

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Specialty and Special License Plates

Bill Number(s): CS CS SB 676

☐ **Entire Bill**

☒ **Partial Bill:** Sections 3, 4, and 5

Sponsor(s): Baxley

Month/Year Impact Begins: 10/01/2021

Date of Analysis: 07/16/2021

Section 1: Narrative

a. Current Law:

Specialty Plates (section 3)

Section 320.08056, F.S. states that the Department of Highway Safety and Motor Vehicles (HSMV) is responsible for developing specialty license plates authorized in section 320.08053, F.S. The Department shall issue a specialty license plate to the owner or lessee of a motor vehicle upon payment of the license tax set forth in section 320.08, F.S., a \$5 processing fee to be deposited into the Highway Safety Operating Trust Fund, the license plate fee as required by section 320.06(1)(b), F.S., and a license plate annual use fee.

Special License Plates for Former State Legislators (section 4)

Section 320.0807, F.S. allows for the issuance of a special license plate for any current or former House Speaker, Senate President, former member of Congress, or former state legislator upon payment of the a \$10 annual use fee to be deposited into STTF and \$5 processing fee to be deposited into HSOTF. The issuance of a special license plate for any current or former House Speaker or Senate President is only for those who served prior to January 1, 2021

Military Special Plates (section 5)

Section 320.089, F.S. authorizes the department to issue special military "stamped" plates, the base tag from which is deposited as follows: the first \$100,000 to the Veterans Grants and Donations Trust Fund and the remainder to the Operations and Maintenance Trust Fund at DVA.

b. Proposed Change:

Specialty Plates (section 3)

Section 320.08056, F.S. is revised to add the following new specialty plates: Florida State Parks, Honor Flight, Biscayne Bay, Disease Prevention and Early Detection, Protect Marine Wildlife, 30A.com Scenic Walton, and Support Healthcare Heroes.

Special License Plates for Former State Legislators (section 4)

Section 320.0807, F.S. is revised so that the issuance of a special license plate for any current or former House Speaker or Senate President is no longer only for those who served prior to January 1, 2021.

Military Special Plates (section 5)

Section 320.089, F.S. is revised to add Army of Occupation Veterans to the list of military special plates.

Section 2: Description of Data and Sources

Contact with HSMV staff

Impact for CS HB 387 and HB 1135 prepared 07/30/2021

Highway Safety REC held 3/19/2021 and Conference History

<https://veteranmedals.army.mil/awardg&d.nsf/374fbd6468877ab385256b6600590a90/48884fdf2638ab8185256b660066c86a!OpenDocument>

Section 3: Methodology (Include Assumptions and Attach Details)

Specialty Plates (section 3)

The bill would add seven new specialty license plates to the list of available plates. The most recent Highway Safety REC projects total specialty tag annual use fees ranging from \$42.2M in FY 2020-21 to \$46.3M in FY 2025-26. The proceeds from these annual use fees are deposited into a variety of state, local, and other funds ranging from universities to private or public benefit organizations. The overall change to specialty tag use fees would be zero or positive indeterminate because the number of new specialty tags which owners and lessees of motor vehicles would choose is unknown. In addition, past performance shows that when new specialty tags are introduced, there is a high level of substitution from exiting plates. Also note that the new plate cannot be issued until at least 3,000 plates are presold.

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Special License Plates for Former State Legislators (section 4)

Removing the cap on the special plate to those who served after January 2, 2021 would have a positive impact due to collecting the \$10 and \$5 fees associated with the plates. According to HSMV staff, the department currently issues less than 10 of these plates annually. Thus, the impact is insignificant.

Military Special Plates (section 5)

To qualify as an Army of Occupation Veteran, a veteran must have 30 days consecutive service while assigned to:

- a. Germany (excluding Berlin) between May 9, 1945 and May 5, 1955. Service between May 9, and November 8, 1945 will count only if the EAME Campaign Medal was awarded for service prior to May 9, 1945.
- b. Austria between May 9, 1945 and July 27, 1955. Service between May 9, and November 18, 1945 will count only if the EAME Campaign Medal was awarded for service prior to May 9, 1945.
- c. Berlin between May 9, 1945 and October 2, 1990. Service between May 9, and November 8, 1945 may be counted only if the EAME Campaign Medal was awarded for service prior to May 9, 1945.
- d. Italy between May 9, 1945 and September 15, 1947 in the compartment of Venezia Giulia E. Zara or Province of Udine, or with a unit in Italy designated in DA General Order 4, 1947. Service between May 9, and November 8, 1945 may be counted only if the EAME Campaign Medal was awarded for service prior to May 9, 1945.
- e. Japan between September 3, 1945 and April 27, 1952 in the four main islands of Hokkaido, Honshu, Shikoku and Kyushu; the surrounding smaller islands of the Japanese homeland; the Ryukyu Islands; and the Bonin-Volcano Islands. Service between September 3, 1945 and March 2, 1946 will be counted only if the Asiatic-Pacific Campaign Medal was awarded for service prior to September 3, 1945.
- f. Korea between September 3, 1945 and June 29, 1949. Service between September 3, 1945 and March 2, 1946 will be counted only if the Asiatic-Pacific Campaign Medal was awarded for service prior to September 3, 1945.

