REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Additional Homestead Exemption Index (Implementing)
Bill Number(s): SB1264

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Brandes
Month/Year Impact Begins: January 1, 2023
Date of Analysis: January 5, 2022

Section 1: Narrative

a. Current Law:

Section 1: Subsections (1) (b) and (1) (c) of section 196.031, Florida Statutes, currently read:

(1)(b) Every person who qualifies to receive the exemption provided in paragraph (a) is entitled to an additional exemption of up to $25,000 on the assessed valuation greater than $50,000 for all levies other than school district levies.

b. Proposed Change:

Section 1: Subsections (1) (b) and (1) (c) of section 196.031, Florida Statutes, are amended to read:

(b) Every person who qualifies to receive the exemption provided in paragraph (a) is entitled to an additional exemption of up to $25,000 <u>or the amount as determined under paragraph (c)</u> on the assessed valuation greater than $50,000 for all levies other than school district levies.

<u>(c) On January 1, 2023, the additional exemption in paragraph (b) shall be equal to the greater of the prior year's additional exemption or the prior year's additional exemption multiplied by the percentage change in the All-Transactions House Price Index for Florida, Not Seasonally Adjusted published by the Federal Housing Finance Agency for the most recent 4-quarter period ending September 30 compared to the 4-quarter period ending September 30 of the year immediately preceding the most recent period. The additional exemption must be recalculated beginning January 1, 2025, and each January 1 every 5 years thereafter, using the same method.</u>

Section 2: This act shall take effect on the effective date of the amendment to the State Constitution proposed by SJR 1266 or a similar joint resolution having substantially the same specific intent or purpose, if such amendment to the State Constitution is approved at the general election held in November 2022 or at an earlier special election specifically authorized by law for that purpose.

Section 2: Description of Data and Sources

2021F NAL File
REC Ad Valorem Conference Package – August 2021
Federal Housing Finance Agency
Florida Department of Revenue Save Our Homes cap

Section 3: Methodology (Include Assumptions and Attach Details)

Currently, parcels with values from $50-75k are eligible for Exemption 2—a $25,000 reduction in AV_HMSTD. This bill would raise that amount in 2023, 2025, 2030, and every 5 years after that, proportional to the most recent four quarters' Florida All-Transactions Housing Price Index change. Because the FHFA does not provide forecasts of this index, the most recent 3 years' average was used to grow this index forward (excluding the outlier of 2021, and replacing with 2021, in the averages). Using this method, the index's percent change in 2023 is projected to be 6.07%; in 2025, 6.27%; and, in 2030, 6.21%. Increasing the $25,000 exemption by these ratios, the new maximum exemption ("New Ex2 Value") for these years would be $26,519, $28,182, and $29,931, respectively.

It is assumed that all persons with AV_HMSTD>$0 would participate in this exemption. The 2021F Real Property Roll was used to identify the 4.6m parcels with AV_HMSTD and TV_NSD>$0. The AV_HMSTD value for each of these parcels was grown forward using the available projections for the Save Our Homes Cap (through 2027) from the August 2021 Ad Valorem Revenue Estimating Conference, and the most recent 5 years' average was used for years beyond the forecast.

For this analysis, parcels were placed into one of five cohorts each year, based on their AV_HMSTD value relation to the New Ex2 Value:

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Additional Homestead Exemption Index (Implementing)
Bill Number(s): SB1264

Group	AV_HMSTD	TV_NSD	Impact of Each Parcel
A	$50k <= AV_HMSTD < $75k		No impact.
B	$75k <= AV_HMSTD <= (New Ex2 Value + $50k)	TV_NSD **< (**New Ex2 Value - $25k)	=TV_NSD
C	$75k <= AV_HMSTD <= (New Ex2 Value + $50k)	TV_NSD **>** (New Ex2 Value - $25k)	=AV_HMSTD-$75k
D	(New Ex2 Value + $50k) < AV_HMSTD	TV_NSD **<** (New Ex2 Value - $25k)	=TV_NSD
E	(New Ex2 Value + $50k) < AV_HMSTD	TV_NSD **>** (New Ex2 Value - $25k)	=New Ex2 Value-$25k

A. Parcels in Group A would not be impacted by this bill.
   a. For example, a parcel with a value of $64,000 would currently receive $14,000 in Exemption 2. Increasing the maximum exemption value would not impact this parcel.

