283	\$38,039
Fire & Rescue	3,756	24,874,013	2.4207	\$60,213	0.0086	\$214	2.4293	\$60,426
Library	5,396	60,349,822	0.2840	\$17,139			0.2840	\$17,139
Total Fiscal Impact to Miami-Dade County:				\$433,744		\$30,911		\$464,655

These accounts were new for 2015 with no \$25,000 exemption in Tangible Personal Property on the 2015 Assessment Roll. The \$25,000 exemption was subsequently applied in 2016.

Taxable value are from 2015 that would be removed based on the \$25,000 tangible personal exemption being applied in 2015.

Fiscal impact is using 2015 adopted millage rates.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Waiver of Penalty and Interest – Certain Improper Homesteads

Bill Number(s): CS/SB 226

☐ **Entire Bill**

☒ **Partial Bill:** Sections 2, 3, 7, and 9

Sponsor(s): Sen. Artiles

Month/Year Impact Begins: July 1, 2017

Date of Analysis: 4/1/2017

Section 1: Narrative

a. Current Law: There are multiple ways to lose the homestead exemption. Most relevant to this analysis:

Section 196.031(5), Florida Statutes, reads: A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption provided by this section. This subsection does not apply to a person who has the legal or equitable title to real estate in Florida and maintains thereon the permanent residence of another legally or naturally dependent upon the owner.

Section 196.061(1), Florida Statutes, reads: The rental of all or substantially all of a dwelling previously claimed to be a homestead for tax purposes shall constitute the abandonment of such dwelling as a homestead, and the abandonment continues until the dwelling is physically occupied by the owner. However, such abandonment of the homestead after January 1 of any year does not affect the homestead exemption for tax purposes for that particular year unless the property is rented for more than 30 days per calendar year for 2 consecutive years.

When it is discovered that a person has improperly received the homestead exemption in any year or year of the last ten years, the property owner is subject to unpaid taxes plus 50% penalty of the taxes unpaid each year and 15% interest per annum on the various benefits that accompany homestead. The back taxes, penalty and interest outlined above apply to the following sections of law:

Section 193.155 - Homestead Assessment Limitation

Section 193.703 – Reduction in assessment for living quarters of parents or grandparents

Section 196.011 – Annual Application required for exemption

Section 196.075 – Additional homestead Exemption for persons 65 and older.

b. Proposed Change: Revises each of Section 193.155, Section 193.703, Section 196.011, and Section 196.075 to provide that the property appraiser shall waive the unpaid penalties and interest if the property appraiser determines that the person qualified for the exemption (assessment limitation – 193.155, reduction – 193.703) at the time the application was filed, the person acted in good faith, and, other than the improperly received tax savings, the person did not receive any additional financial benefit, such as rental payments or other income.

CS/HB 289 – The property appraiser may not waive the penalty or interest if the person claimed a property tax exemption or reduction on another property predicated on the homestead exemptions provided in s. 6, Art. VII of the State Constitution.

CS/SB 226 - The property appraiser may not waive penalty or interest if the person claimed a homestead related exemption, limitation, or reduction on another property.

Section 2: Description of Data and Sources

Data from Broward, Duval, Lee and Miami-Dade Counties

March 2017 Ad Valorem Assessment Estimating Conference Homestead Taxable Value Growth rates

Homestead Parcel Counts – 2017 County Databook

Section 3: Methodology (Include Assumptions and Attach Details)

Assumptions:

1. The House and Senate language will operate the same with respect to those homesteads that are not eligible to have penalty and interest waived.
2. Both the Senate and House Language will allow those who have claimed a homestead in Florida and a residency based ad valorem tax exemption or a tax credit in another state to receive a waiver of penalty and interest.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Waiver of Penalty and Interest – Certain Improper Homesteads

Bill Number(s): CS/SB 226

3. For the High, it is assumed that the 20% eligibility for Miami-Dade county analysis does not include those properties who have claimed a homestead in Florida and a residency based ad valorem tax exemption or a tax credit in another state as eligible for the exemption.