In the low scenario, adding Army of Occupation Veterans to the list of military special plates would have no impact, because all veterans currently qualify for the special military plate. In the high scenario, there is an insignificant positive impact to the Operations and Maintenance Trust Fund at DVA and an insignificant negative impact to STTF because the additional military plate type incentivizes additional veterans to select the plate. The net impact to state trust funds is zero.

Section 4: Proposed Fiscal Impact

Specialty Plates (section 3)

Trust/Other/ Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			0/**	0/**		
2022-23			0/**	0/**		
2023-24			0/**	0/**		
2024-25			0/**	0/**		
2025-26			0/**	0/**		

Special License Plates for Former State Legislators (section 4)

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			*	*		
2022-23			*	*		
2023-24			*	*		
2024-25			*	*		
2025-26			*	*		

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

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Military Special Plates (section 5)

STTF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			(*)	(*)		
2022-23			(*)	(*)		
2023-24			(*)	(*)		
2024-25			(*)	(*)		
2025-26			(*)	(*)		

DVA OMTF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			*	*		
2022-23			*	*		
2023-24			*	*		
2024-25			*	*		
2025-26			*	*		

List of affected Trust Funds:

Other/Local/State Trust

Highway Safety Operating Trust Fund

State Transportation Trust Fund

Operations and Maintenance Trust Fund at DVA

Section 5: Consensus Estimate (Adopted: 07/16/2021) The Conference adopted a zero/positive indeterminate impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	0/**	0/**	0/**	0/**	0/**	0/**	0/**	0/**
2022-23	0/**	0/**	0/**	0/**	0/**	0/**	0/**	0/**
2023-24	0/**	0/**	0/**	0/**	0/**	0/**	0/**	0/**
2024-25	0/**	0/**	0/**	0/**	0/**	0/**	0/**	0/**
2025-26	0/**	0/**	0/**	0/**	0/**	0/**	0/**	0/**

REVENUE ESTIMATING CONFERENCE

Tax: Lawton Chiles Endowment Fund

Issue: Termination of the Lawton Chiles Endowment Fund

Bill Number(s): HB 5011

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Trumbull

Month/Year Impact Begins: July 1, 2021

Date of Analysis: July 16, 2021

Section 1: Narrative

- a. Current Law:** The Lawton Chiles Endowment Fund (LCEF) was created in 1999 in section 215.5601, Florida Statutes, to receive a portion of the nonrecurring receipts from the state's settlement agreement with tobacco companies. The LCEF was created to provide a perpetual source of enhanced funding for state health care programs and biomedical research activities. The Biomedical Research Trust Fund and the Tobacco Settlement Clearing Trust Fund receive annual transfers from the LCEF (ss. 20.435 and 215.56005, F.S.). Transfers to the Tobacco Settlement Clearing Trust Fund are further transferred to the Tobacco Settlement Trust Fund.
- b. Proposed Change:** House Bill 5011 (Ch. 2021-43, L.O.F.) amends sections 20.435 and 215.56005, Florida Statutes repealing the transfers to the Biomedical Research Trust Fund and the Tobacco Settlement Clearing Trust Fund, effective July 1, 2021; repeals the final repayment to the LCEF from a portion of medical hospital fees from the General Revenue Fund (s. 409.915(8), F.S.); and directs the State Board of Administration (SBA) to liquidate the assets in the LCEF by June 30, 2022. The bill also terminates the LCEF (s. 215.5601, F.S.) effective July 1, 2022, and directs the SBA to transfer all balances remaining to the Budget Stabilization Fund (BSF).

Section 2: Description of Data and Sources

HB Staff Analysis, dated June 6, 2021

SBA Staff email regarding estimated transfers from the LCEF, dated March 11, 2021

SBA Staff email regarding transfers from the LCEF to the BSF, dated July 12, 2021

Comptroller Cash Balance Report for the BSF, dated July 8, 2021

Section 3: Methodology (Include Assumptions and Attach Details)

The SBA provided the estimated transfers from the LCEF to the Tobacco Settlement Trust Fund and Biomedical Research Trust Fund for the March 19, 2021 Revenue Estimating Conference Tobacco Settlement Trust Fund Outlook for Fiscal Years 2020-21 through 2025-26.