B. Parcels in Group B would be impacted by unique amounts according to their value. These are parcels that would benefit from additional exemption because they have remaining taxable value (TV), but they would not max out the additional benefit. For example,
   a. a parcel with an assessed value (AV) of $76,100 and TV of $100 would receive a marginal Ex2 Value of $100, becoming fully exempt.
   b. a parcel with an AV of $76,100 and TV of $1,000 would receive a marginal Ex2 Value of $1,000, becoming fully exempt.

   These parcels would have maxed out the current $25,000 exemption, and would receive additional exemptional value, without maxing out the proposed exemption amounts. The sum of these parcels' remaining TV_NSD is this group's impact.

C. Parcels in Group C would also be impacted by unique amounts according to their value. These are parcels that would benefit from additional exemption because they have remaining TV, and they would not max out the additional benefit. For example,
   a. a parcel with an AV of $76,100 and TV of $5,000 currently receives the $25,000 Exemption 2. The new estimated exemption value in 2023 is $26,519 for amounts over $50,000. Because the AV is below $76,519, it would not max out the additional benefit amount of $1,519; the marginal benefit for this parcel would be $76,100-$75,000=$1,100.

   The sum of each parcel in this group is summed for each year and is this group's impact.

D. Parcels in Group D would also be impacted by unique amounts according to their value. While their AV is greater than $75,000 plus the New Ex2 Value, they have remaining TV less than the marginal increase in the maximum exemption. These parcels' impacts are calculated in the same way as Group B's. For example,
   a. a parcel with an AV of $80,000 and TV of $100. While it will max out the New Ex2 Value (reducing or eliminating the amount removed from other exemptions), its impact is that it becomes totally exempt.

   This group's impact is the sum of its parcels TV_NSD.

E. Parcels in Group E would have uniform marginal benefit from this bill. All parcels with AV greater than the proposed New Ex2 Value (plus $50,000) and TV greater than the New Ex2 Value would max out the new exemption value. For example,
   a. a parcel with an AV of $80,000 and TV of $5,000 currently receives $25,000 for Ex2. It would receive $26,519 in 2023. The marginal benefit of this bill for that parcel is $1,619.
   b. a parcel with an AV of $100,000 and TV of $2,000 currently receives $25,000 for Ex2. It would receive $26,519 in 2023. The marginal benefit of this bill for that parcel is $1,619.

   Because these amounts are uniform within the group, the total count of parcels in the group was multiplied by the marginal exemption amount (New Ex2 Value minus $25,000) to determine this group's impact.

The four groups with impacts' marginal exemption value were totaled for each year through 2030. It is assumed that each parcels full TV_NSD is eligible for this exemption. These sums were multiplied by the Average Statewide Non-School District Millage Rate (10.8009 mils) to determine the total impact (Exemption 2 is not applicable to School District levies).

The high estimate assumes 110% of the amount, and the low estimate 90%, to account for fluctuations in the projected All-Transactions Housing Price Index.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Additional Homestead Exemption Index (Implementing)
Bill Number(s): SB1264

Section 4: Proposed Fiscal Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$ -	$ (149.4 M)	$ -	$ (135.8 M)	$ -	$ (122.2 M)
2023-24	$ (69.7 M)	$ (149.4 M)	$ (63.4 M)	$ (135.8 M)	$ (57.1 M)	$ (122.2 M)
2024-25	$ (70.2 M)	$ (149.4 M)	$ (63.8 M)	$ (135.8 M)	$ (57.4 M)	$ (122.2 M)
2025-26	$ (147.5 M)	$ (149.4 M)	$ (134.1 M)	$ (135.8 M)	$ (120.7 M)	$ (122.2 M)
2026-27	$ (148.5 M)	$ (149.4 M)	$ (135.0 M)	$ (135.8 M)	$ (121.5 M)	$ (122.2 M)

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 01/07/2022): The impact of the implementing bill to the constitutional amendment is zero/negative indeterminate due to the requirement for a statewide referendum. If the constitutional amendment does not pass, the impact is zero.