Obtained certain information from Broward, Duval, Lee and Miami-Dade Counties regarding the proposed change. Miami-Dade provided data on the number of cases, the amount of penalty and interest and an estimate for those cases they believed would benefit from the new language (20% of cases). For the middle estimate, the Miami-Dade data was used. It was extrapolated to a statewide impact by multiplying the Miami-Dade's impact by the ratio of statewide homesteads to Miami-Dade homesteads.

For the high, used data from Broward and Lee Counties to adjust the Miami-Dade estimate due to the assumption that exemptions or benefits claimed in other states were not included in the 20% eligibility figure provided by Miami-Dade. For the low, the average per case amount for Duval, Lee and Miami-Dade County was applied to the 20% eligibility for the cases from those three counties and then was grossed up to the statewide level using the ratio of statewide homesteads to the homesteads in those three counties.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$31.7)	(\$31.7)	(\$22.0)	(\$22.0)	(\$16.1)	(\$16.1)
2018-19	(\$33.3)	(\$33.3)	(\$23.1)	(\$23.1)	(\$16.9)	(\$16.9)
2019-20	(\$34.9)	(\$34.9)	(\$24.2)	(\$24.2)	(\$17.7)	(\$17.7)
2020-21	(\$36.6)	(\$36.6)	(\$25.3)	(\$25.3)	(\$18.6)	(\$18.6)
2021-22	(\$38.4)	(\$38.4)	(\$26.6)	(\$26.6)	(\$19.4)	(\$19.4)

List of affected Trust Funds:

Ad Valorem Group

Section 5: Consensus Estimate (Adopted: 03/31/2017): The Conference adopted the low estimate assuming the penalty and interest for out-of-state homesteads are not eligible for the waiver. The Conference adopted 75% of the recurring impact for the cash impact.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(4.7)	(6.3)	(7.4)	(9.8)	(12.1)	(16.1)
2018-19	(5.0)	(6.6)	(7.7)	(10.3)	(12.7)	(16.9)
2019-20	(5.2)	(6.9)	(8.1)	(10.8)	(13.3)	(17.7)
2020-21	(5.5)	(7.3)	(8.5)	(11.3)	(14.0)	(18.6)
2021-22	(5.7)	(7.6)	(8.9)	(11.8)	(14.6)	(19.4)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	0.0	0.0	(12.1)	(16.1)	(12.1)	(16.1)
2018-19	0.0	0.0	0.0	0.0	(12.7)	(16.9)	(12.7)	(16.9)
2019-20	0.0	0.0	0.0	0.0	(13.3)	(17.7)	(13.3)	(17.7)
2020-21	0.0	0.0	0.0	0.0	(14.0)	(18.6)	(14.0)	(18.6)
2021-22	0.0	0.0	0.0	0.0	(14.6)	(19.4)	(14.6)	(19.4)

