

## REVENUE ESTIMATING CONFERENCE

**Tax:** Article V

**Issue:** Shift Part of Dissolution of Marriage Fee to GR

**Bill Number(s):** HB 5501 and HB 1A

☐ **Entire Bill**

☒ **Partial Bill:** Section 7

**Sponsor(s):** Transportation and Tourism Subcommittee (HB 5501); Representative Renner (HB 1A)

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

**Date of Analysis:** 6/16/2017

### Section 1: Narrative

#### a. Current Law:

Section 28.101(1)(b), F.S. charges a \$5 fee when a party files for a dissolution of marriage, which may be partially or fully waived via an order of the court due to the petitioner having insufficient funds. The \$5 fee is deposited into the Displaced Homemaker Trust Fund. Section 28.101(1)(d), F.S. also charges a fee of \$32.50 for each dissolution of marriage distributed as follows: \$7.50 into the Displaced Homemaker Trust Fund and \$25 into the General Revenue Fund.

#### b. Proposed Change:

Sections 1 through 6 of the bill terminate the Displaced Homemaker Trust Fund and repeal the Displaced Homemaker Program. Additionally, section 94 of the 2017-18 General Appropriations Act (SB 2500) sweeps the projected ending balance of \$4.9 million from the trust fund.

As a result of the trust fund termination, section 7 provides the following changes to the trust fund's revenue sources beginning July 1, 2017:

1. Section 28.101(1)(b), F.S. is revised to abolish the \$5 fee deposited into the Displaced Homemaker Trust Fund.
2. The \$32.50 fee in section 28.101(1)(d) is increased to \$37.50 with the entire fee being deposited into the General Revenue Fund instead of being split.

### Section 2: Description of Data and Sources

2/16/17 Article V REC

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

The fees being directed to GR are derived from the 2/16/17 Article V REC. Please note that the \$5 fee being abolished may be partially or fully waived via an order of the court while the fee being increased by \$5 has no such provision. Based upon the number of transactions, there will be a minimal effect due to the fee no longer being waived or reduced by court order. The impact is adjusted by the one month difference between cash and recurring for FY 2017-18.

### Section 4: Proposed Fiscal Impact

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			0.7	0.8		
2018-19			0.8	0.8		
2019-20			0.8	0.8		
2020-21			0.8	0.8		
2021-22			0.8	0.8		

TRUST	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			(0.7)	(0.8)		
2018-19			(0.8)	(0.8)		
2019-20			(0.8)	(0.8)		
2020-21			(0.8)	(0.8)		
2021-22			(0.8)	(0.8)		

### List of affected Trust Funds:

General Revenue Fund

Displaced Homemaker Trust Fund

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**Section 5: Consensus Estimate (Adopted: 06/21/2017): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.7	0.8	(0.7)	(0.8)	0.0	0.0	0.0	0.0
2018-19	0.8	0.8	(0.0)	(0.0)	0.0	0.0	0.0	0.0
2019-20	0.7	0.7	(0.7)	(0.7)	0.0	0.0	0.0	0.0
2020-21	0.7	0.7	(0.7)	(0.7)	0.0	0.0	0.0	0.0
2021-22	0.7	0.7	(0.7)	(0.7)	0.0	0.0	0.0	0.0

## HB 5501 and HB 1A Post Session Impact: Displaced Homemaker Trust Fund shift to General Revenue

Current Law									
Section	Statutory Citation	Revenue Description	Fund	Data Source	FY 1718	FY 1819	FY 1920	FY 2021	FY 2122
7	28.101 F.S.	\$5 additional charge (dissolution of marriage)	DHTF	2/17 ArtV REC	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
7	28.101 F.S.	\$7.50 of additional \$32.50 charge (dissolution of marriage)	DHTF	2/17 ArtV REC	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
7	28.101 F.S.	\$25 of additional \$32.50 charge (dissolution of marriage)	GR	2/17 ArtV REC	\$1.6	\$1.6	\$1.6	\$1.6	\$1.6
GR Total					\$1.6	\$1.6	\$1.6	\$1.6	\$1.6
DHTF Total					\$0.8	\$0.8	\$0.8	\$0.8	\$0.8
Proposed Change									
Section	Statutory Citation	Revenue Description	Fund	Data Source	FY 1718	FY 1819	FY 1920	FY 2021	FY 2122
7	28.101 F.S.	\$37.50 additional (dissolution of marriage)	GR	Derived	\$2.5	\$2.4	\$2.4	\$2.4	\$2.4
GR Total					\$2.5	\$2.4	\$2.4	\$2.4	\$2.4
DHTF Total					\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
GR Change					\$0.8	\$0.8	\$0.8	\$0.8	\$0.8
DHTF Change					(\$0.8)	(\$0.8)	(\$0.8)	(\$0.8)	(\$0.8)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Other Taxes and Fees