If approved, the Conference expects the low estimate would best account for slowing growth of home prices.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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/(**)
2026-27	0	0	0	0	0/(**)	0/(**)	0/(**)	0/(**)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue Agritourism
Bill Number(s): HB717 & SB1186

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Tomkow & Senator Albritton
Month/Year Impact Begins: July 2022
Date of Analysis: January 7, 2022

Section 1: Narrative

a. Current Law:

Section 570.85, Florida Statutes, currently identifies the legislature's intent to promote agritourism as a way to support agricultural production by providing a secondary stream of revenue, among other things.

Section 570.87(1), Florida Statutes, currently reads:

"570.87 Agritourism participation impact on land classification.—
(1) In order to promote and perpetuate agriculture throughout the state, farm operations are encouraged to engage in agritourism. The conduct of agritourism activity on a bona fide farm or on agricultural lands classified as such pursuant to s. 193.461 does not limit, restrict, or divest the land of that classification as long as such lands classified as agricultural remain used primarily for bona fide agricultural purposes."

b. Proposed Change:

Section 570.85, Florida Statutes, is amended and changes the legislative intent of promoting agritourism to now include streams of revenue that are not only secondary. Changing the legislature's intent to include primary (or tertiary, etc.) streams of income derived from agritourism has no impact.

Section 570.87(1), Florida Statutes, is amended to read:

(1) In order to promote and perpetuate agriculture throughout <u>this</u> ~~the~~ state, farm operations are encouraged to engage in agritourism. <u>An agricultural classification pursuant to s. 193.461 may not be denied or revoked solely due to</u> the conduct of agritourism activity on a bona fide farm or <u>the construction, alteration, or maintenance of a nonresidential farm building, structure, or facility on a bona fide farm which is used to conduct agritourism activities. So long as the building, structure, or facility is an integral part of the agricultural operation, the land it occupies shall be considered agricultural in nature. However, such buildings, structures, and facilities, and other improvements on the land, must be assessed under s. 193.011 at their just value and added to the agriculturally assessed value of the land</u> ~~on agricultural lands classified as such pursuant to s. 193.461 does not limit, restrict, or divest the land of that classification as long as such lands classified as agricultural remain used primarily for bona fide agricultural purposes~~.

Section 2: Description of Data and Sources

Discussion with property appraisers
2021 Final Real Property Assessment Rolls, NAL data

Section 3: Methodology (Include Assumptions and Attach Details)

The language makes clear that

1. true agricultural land cannot lose its agricultural classification due to agritourism activity;
2. Structures for agritourism but that are integral parts of the agricultural operations must have the land under them assessed at the agricultural rate; and
3. Structures for agritourism but that are integral parts of the agricultural operations must be assessed using the standard just value calculations

Discussion with various property appraisers indicates that this is clarifying language and that they are already operating under the new language. No examples could be identified where a structure that is an integral part of the agricultural operation that is used for agritourism was not being assessed using the standard just value methodology (193.011).

If an example does exist in the state where one of these structures is being assessed strictly as the land under it, rather than being assessed separately from the land under it, there could be a positive impact resulting from the bill. If there were an event venue/barn that should be valued at $500,000 that was being assessed instead at approximately $5,000 (approximate median agriculture jv/acre), there would have to 6 such occurrences before the impact would be significant. It is expected that no such occurrences exist, but, if any, less than 6. This is used as the high estimate.

If an example does exist in the state where the land under one of these structures was being assessed at a higher rate rather than the agricultural rate, there could be a negative impact resulting from the bill. If there were an event venue/barn that the land under should be valued at approximately $5,000 (approximate median agriculture jv/acre) that was being valued instead at approximately $25,000 (approximate median vacant residential, commercial, and industrial jv/acre), there would have to be 146 such occurrences before the impact would be significant. It is expected that no such occurrences exist, but, if any, less than 146. This is used as the low estimate.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$0	*	$0	$0	$0	(*)
2023-24	*	*	$0	$0	(*)	(*)
2024-25	*	*	$0	$0	(*)	(*)
2025-26	*	*	$0	$0	(*)	(*)
2026-27	*	*	$0	$0	(*)	(*)

List of affected Trust Funds:
Ad Valorem

Section 5: Consensus Estimate (Adopted: 01/07/2022) The Conference adopted a cash impact of zero in the first year and an insignificant positive or negative impact for the remainder of the impact period.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0	0	0	0	0	+/- ins.	0	+/- ins.
2023-24	0	0	0	0	+/- ins.	+/- ins.	+/- ins.	+/- ins.
2024-25	0	0	0	0	+/- ins.	+/- ins.	+/- ins.	+/- ins.
2025-26	0	0	0	0	+/- ins.	+/- ins.	+/- ins.	+/- ins.
2026-27	0	0	0	0	+/- ins.	+/- ins.	+/- ins.	+/- ins.