	A	B	C	D	E	F	G	H	I	J
		Total Homesteads	cases	Penalty and Interest	P&I per homestead	Two homesteads in Florida - P&I	Homestead in another state - P&I	Rental of Homestead - P&I	Available for waiver	Impact
1										
2	Miami - Dade	420,058	1061	\$10,087,724	\$9,508				20%	\$2,017,545
3	Lee	162,211	51	384,896	\$7,547	97,580	104,220	183,096		
4	Duval	189,103	1051	\$3,088,889	\$2,939			\$308,889		
5	Total - 3 counties	771,372	2163	\$13,561,509	\$6,270					
6										
7	Statewide	4,363,670								
8										
9	Additional data -									
10	Broward -	Rental of Homestead 24% of cases								
11	Miami-Dade	Rental or multi homestead violations - 848 cases								
12		Statewide Impact								
13	Using Miami-Dade data	\$20,958,772	Middle	\$20,958,771.69						
14										
15	Using a combination of Miami-Dade, Lee and Broward data									
16										
17	Miami-Dade total cases				1061					
18	Using Broward Rental of Homestead Percent				24%					
19	Implied Miami-Dade Rental				255					
20	Reported Miami-Dade Rental and Multiple Homestead				848					
21	Implied Miami-Dade Multiple Homestead				593					
22	Lee County % out of state Multiple Homestead				51.6%					
23	Implied Miami-Dade multiple homestead -out of state				306					
24	Implied statewide number of multiple homestead -out of state				3183					
25	At Miami-Dade Per case value				\$30,266,947	High				
26										
27	Using Average per case P&I Value and Miami-Dade % eligible				\$15,343,557	Low				
28										
29	Growth - uses the Homestead Taxable Value Growth Rates									
30	Impact	Growth	High	Middle	Low					
31	2017	4.9%	\$31,743,974	\$21,981,560	\$16,092,322					
32	2018	4.9%	\$33,299,429	\$23,058,656	\$16,880,846					
33	2019	4.8%	\$34,881,152	\$24,153,942	\$17,682,686					
34	2020	4.9%	\$36,604,281	\$25,347,147	\$18,556,211					
35	2021	4.8%	\$38,361,286	\$26,563,810	\$19,446,909					

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Waiver of Penalty and Interest – Certain Improper Homesteads

Bill Number(s): CS/HB 289

☐ **Entire Bill**

☒ **Partial Bill:** Sections 2, 3, 7, and 8 of CS/HB 289

Sponsor(s): Rep. Donalds and Rep. Avila

Month/Year Impact Begins: July 1, 2017

Date of Analysis: 4/1/2017

Section 1: Narrative

a. Current Law: There are multiple ways to lose the homestead exemption. Most relevant to this analysis:

Section 196.031(5), Florida Statutes, reads: A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption provided by this section. This subsection does not apply to a person who has the legal or equitable title to real estate in Florida and maintains thereon the permanent residence of another legally or naturally dependent upon the owner.

Section 196.061(1), Florida Statutes, reads: The rental of all or substantially all of a dwelling previously claimed to be a homestead for tax purposes shall constitute the abandonment of such dwelling as a homestead, and the abandonment continues until the dwelling is physically occupied by the owner. However, such abandonment of the homestead after January 1 of any year does not affect the homestead exemption for tax purposes for that particular year unless the property is rented for more than 30 days per calendar year for 2 consecutive years.

When it is discovered that a person has improperly received the homestead exemption in any year or year of the last ten years, the property owner is subject to unpaid taxes plus 50% penalty of the taxes unpaid each year and 15% interest per annum on the various benefits that accompany homestead. The back taxes, penalty and interest outlined above apply to the following sections of law:

Section 193.155 - Homestead Assessment Limitation

Section 193.703 – Reduction in assessment for living quarters of parents or grandparents

Section 196.011 – Annual Application required for exemption

Section 196.075 – Additional homestead Exemption for persons 65 and older.

b. Proposed Change: Revises each of Section 193.155, Section 193.703, Section 196.011, and Section 196.075 to provide that the property appraiser shall waive the unpaid penalties and interest if the property appraiser determines that the person qualified for the exemption (assessment limitation – 193.155, reduction – 193.703) at the time the application was filed, the person acted in good faith, and, other than the improperly received tax savings, the person did not receive any additional financial benefit, such as rental payments or other income.

CS/HB 289 – The property appraiser may not waive the penalty or interest if the person claimed a property tax exemption or reduction on another property predicated on the homestead exemptions provided in s. 6, Art. VII of the State Constitution.

CS/SB 226 - The property appraiser may not waive penalty or interest if the person claimed a homestead related exemption, limitation, or reduction on another property.