Projections as of March 11, 2021						
Fiscal Year Ending June 30:	2021	2022	2023	2024	2025	2026
Program Payouts	Future estimate	Future estimate	Future estimate	Future estimate	Future estimate	Future estimate
a. Biomedical Portion	\$ 738,321	\$ 786,521	\$ 822,535	\$ 859,453	\$ 898,151	\$ 938,631
b. Non-Biomedical Portion	\$ 7,682,820	\$ 8,182,083	\$ 8,554,173	\$ 8,935,312	\$ 9,334,578	\$ 9,751,967
Total Program Payout (a+b)	\$ 8,421,141	\$ 8,968,604	\$ 9,376,708	\$ 9,794,765	\$ 10,232,729	\$ 10,690,598

On July 8, 2021, the SBA transferred \$1,049,331,687.80 from the LCEF to the BSF. There remains \$6 million in investments and \$2 million in receivables. Proceeds will be transferred quarterly beginning September 30, 2021, at which time SBA will transfer the \$6 million plus the portion of the \$2 million that SBA received as cash. After that, SBA expects there would be some smaller residual amounts that would be transferred quarterly.

Section 4: Proposed Fiscal Impact

LCEF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			(\$1,057.3)			
2022-23						
2023-24						
2024-25						
2025-26						

REVENUE ESTIMATING CONFERENCE

Tax: Lawton Chiles Endowment Fund

Issue: Termination of the Lawton Chiles Endowment Fund

Bill Number(s): HB 5011

BSF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			\$1,057.3			
2022-23						
2023-24						
2024-25						
2025-26						

TSTF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			(\$8.2)			
2022-23			(\$8.6)			
2023-24			(\$8.9)			
2024-25			(\$9.3)			
2025-26			(\$9.8)			

BMRTF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			(\$0.8)			
2022-23			(\$0.8)			
2023-24			(\$0.9)			
2024-25			(\$0.9)			
2025-26			(\$0.9)			

List of Affected Trust Funds:

Lawton Chiles Endowment Fund

Tobacco Settlement Trust Fund

Biomedical Research Trust Fund

Budget Stabilization Fund

Section 5: Consensus Estimate (Adopted: 07/16/2021) The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	0.0	0.0	(9.0)	0.0	0.0	0.0	(9.0)	0.0
2022-23	0.0	0.0	(9.4)	0.0	0.0	0.0	(9.4)	0.0
2023-24	0.0	0.0	(9.8)	0.0	0.0	0.0	(9.8)	0.0
2024-25	0.0	0.0	(10.2)	0.0	0.0	0.0	(10.2)	0.0
2025-26	0.0	0.0	(10.7)	0.0	0.0	0.0	(10.7)	0.0

CHANGE DATE	L1	GF	SF	FID	BEGINNING CASH	RECEIPTS YTD	DISBURSEMENTS YTD	BSF CASH BALANCE
Todays BSF Balance Is:								
08-Jul-21	43	10	5	000001	1,674,190,000	1,049,331,688	0	2,723,521,688

Projections as of March 11, 2021

Fiscal Year Ending June 30: Program Payouts	2021 Future estimate	2022 Future estimate	2023 Future estimate	2024 Future estimate	2025 Future estimate	2026 Future estimate
a. Biomedical Portion	\$ 738,321	\$ 786,521	\$ 822,535	\$ 859,453	\$ 898,151	\$ 938,631
b. Non-Biomedical Portion	\$ 7,682,820	\$ 8,182,083	\$ 8,554,173	\$ 8,935,312	\$ 9,334,578	\$ 9,751,967
Total Program Payout (a+b)	\$ 8,421,141	\$ 8,968,604	\$ 9,376,708	\$ 9,794,765	\$ 10,232,729	\$ 10,690,598

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Contractors License Fees and Cosmetic Manufacturer Permits

Bill Number(s): CS/CS/SB 1966

☐ **Entire Bill**

☒ **Partial Bill:** Sections 4 and 7

Sponsor(s): Senator Diaz

Month/Year Impact Begins: July 1, 2021

Date of Analysis: July 16, 2021

Section 1: Narrative

a. Current Law:

Section 4

Construction Contractors

Section 489.109(3), F.S., requires all construction contractors to pay a fee of \$4.00 to the Department of Business and Professional Regulations (DBPR) when they apply for initial licensure or renewal. The funds from payment of this fee must be used to fund projects relating to the building construction industry or continuing education programs offered to persons engaged in the building construction industry in Florida, to be selected by the Florida Building Commission.