	A	B	C	D	E	F	G
1	**Use Code**	**Median JV/Acre**					
2	**Ag**	$ 5,832					
3	**Vacant res/com/ind**	$ 25,921					
4							
5	**2021 SD millage**	6.27					
6	**2021 NSD millage**	10.80					
7							
8	**Structure (high)**	**JV Bill**	**JV Current**				
9	**Event Barn JV**	$ 500,000	$ 5,832				
10	**Tax Levy**	$ 8,535.38	$ 99.56				
11							
12	**Land Under (low)**	**JV Bill**	**JV Current**				
13	**Event Barn JV**	$ 5,832	$ 25,921				
14	**Tax Levy**	$ 99.56	$ 442.49				
15							
16		**High**	**Low**				
17	**Impact/occurence**	$ 8,435.82	$ (342.93)				
18	**N to reach $50k**	6	146				
19							
20	**Total Impact**						
21	**Year**	High		Middle		Low	
22		Cash	Recurring	Cash	Recurring	Cash	Recurring
23	22-23	$0	*	$0	$0	$0	(*)
24	23-24	*	*	$0	$0	(*)	(*)
25	24-25	*	*	$0	$0	(*)	(*)
26	25-26	*	*	$0	$0	(*)	(*)
27	26-27	*	*	$0	$0	(*)	(*)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Additional Homestead Exemption Index
Bill Number(s): SJR 1266

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Brandes
Month/Year Impact Begins: January 1, 2023
Date of Analysis: January 5, 2022

Section 1: Narrative

a. Current Law:

Article VII, Section 6 of the Constitution states, in relevant part:

Section 6. Homestead exemptions.—

(a) 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 up to seventy-five thousand dollars, for all levies other than school district levies, on the assessed valuation greater than fifty thousand dollars, upon establishment of right thereto in the manner prescribed by law. The real estate may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years. The exemption shall not apply with respect to any assessment roll until such roll is first determined to be in compliance with the provisions of section 4 by a state agency designated by general law. This exemption is repealed on the effective date of any amendment to this Article which provides for the assessment of homestead property at less than just value.

b. Proposed Change:

Article VII, Section 6 of the Constitution is amended to read, in relevant part:

(a) 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, up to twenty-five thousand dollars 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. The real estate may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years. The exemption shall not apply with respect to any assessment roll until such roll is first determined to be in compliance with the provisions of section 4 by a state agency designated by general law. This exemption is repealed on the effective date of any amendment to this Article which provides for the assessment of homestead property at less than just value.

The legislature may, by general law, provide for the periodic increase in the twenty-five thousand dollar exemption that applies to the assessed valuation greater than fifty thousand dollars.

Article XII is added to read:

Ad valorem tax exemption.—This section, and the amendments to Section 6 of Article VII providing for the periodic increase in the twenty-five thousand dollar exemption on a homestead property's assessed value that is greater than fifty thousand dollars, shall take effect January 1, 2023.

Section 2: Description of Data and Sources

2021F NAL File
REC Ad Valorem Conference Package – August 2021
Federal Housing Finance Agency
Florida Department of Revenue Save Our Homes cap

Section 3: Methodology (Include Assumptions and Attach Details)

The methodology description is identical to the one in the impact analysis for SB 1264. However, the proposed fiscal impact is contingent on the passage of a constitutional amendment and an implementing bill and is presented as zero/negative indeterminate.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Additional Homestead Exemption Index
Bill Number(s): SJR 1266

Currently, parcels with values from $50-75k are eligible for Exemption 2—a $25,000 reduction in AV_HMSTD. This bill would raise that amount in 2023, 2025, 2030, and every 5 years after that, proportional to the most recent four quarters' Florida All-Transactions Housing Price Index change. Because the FHFA does not provide forecasts of this index, the most recent 3 years' average was used to grow this index forward (excluding the outlier of 2021, and replacing with 2021, in the averages). Using this method, the index's percent change in 2023 is projected to be 6.07%; in 2025, 6.27%; and, in 2030, 6.21%. Increasing the $25,000 exemption by these ratios, the new maximum exemption ("New Ex2 Value") for these years would be $26,519, $28,182, and $29,931, respectively.