Section 2: Description of Data and Sources

Data from Broward, Duval, Lee and Miami-Dade Counties

March 2017 Ad Valorem Assessment Estimating Conference Homestead Taxable Value Growth rates

Homestead Parcel Counts – 2017 County Databook

Section 3: Methodology (Include Assumptions and Attach Details)

Assumptions:

1. The House and Senate language will operate the same with respect to those homesteads that are not eligible to have penalty and interest waived.
2. Both the Senate and House Language will allow those who have claimed a homestead in Florida and a residency based ad valorem tax exemption or a tax credit in another state to receive a waiver of penalty and interest.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Waiver of Penalty and Interest – Certain Improper Homesteads

Bill Number(s): CS/HB 289

3. For the High, it is assumed that the 20% eligibility for Miami-Dade county analysis does not include those properties who have claimed a homestead in Florida and a residency based ad valorem tax exemption or a tax credit in another state as eligible for the exemption.

Obtained certain information from Broward, Duval, Lee and Miami-Dade Counties regarding the proposed change. Miami-Dade provided data on the number of cases, the amount of penalty and interest and an estimate for those cases they believed would benefit from the new language (20% of cases). For the middle estimate, the Miami-Dade data was used. It was extrapolated to a statewide impact by multiplying the Miami-Dade's impact by the ratio of statewide homesteads to Miami-Dade homesteads.

For the high, used data from Broward and Lee Counties to adjust the Miami-Dade estimate due to the assumption that exemptions or benefits claimed in other states were not included in the 20% eligibility figure provided by Miami-Dade. For the low, the average per case amount for Duval, Lee and Miami-Dade County was applied to the 20% eligibility for the cases from those three counties and then was grossed up to the statewide level using the ratio of statewide homesteads to the homesteads in those three counties.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$31.7)	(\$31.7)	(\$22.0)	(\$22.0)	(\$16.1)	(\$16.1)
2018-19	(\$33.3)	(\$33.3)	(\$23.1)	(\$23.1)	(\$16.9)	(\$16.9)
2019-20	(\$34.9)	(\$34.9)	(\$24.2)	(\$24.2)	(\$17.7)	(\$17.7)
2020-21	(\$36.6)	(\$36.6)	(\$25.3)	(\$25.3)	(\$18.6)	(\$18.6)
2021-22	(\$38.4)	(\$38.4)	(\$26.6)	(\$26.6)	(\$19.4)	(\$19.4)

List of affected Trust Funds:

Ad Valorem Group

Section 5: Consensus Estimate (Adopted: 03/31/2017): The Conference adopted the middle estimate, assuming 75% of the recurring impact is the cash impact.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(6.5)	(8.6)	(10.0)	(13.4)	(16.5)	(22.0)
2018-19	(6.8)	(9.0)	(10.5)	(14.1)	(17.3)	(23.1)
2019-20	(7.1)	(9.5)	(11.0)	(14.7)	(18.2)	(24.2)
2020-21	(7.4)	(9.9)	(11.6)	(15.4)	(19.0)	(25.3)
2021-22	(7.8)	(10.4)	(12.1)	(16.2)	(20.0)	(26.6)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	0.0	0.0	(16.5)	(22.0)	(16.5)	(22.0)
2018-19	0.0	0.0	0.0	0.0	(17.3)	(23.1)	(17.3)	(23.1)
2019-20	0.0	0.0	0.0	0.0	(18.2)	(24.2)	(18.2)	(24.2)
2020-21	0.0	0.0	0.0	0.0	(19.0)	(25.3)	(19.0)	(25.3)
2021-22	0.0	0.0	0.0	0.0	(20.0)	(26.6)	(20.0)	(26.6)