**Issue:** Reduction of Marriage License Fee

**Bill Number(s):** HB 5501 and HB 1A

☐ **Entire Bill**

☒ **Partial Bill:** Sections 11 and 12

**Sponsor(s):** Transportation and Tourism Subcommittee (HB 5501); Representative Renner (HB 1A)

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

**Date of Analysis:** 6/16/2017

### Section 1: Narrative

#### a. Current Law:

Section 741.01(3), F.S. charges a \$7.50 fee for each marriage license, which is deposited in the Displaced Homemaker Trust Fund. Section 741.01(4), F.S. charges a \$25 fee for each marriage license, which is deposited in the General Revenue Fund. Section 741.011, F.S. allows the Clerk to retain \$1 from the GR fee when the applicant pays the marriage license fees per section 741.01, F.S. in installments.

#### b. Proposed Change:

Sections 1 through 6 of the bill terminate the Displaced Homemaker Trust Fund and repeal the Displaced Homemaker Program. Additionally, section 94 of the 2017-18 General Appropriations Act (SB 2500) sweeps the projected ending balance of \$4.9 million from the trust fund.

As a result of the trust fund termination, section 11 of the bill eliminates the \$7.50 marriage license fee beginning July 1, 2017. The \$25 marriage license fee currently deposited into GR is not changed. Changes made to section 741.011, F.S. in section 12 correct a cross reference to conform to changes elsewhere in the bill.

### Section 2: Description of Data and Sources

2/16/17 Article V REC

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

The \$7.50 fee in section 741.01(3), F.S. is not included in the current Article V REC; however, the \$25 fee authorized in section 741.01(4), F.S. is included. The current forecast of the \$25 fee was used to derive the approximate amount of the \$7.50 fee. It was assumed that the \$1 Clerk's amount from the \$25 GR fee for installment plans would not materially impact the derived transactions. The impact is adjusted by the one month difference between cash and recurring for FY 2017-18.

### Section 4: Proposed Fiscal Impact

TRUST	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			(1.0)	(1.1)		
2018-19			(1.1)	(1.1)		
2019-20			(1.1)	(1.1)		
2020-21			(1.1)	(1.1)		
2021-22			(1.1)	(1.1)		

#### List of affected Trust Funds:

General Revenue Fund

Displaced Homemaker Trust Fund

## REVENUE ESTIMATING CONFERENCE

**Tax:** Other Taxes and Fees

**Issue:** Reduction of Marriage License Fee

**Bill Number(s):** HB 5501 and HB 1A

**Section 5: Consensus Estimate (Adopted: 06/21/2017):** The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.1)	(0.1)	(0.9)	(1.0)	0.0	0.0	(1.0)	(1.1)
2018-19	(0.1)	(0.1)	(1.0)	(1.0)	0.0	0.0	(1.1)	(1.1)
2019-20	(0.1)	(0.1)	(1.0)	(1.0)	0.0	0.0	(1.1)	(1.1)
2020-21	(0.1)	(0.1)	(1.0)	(1.0)	0.0	0.0	(1.1)	(1.1)
2021-22	(0.1)	(0.1)	(1.0)	(1.0)	0.0	0.0	(1.1)	(1.1)