It is assumed that all persons with AV_HMSTD>$0 would participate in this exemption. The 2021F Real Property Roll was used to identify the 4.6m parcels with AV_HMSTD and TV_NSD>$0. The AV_HMSTD value for each of these parcels was grown forward using the available projections for the Save Our Homes Cap (through 2027) from the August 2021 Ad Valorem Revenue Estimating Conference, and the most recent 5 years' average was used for years beyond the forecast.

For this analysis, parcels were placed into one of five cohorts each year, based on their AV_HMSTD value relation to the New Ex2 Value:

Group	AV_HMSTD	TV_NSD	Impact of Each Parcel
A	$50k <= AV_HMSTD < $75k		No impact.
B	$75k <= AV_HMSTD <= (New Ex2 Value + $50k)	TV_NSD **<** **(**New Ex2 Value - $25k)	=TV_NSD
C	$75k <= AV_HMSTD <= (New Ex2 Value + $50k)	TV_NSD **>** (New Ex2 Value - $25k)	=AV_HMSTD-$75k
D	(New Ex2 Value + $50k) < AV_HMSTD	TV_NSD **<** (New Ex2 Value - $25k)	=TV_NSD
E	(New Ex2 Value + $50k) < AV_HMSTD	TV_NSD **>** (New Ex2 Value - $25k)	=New Ex2 Value-$25k

A. Parcels in Group A would not be impacted by this bill.
   a. For example, a parcel with a value of $64,000 would currently receive $14,000 in Exemption 2. Increasing the maximum exemption value would not impact this parcel.

B. Parcels in Group B would be impacted by unique amounts according to their value. These are parcels that would benefit from additional exemption because they have remaining taxable value (TV), but they would not max out the additional benefit. For example,
   a. a parcel with an assessed value (AV) of $76,100 and TV of $100 would receive a marginal Ex2 Value of $100, becoming fully exempt.
   b. a parcel with an AV of $76,100 and TV of $1,000 would receive a marginal Ex2 Value of $1,000, becoming fully exempt.

   These parcels would have maxed out the current $25,000 exemption, and would receive additional exemptional value, without maxing out the proposed exemption amounts. The sum of these parcels' remaining TV_NSD is this group's impact.

C. Parcels in Group C would also be impacted by unique amounts according to their value. These are parcels that would benefit from additional exemption because they have remaining TV, and they would not max out the additional benefit. For example,
   a. a parcel with an AV of $76,100 and TV of $5,000 currently receives the $25,000 Exemption 2. The new estimated exemption value in 2023 is $26,519 for amounts over $50,000. Because the AV is below $76,519, it would not max out the additional benefit amount of $1,519; the marginal benefit for this parcel would be $76,100-$75,000=$1,100.

   The sum of each parcel in this group is summed for each year and is this group's impact.

D. Parcels in Group D would also be impacted by unique amounts according to their value. While their AV is greater than $75,000 plus the New Ex2 Value, they have remaining TV less than the marginal increase in the maximum exemption. These parcels' impacts are calculated in the same way as Group B's. For example,
   a. a parcel with an AV of $80,000 and TV of $100. While it will max out the New Ex2 Value (reducing or eliminating the amount removed from other exemptions), its impact is that it becomes totally exempt.

   This group's impact is the sum of its parcels TV_NSD.

E. Parcels in Group E would have uniform marginal benefit from this bill. All parcels with AV greater than the proposed New Ex2 Value (plus $50,000) and TV greater than the New Ex2 Value would max out the new exemption value. For example,
   a. a parcel with an AV of $80,000 and TV of $5,000 currently receives $25,000 for Ex2. It would receive $26,519 in 2023. The marginal benefit of this bill for that parcel is $1,619.
   b. a parcel with an AV of $100,000 and TV of $2,000 currently receives $25,000 for Ex2. It would receive $26,519 in 2023. The marginal benefit of this bill for that parcel is $1,619.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Additional Homestead Exemption Index
Bill Number(s): SJR 1266

Because these amounts are uniform within the group, the total count of parcels in the group was multiplied by the marginal exemption amount (New Ex2 Value minus $25,000) to determine this group's impact.