	A	B	C	D	E	F	G	H	I	J
1		Total Homesteads	cases	Penalty and Interest	P&I per homestead	Two homesteads in Florida - P&I	Homestead in another state - P&I	Rental of Homestead - P&I	Available for waiver	Impact
2	Miami - Dade	420,058	1061	\$10,087,724	\$9,508				20%	\$2,017,545
3	Lee	162,211	51	384,896	\$7,547	97,580	104,220	183,096		
4	Duval	189,103	1051	\$3,088,889	\$2,939			\$308,889		
5	Total - 3 counties	771,372	2163	\$13,561,509	\$6,270					
6										
7	Statewide	4,363,670								
8										
9	Additional data -									
10	Broward -	Rental of Homestead 24% of cases								
11	Miami-Dade	Rental or multi homestead violations - 848 cases								
12	Statewide Impact									
13	Using Miami-Dade data	\$20,958,772	Middle	\$20,958,771.69						
14										
15	Using a combination of Miami-Dade, Lee and Broward data									
16										
17	Miami-Dade total cases				1061					
18	Using Broward Rental of Homestead Percent				24%					
19	Implied Miami-Dade Rental				255					
20	Reported Miami-Dade Rental and Multiple Homestead				848					
21	Implied Miami-Dade Multiple Homestead				593					
22	Lee County % out of state Multiple Homestead				51.6%					
23	Implied Miami-Dade multiple homestead -out of state				306					
24	Implied statewide number of multiple homestead -out of state				3183					
25	At Miami-Dade Per case value				\$30,266,947					
26										
27	Using Average per case P&I Value and Miami-Dade % eligible				\$15,343,557					
28										
29	Growth - uses the Homestead Taxable Value Growth Rates									
30	Impact	Growth	High	Middle	Low					
31	2017	4.9%	\$31,743,974	\$21,981,560	\$16,092,322					
32	2018	4.9%	\$33,299,429	\$23,058,656	\$16,880,846					
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34	2020	4.9%	\$36,604,281	\$25,347,147	\$18,556,211					
35	2021	4.8%	\$38,361,286	\$26,563,810	\$19,446,909					

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Marine Trailer/Nonprofit Charitable Organizations

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: 7/1/2017

Date of Analysis: 4/3/2017

Section 1: Narrative

a. Current Law: Section 320.08 (7), F.S. charges base tag fees for trailers as follows:

Use	Weight	Base Tag Fee	GR Portion	STTF Portion
Private	500 lbs. or less	\$6.75	\$1.75	\$5.00
Private	Greater than 500 lbs.	\$3.50 + \$1 per cwt	\$1 + \$0.25 per cwt	\$2.50 + \$0.75 per cwt

Per 320.10, F.S., some vehicles are exempt from the requirements of 320.08, F.S. including vehicles owned by a member of the U.S. Armed Forces who is not a resident of this state and is stationed in this state, owned by the federal government, owned by a religious organization, owned by certain charitable organizations, mobile blood bank units or mobile X-ray units, and any vehicles used by several counties as search and rescue units. These vehicles pay a \$4 fee per 320.08(13), F.S.

In addition to the base tag fees above, the following ancillary fees are charged: 50 cent FRVIS fee per 320.03(5), F.S., \$1 Air Pollution fee per 320.03(6), F.S., \$1.50 TDTF fee per 320.03(9), F.S., variable mailing service fee per 320.031(2), F.S., \$2.50 Service Charge per 320.04(1)(a), F.S., \$1 Decal on Demand fee per 320.04(1)(b), F.S., 50 cent additional fee retained by Tax Collectors per 320.04(1)(c), F.S., \$2.80 Advanced Replacement fee per 320.06(1)(b), F.S., 50 cent Reflective Material fee per 320.06(3)(b), F.S., 10 cent Emergency Medical Services fee per 320.0801, F.S., \$1 Law Enforcement Radio System Trust Fund fee per 320.0802, F.S., \$1.20 STTF Surcharge per 320.0804, F.S., and \$1 Juvenile Justice Surcharge per 320.08046, F.S.

b. Proposed Change: Section 320.08 and 320.10, F.S. are revised and 320.102, F.S. is created to add to the list of exempt plates any marine boat trailer operated by a nonprofit organization that is exempt under s. 501(c)(3) of the Internal Revenue Code and which is used exclusively in carrying on the organization's customary nonprofit activities. These trailers would be exempt from paying any base tag per 320.08, F.S. and would be exempt from paying the ancillary fees noted above.