Section 7

Cosmetic Manufacturer Permits

Section 499.01(2)(p), F.S., requires a person that manufactures or repackages cosmetics in the state of Florida to obtain a cosmetic manufacturing permit. The only exemption from the requirement for a permit is if a person only labels or changes the labeling of a cosmetic but does not open the container sealed by the manufacturer of the product.

b. Proposed Change:

Section 4

The bill amends ss. 489.109(3), F.S., to repeal the \$4 fee all construction contracting certificate holders and registrants must pay to the DBPR at the time of application or renewal to fund projects relating to the building construction industry or continuing education programs offered to persons engaged in the building construction industry in Florida, to be selected by the Florida Building Commission..

Section 7

The bill amends s. 499.01(2)(p), F.S., to exempt from the requirement for a cosmetic manufacturing permit a person who manufactures cosmetics with annual gross sales of \$25,000 or less. Under the bill, an exempt cosmetics manufacturer may only:

- Sell prepackaged cosmetics affixed with a label containing information required by the United States Food and Drug Administration.
- Manufacture and sell cosmetics that are soaps, not otherwise exempt from the definition of cosmetics, lotions, moisturizers, and creams.
- Sell cosmetic products that are not adulterated or misbranded, in accordance with 21 U.S.C. ss. 361 and 362.

Section 2: Description of Data and Sources

Contact with staff at DBPR

DBPR, 2021 Agency Legislative Bill Analysis (SB 1966)

DBPR Website - [Division of Drugs, Devices and Cosmetics – Cosmetic Manufacturer – MyFloridaLicense.com](#)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Contractors License Fees and Cosmetic Manufacturer Permits

Bill Number(s): CS/CS/SB 1966

Section 3: Methodology (Include Assumptions and Attach Details)

Section 4 (of the bill)

Construction:

To determine the revenue reduction for fiscal years 2021-2022 through 2025-2026, the average of the \$4.00 fee collected for fiscal years 2016-2017 through 2019-2020 was used. Collection data for fiscal year 2020-2021 is unavailable. Because the licenses for CLIB are biennial, the averages of FYs 2016-17 and 2018-19 and 2017-18 and 2019-20 were used.

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
CLIB	228,212	145,910	232,297	129,622

	Average FYs 2016-17 & 2018-19	Average FYs 2017-18 & 2019-20
CLIB	230,255	137,766

Section 7

According to DBPR, there are numerous businesses, with annual gross sales of \$25,000 or less who manufacture cosmetics. However, the vast majority of these businesses are currently operating without a permit. Many of these companies are mom and pop operations whose owners are unaware of the requirement to obtain a permit. Most of these companies produce products such as "pour soaps," creams and lotions and sell the items at flea markets, online, and at open markets.

There are very few cosmetic manufacturers with annual gross sales of \$25,000 or less that are currently operating with a permit. However, the exact number is unknown because the agency does not collect gross sales data. According to DBPR, since the number of permitted cosmetic manufacturers with annual gross sales of \$25,000 or less is low, the implementation of Section 7 of the bill will result in very few exemptions.

The application and permitting fee for a cosmetic manufacturer is \$800 for a two year permit, plus a one-time pre-permit inspection fee of \$150 unless the applicant also holds an Over-the-Counter Drug Manufacturer or Prescription Drug Manufacturer permit at the same address.

The proposed fiscal impact is as follows:

Low Estimate: Negative insignificant.

Middle and High Estimates: Negative indeterminate.

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Contractors License Fees and Cosmetic Manufacturer Permits

Bill Number(s): CS/CS/SB 1966

Section 4: Proposed Fiscal Impact

Section 4

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			(0.1)	(0.1)		
2022-23			(0.2)	(0.2)		
2023-24			(0.1)	(0.1)		
2024-25			(0.2)	(0.2)		
2025-26			(0.1)	(0.1)		

Section 7

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	(**)	(**)	(**)	(**)	(*)	(*)
2022-23	(**)	(**)	(**)	(**)	(*)	(*)
2023-24	(**)	(**)	(**)	(**)	(*)	(*)
2024-25	(**)	(**)	(**)	(**)	(*)	(*)
2025-26	(**)	(**)	(**)	(**)	(*)	(*)

List of affected Trust Funds:

Professional Regulation Trust Fund

Section 5: Consensus Estimate (Adopted: 07/16/2021) The Conference adopted the proposed estimate for Section 4 and the low estimate for Section 7.

Section 4

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
2022-23	(Insignificant)	(Insignificant)	(0.2)	(0.2)	0.0	0.0	(0.2)	(0.2)
2023-24	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)
2024-25	(Insignificant)	(Insignificant)	(0.2)	(0.2)	0.0	0.0	(0.2)	(0.2)
2025-26	(Insignificant)	(Insignificant)	(0.1)	(0.1)	0.0	0.0	(0.1)	(0.1)

Section 7

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2022-23	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2023-24	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2024-25	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2025-26	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)