The four groups with impacts' marginal exemption value were totaled for each year through 2030. It is assumed that each parcels full TV_NSD is eligible for this exemption. These sums were multiplied by the Average Statewide Non-School District Millage Rate (10.8009 mils) to determine the total impact (Exemption 2 is not applicable to School District levies).

The high estimate assumes 110% of the amount, and the low estimate 90%, to account for fluctuations in the projected All-Transactions Housing Price Index.

Section 4: Proposed Fiscal Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0	0	0	0	0	0
2023-24	0	0	0	0	0	0
2024-25	0	0	0	0	0	0
2025-26	0	0	0	0	0	0
2026-27	0	0	0	0	0	0

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 01/07/2022): The Conference adopted a zero impact since this is a joint resolution proposing an amendment to be submitted to the voters which is not self-executing.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2026-27	0	0	0	0	0	0	0	0

	A	B	C	D	E	F	G	H
1	**Parcels with AV_HMSTD > $0 & TV_NSD > $0**							
2			**Count**					
3		2021	4,555,543					
4		*Source: 2021F NAL Roll*						
5								
6	**Statewide AV_NSD**							
7		**Year**	**CPI Change**	**SOH Cap**	**Est AV_HMSTD**	**Est TV_NSD**		
8		2021	1.40%	1.40%	$ 985,426,394,484	$ 763,485,820,342		
9		2022	6.44%	3.00%	$ 1,004,795,026,899	$ 786,390,394,952		
10		2023		2.00%	$ 1,024,890,927,437	$ 802,118,202,851		
11		2024		2.10%	$ 1,046,413,636,913	$ 818,962,685,111		
12		2025	Source: Aug 2021 AV REC	2.10%	$ 1,068,388,323,288	$ 836,160,901,500		
13		2026		2.13%	$ 1,091,144,994,574	$ 853,971,128,700		
14		2027		2.17%	$ 1,114,822,840,956	$ 872,502,302,193		
15		2028		2.10%	$ 1,138,234,120,617	$ 890,824,850,539		
16		2029	Prior 5 Years' Avg	2.12%	$ 1,162,364,683,974	$ 909,710,337,371		
17		2030		2.12%	$ 1,187,006,815,274	$ 928,814,254,455		
18								
19	**Indexing**							
20		**Year**	**Est ATHPI**	**Index Year**	**Index Rate**	**Exmpt Value**		
21		2023	6.07%	1	6.07%	$ 26,519		
22		2024	6.18%	0	0.00%	$ 26,519		
23		2025	6.27%	1	6.27%	$ 28,182		
24		2026	6.17%	0	0.00%	$ 28,182		
25		2027	6.21%	0	0.00%	$ 28,182		
26		2028	6.22%	0	0.00%	$ 28,182		
27		2029	6.20%	0	0.00%	$ 28,182		
28		2030	6.21%	1	6.21%	$ 29,931		
29								
30	**Impact Groups**							
31		**Group**	**AV_HMSTD**	**TV_NSD**	**Impact of Each Parcel**			
32		A	$50k <= AV_HMSTD < $75k		No impact. No additional exemption value.			
33		B	$75k <= AV_HMSTD <= (New Ex2 Value + $50k)	TV_NSD **<** (New Ex2 Value - $25k)	=TV_NSD			
34		C	$75k <= AV_HMSTD <= (New Ex2 Value + $50k)	TV_NSD **>** (New Ex2 Value - $25k)	=AV_HMSTD-$75k			
35		D	(New Ex2 Value + $50k) < AV_HMSTD	TV_NSD **<** (New Ex2 Value - $25k)	=TV_NSD			
36		E	(New Ex2 Value + $50k) < AV_HMSTD	TV_NSD **>** (New Ex2 Value - $25k)	=New Ex2 Value-$25k			