Section 2: Description of Data and Sources

Phone interview with Department of Highway Safety and Motor Vehicles Staff

3/1/2017 Highway Safety REC

Section 3: Methodology (Include Assumptions and Attach Details)

The fee reductions for each tag would result in a reduction to the General Revenue Fund, local funds, and various state trust funds. Boat trailers register as either private or for-hire trailers per sections 320.08 (7) and (8), F.S. Boat trailers owned by charitable organizations register as private use. The number of boat trailers within these categories is unknown. Further, the number that would be owned by charitable organizations and used exclusively in carrying out the organization's nonprofit activities is also unknown. Assuming that the typical boat trailer weighs under 500 pounds, the fee reduction per boat trailer is \$21.10. To meet the \$50,000 threshold where the impact from this language is no longer insignificant, there would need to be over 2,370 boat trailers exempted by this bill. The low scenario assumes that the number of boat trailers exempted per this language is under 2,370. The high scenario assumes that the number of impacted boat trailers is greater than 2,370; however, due to the data limitations mentioned above the impact is negative indeterminate.

Note that the fee reduction includes the \$2.80 advanced replacement fee per 320.06(1)(b), F.S. This fee is used to offset the \$28 license plate renewal fee which is paid every ten years and is not exempted in this language. There would be an insignificant positive impact from trailer owners paying the owed balance of the \$28 license plate fee every tenth year. For both the high and low scenarios, it is assumed that the positive impact from the \$28 license plate fee being paid entirely at once is smaller than the negative impact created from the other fee exemptions.

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Marine Trailer/Nonprofit Charitable Organizations

Bill Number(s): Proposed Language

Section 4: Proposed Fiscal Impact

GR, TRUST, & LOCAL	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:

State Transportation Trust Fund

General Revenue Fund

Highway Safety Operating Trust Fund

Air Pollution Control Trust Fund

Transportation Disadvantaged Trust Fund

Emergency Medical Services Trust Fund

Law Enforcement Radio System Trust Fund

Department of Juvenile Justice Grants and Donations Trust Fund

Local Trust Funds

Section 5: Consensus Estimate (Adopted: 03/31/2017): The Conference adopted the low estimate.

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

Proposal #2 Marine Boat Trailers Potential Revenue Loss*			
Fee	Statute	Amount	Distribution
Base Tag	320.08	\$ 6.75	74% STTF, 26% GR
FRVIS Fee	320.03(5)	\$ 0.50	HSOTF
Air Pollution Fee	320.03(6)	\$ 1.00	APCTF
TDTF Fee	320.03(9)	\$ 1.50	TDTF
Mailing Fee	320.031(2)	\$ 0.75	HSOTF or Tax Collector
Service Charge	320.04(1)(a)	\$ 2.50	HSOTF or Tax Collector
Decal on Demand	320.04(1)(b)	\$ 1.00	HSOTF
Additional Tax Collector Fee	320.04(1)(c)	\$ 0.50	Tax Collector
Advanced Replacement	320.06(1)(b)	\$ 2.80	HSOTF
Reflective Material Fee	320.06(3)(b)	\$ 0.50	HSOTF
EMS Fee	320.0801	\$ 0.10	EMSTF
LERSTF Fee	320.0802	\$ 1.00	LERSTF
STTF Surcharge	320.0804	\$ 1.20	\$1 STTF, \$.2 HSOTF
Juvenile Justice Fee	320.08046	\$ 1.00	DJJ G&D TF
Total		\$ 21.10	

Number of Boat Trailers Needed for the Impact to be > \$50,000 = 2,370

* Assumes Boat Trailer Weighes under 500 lbs