## HB 5501 and HB 1A Post Session Impact: Displaced Homemaker Trust Fund Fee Reduction

Current Law									
Section	Statutory Citation	Revenue Description	Fund	Data Source	FY 1718	FY 1819	FY 1920	FY 2021	FY 2122
11	741.01 F.S.	\$7.50 additional fee (marriage license)	DHTF	Derived	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1
11	741.01 F.S.	\$25 additional fee (marriage license)	GR	2/17 ArtV REC	\$3.8	\$3.8	\$3.8	\$3.8	\$3.8
GR Total					\$3.8	\$3.8	\$3.8	\$3.8	\$3.8
DHTF Total					\$1.1	\$1.1	\$1.1	\$1.1	\$1.1
Proposed Change									
Section	Statutory Citation	Revenue Description	Fund	Data Source	FY 1718	FY 1819	FY 1920	FY 2021	FY 2122
11	741.01 F.S.	\$25 additional fee (marriage license)	GR	Derived	\$3.8	\$3.8	\$3.8	\$3.8	\$3.8
GR Total					\$3.8	\$3.8	\$3.8	\$3.8	\$3.8
DHTF Total					\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
GR Change					\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
DHTF Change					(\$1.1)	(\$1.1)	(\$1.1)	(\$1.1)	(\$1.1)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Medical Use of Marijuana

**Issue:** Sales tax exemption – medical marijuana and devices

**Bill number(s):** SB 8A, engrossed, enrolled

☒ **Entire Bill**

☐ **Partial Bill:**

**Sponsor(s):** Bradley & Young

**Month/Year Impact Begins:** Upon becoming a law

**Date of Analysis:** June 21, 2017

### Section 1: Narrative

- a. **Current Law:** Under current law, sales of medical marijuana are taxable. The Revenue Estimating Conference met on March 2, 2017 and adopted a Sales Tax Baseline Impact, Absent Law Change (Baseline), 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. 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:** SB 8A 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 some changes to the medical marijuana program relative to the Baseline. The most pertinent changes include:
- SB 8A exempts marijuana from sales tax by inserting a new paragraph “l” in s. 212.08, F.S. to read: “Marijuana and marijuana delivery devices, as defined in s. 381.986, are 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.
  - The bill specifies an additional qualifying medical condition.
    - ⇒ Chronic nonmalignant pain “caused by a qualifying medical condition or that originates from a qualifying medical condition and persists beyond the usual course of that qualifying medical condition” is added to the list of conditions.
    - ⇒ Chronic nonmalignant pain was not expressly mentioned in Amendment 2 even though it might have fallen under “other conditions” depending on the physician’s interpretation and the guidance given to physicians.
  - SB 8A amends the pools of potential qualified patients.
    - ⇒ The bill prohibits physicians from ordering medical marijuana for pregnant women but allows them to order low-THC cannabis.
    - ⇒ SB 8A includes “seasonal residents” and defines them as: “...any person who temporarily resides in this state for a period of at least 31 consecutive days in each calendar year, maintains a temporary residence in this state, returns to the state or jurisdiction of his or her residence at least one time during each calendar year, and is registered to vote or pays income tax in another state or jurisdiction.”

## REVENUE ESTIMATING CONFERENCE

**Tax:** Medical Use of Marijuana

**Issue:** Sales tax exemption – medical marijuana and devices

**Bill number(s):** SB 8A, engrossed, enrolled

### Section 2: Description of Data and Sources

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

- Bill Analysis and Fiscal Impact, Senate Committee on Appropriations, Medical Use of Marijuana, June 8, 2017, <http://www.flsenate.gov/Session/Bill/2017A/8A/Analyses/2017s00008A.ap.PDF>
- 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)
- Impact of CS/SB 406 (2017), Compassionate Use of Low-THC Cannabis and Marijuana, Revenue Estimating Conference, April 7, 2017, [http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2017/\\_pdf/page527-531.pdf](http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2017/_pdf/page527-531.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>.

### Section 3: Methodology

#### a. Sales Tax Exemption

SB 8A exempts medical marijuana and related devices from sales tax.