	A	B	C	D	E	F	G	H
37								
38	**Statewide Impact**							
39		**Count**	**A**	**B**	**C**	**D**	**E**	**Sum (excl A)**
40		2023	661,401	25	25,662	1,929	3,866,526	3,894,142
41		2024	635,627	3	24,844	1,906	3,893,163	3,919,916
42		2025	611,026	28	50,354	3,805	3,890,330	3,944,517
43		2026	586,065	25	49,180	3,740	3,916,533	3,969,478
44		2027	561,198	18	48,618	3,662	3,942,047	3,994,345
45		2028	537,793	21	47,495	3,597	3,966,637	4,017,750
46		2029	515,312	25	45,669	3,534	3,991,003	4,040,231
47		2030	493,218	57	68,938	5,316	3,988,014	4,062,325
48								
49		**Marginal Ex2 Value**	**A**	**B**	**C**	**D**	**E**	**Sum**
50		2023	$ -	$ 39,020	$ 19,498,820	$ 1,460,265	$ 5,872,019,509	5,893,017,614
51		2024	$ -	$ 2,102	$ 18,768,388	$ 1,451,044	$ 5,912,472,615	5,932,694,149
52		2025	$ -	$ 43,387	$ 80,465,066	$ 5,997,510	$ 12,377,950,047	12,464,456,010
53		2026	$ -	$ 42,036	$ 77,751,714	$ 5,901,085	$ 12,461,320,719	12,545,015,554
54		2027	$ -	$ 35,008	$ 77,296,576	$ 5,748,777	$ 12,542,499,184	12,625,579,545
55		2028	$ -	$ 42,497	$ 75,580,186	$ 5,653,122	$ 12,620,737,737	12,702,013,542
56		2029	$ -	$ 43,830	$ 73,086,369	$ 5,556,460	$ 12,698,263,585	12,776,950,244
57		2030	$ -	$ 151,223	$ 170,699,973	$ 12,974,299	$ 19,665,627,652	19,849,453,147
58								
59								
60	**2021 Average Statewide Millage Rate**							
61		Non-School District	10.7585					
62								
63	**Levers**							
64		High	Middle	Low				
65		110%	100%	90%				
66								
67	**Non-School Impact**							
68		**High**	**Middle**	**Low**				
69	2022-23	$ -	$ -	$ -				
70	2023-24	$ (69,740,033)	$ (63,400,030)	$ (57,060,027)				
71	2024-25	$ (70,209,579)	$ (63,826,890)	$ (57,444,201)				
72	2025-26	$ (147,508,735)	$ (134,098,850)	$ (120,688,965)				
73	2026-27	$ (148,462,105)	$ (134,965,550)	$ (121,468,995)				
74	2027-28	$ (149,415,527)	$ (135,832,298)	$ (122,249,068)				
75	2028-29	$ (150,320,074)	$ (136,654,613)	$ (122,989,151)				
76	2029-30	$ (151,206,901)	$ (137,460,819)	$ (123,714,737)				
77	2030-31	$ (234,905,376)	$ (213,550,342)	$ (192,195,308)				

SB1264 / SJR1266: Homestead Property Tax Exemption

Housing Price Index

	A	B	C	D	E
1					
2	**Florida All-Transactions Housing Pri**				
3		State	Year	Index	Percent Change
4		FL	2009	313.36	-13.7%
5		FL	2010	294.85	-5.9%
6		FL	2011	270.24	-8.3%
7		FL	2012	271.57	0.5%
8		FL	2013	295.79	8.9%
9		FL	2014	323.02	9.2%
10		FL	2015	352.98	9.3%
11		FL	2016	386.41	9.5%
12		FL	2017	417.14	8.0%
13		FL	2018	449.17	7.7%
14		FL	2019	473.34	5.4%
15		FL	2020	501.71	6.0%
16		FL	2021	606.25	20.8%
17	FHFA Growth Rate (3-year moving average, excluding 2021)	FL	2022	646.04	6.56%
18		FL	2023	685.29	6.07%
19		FL	2024	727.61	6.18%
20		FL	2025	773.24	6.27%
21		FL	2026	820.97	6.17%
22		FL	2027	871.93	6.21%
23		FL	2028	926.14	6.22%
24		FL	2029	983.55	6.20%
25		FL	2030	1044.61	6.21%

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Homestead Property Taxes Persons Age 65 or Older
Bill Number(s): SJR1278/HB973