#### b. User Estimates

Even though SB 8A exempts all medical marijuana sales from sales tax, this section discusses some substantive changes in the pool of eligible patients created by SB 8A compared to the Baseline adopted on March 2, 2017. In terms of potential users, SB 8A appears to be very similar to the Baseline adopted on March 2, 2017. In addition, this analysis assumes the bill expands the user populations in three areas:

- **Pregnant women:** Pregnant women were not explicitly assumed to be in the potential user pool in the Baseline, so their exclusion would not have a material impact. The inclusion of low-THC for pregnant women is not expected to have a material impact either as the number of pregnant women for whom doctors will recommend the use of low-THC cannabis is expected to be very small.
- **Seasonal residents (“snowbirds”):** While the Baseline assumed only Florida residents will be eligible for medical marijuana, SB 8A allows non-residents to qualify as users under certain conditions. Based on the impact analysis of CS/SB 406 (2017), this is likely to expand the potential pool of users and to increase the sales tax collections (see the table below).
- **Chronic pain:** When chronic pain is combined with “other debilitating conditions” to allow physicians to write certifications for chronic pain ensuing from “other conditions,” the potential pool of users may expand even more. Based on the impact analysis of CS/SB 406 (2017), the increase in potential users will result in an increase in sales tax collections (see the table below).



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The table below from the impact analysis of CS/SB 406 (with an added top row) shows the estimated effect of adding seasonal residents and chronic pain. The conference adopted a positive indeterminate impact. Even though SB 8A might expand the pool of users and thus sales tax collections, this effect is obviated by the fact that this bill simultaneously exempts the product and the devices from sales tax.

**Table 5 from the Impact Analysis of CS/SB 406 (April 7, 2017)**  
**Estimated Sales Tax Collections (Month Collected)**

	<b>BASELINE</b>	<b>PLUS SNOWBIRDS</b>		<b>PLUS SNOWBIRDS &amp; CHRONIC PAIN</b>	
<b>Fiscal Year</b>	<b>Scenario I (Baseline, Minimal Snowbirds)</b>	<b>Scenario II (Same Proportion of Snowbirds as of Residents, 1.7%)</b>		<b>Scenario III (Residents and Snowbirds Maximize Use, 2.2%)</b>	
	<b>Tax Estimate</b>	<b>Tax Estimate</b>	<b>Difference from Baseline</b>	<b>Tax Estimate</b>	<b>Difference from Baseline</b>
2016-17	437,898	437,898	0	437,898	0
2017-18	2,552,342	2,636,657	+84,315	2,979,129	+426,787
2018-19	4,206,479	4,694,301	+487,823	6,675,747	+2,469,269
2019-20	7,688,420	8,609,862	+921,443	12,352,594	+4,664,174
2020-21	15,602,428	16,957,491	+1,355,063	22,461,508	+6,859,080
<b>2021-22</b>	<b>24,306,791</b>	<b>25,897,876</b>	<b>+1,591,084</b>	<b>32,354,959</b>	<b>+8,048,168</b>

### Section 4: Proposed Fiscal Impact

Sales Tax: There is no cash sales tax impact in FY 2016-17 as sales tax would have been collected under current law (s. 381.986, F.S. 2016). In FY 2017-18, the cash impact of the sales tax exemption is reduced to 11 months as the sales tax paid for June 2017 will be collected in July 2017.

	Cash	Recurring
2016-17	0.0	(24.3)
2017-18	(2.3)	(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)

# REVENUE ESTIMATING CONFERENCE

**Tax:** Medical Use of Marijuana

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**Bill number(s):** SB 8A, engrossed, enrolled

**Section 5: Consensus Estimate (Adopted: 06/21/2017):** The Conference adopted the proposed estimate. In FY 2016-17, there is a recurring total impact of (\$27.0m), of which (\$21.5m) is against GR, (\*) against Trust, and (\$5.5m) against local.

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

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.3)	(2.7)	(0.5)	(5.5)	(2.6)	(27.0)
2018-19	(0.5)	(2.7)	(1.0)	(5.5)	(4.7)	(27.0)
2019-20	(0.9)	(2.7)	(1.8)	(5.5)	(8.6)	(27.0)
2020-21	(1.8)	(2.7)	(3.6)	(5.5)	(17.4)	(27.0)
2021-22	(2.7)	(2.7)	(5.5)	(5.5)	(27.0)	(27.0)