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Diaz
Month/Year Impact Begins: January 2023
Date of Analysis: January 7, 2021

Section 1: Narrative

a. **Current Law**:
Article VII , Section 4 of the Florida Constitution identifies, among other things, how assessment caps on real property are to function. Section 6 of the same article identifies how the Homestead exemption is to function, including specifically:

"The legislature may, by general law, allow counties or municipalities, for the purpose of their respective tax levies and subject to the provisions of general law, to grant either or both of the following additional homestead tax exemptions:

(1) An exemption not exceeding fifty thousand dollars to a person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, who has attained age sixty-five, and whose household income, as defined by general law, does not exceed twenty thousand dollars; or

(2) An exemption equal to the assessed value of the property to a person who has the legal or equitable title to real estate with a just value less than two hundred and fifty thousand dollars, as determined in the first tax year that the owner applies and is eligible for the exemption, and who has maintained thereon the permanent residence of the owner for not less than twenty-five years, who has attained age sixty-five, and whose household income does not exceed the income limitation prescribed in paragraph (1)."

b. **Proposed Change**:
The joint resolution amends Section 4, allowing the legislature to prohibit increases in assessed value of homestead properties owned by low income seniors.

The joint resolution amends the exemption in Section 6 identified above such that either (1) or (2) must be chosen (not both) and that they both apply to low income seniors, removing the time-lived and just value requirements from (2). Note that (1) and (2), currently and under the resolution, apply to the respective county or municipal taxes, not the full non-school taxes.

Section 6 is further amended to include a new exemption of the full non-school district taxable value for low income seniors who have lived in their homesteaded home for more than 20 years with a just value of less than $300,000. The $300,000 is to be adjusted annually and only applies to the first year of application. Further, anyone who qualified under the (2) under current law automatically qualifies for the new exemption.

Section 2: Description of Data and Sources

2021 Final Real Property Assessment Rolls, NAL data
Conference Package from the August 2, 2021 Ad Valorem Revenue Estimating Conference
2021 Millage and Taxes Levied Report, 2021 Final Data Book published by Property Tax Oversight
Population: April 1, 2021 Estimate for Counties and Municipalities from EDR Population and Demographic Data
House Price Index, All Transactions Index, Florida, Not Seasonally Adjusted from the Federal Housing Finance Agency

Section 3: Methodology (Include Assumptions and Attach Details)

The methodology for the impact of this joint resolution is identical to the analysis for SB1280, though the proposed fiscal impact is indeterminate for the joint resolution as it must be approved by voters and legislation must be implemented. The impact of the language for the new exemption under section 6 is referred to herein as (4).

Impact of the amended Section 6:

The impact of the changes to Section 196.075(2) are considered under the following assumptions:

- All counties and municipalities currently offering neither (1) nor (2) are assumed to continue offering neither.
- All counties and municipalities currently offering only (1) are assumed to continue offering only (1).
- Currently there are no counties that offer (2) without (1), and only 4 municipalities (representing 0.06% of the state's population) that offer (2) without (1). We assume that the passage of the bill will prompt them to no longer offer the exemption.
- All areas offering both (1) and (2) will choose (1).

All owners currently receiving (1) will still be eligible for (1) and may be eligible for the larger exemption under (4). Under these assumptions, there will be no new (1) recipients as a result of the bill and the additional reduction in taxable value from the current (1) recipients that are eligible for (4) or future owners that would have received (1) but are eligible for (4) will be accounted for in the (4) analysis. From (4) we know that all owners currently receiving (2) will receive the new (4), so even if their government switches to (1), they will not. With these assumptions there will be no new (2) recipients and the additional reduction in taxable value from the current (2) recipients or future owners that would have received (2) will be accounted for in the (4) analysis.

As a result, while many recipients of the current (1) and/or (2) would switch to the new (4) exemption, there would be no new (1) or (2) recipients as a result of the bill and therefor no impact in conjunction with the rest of the bill.

Impact of the new language in Section 6:

The NAL data identifies exemption amounts for the (1) and (2) county (exmpt_03 and exmpt_39, respectively) and municipal (exmpt_04 and exmpt_40, respectively) exemptions. Years lived was identified based on the most recent sale of each parcel. For the 2021 year, the set of all homestead parcels receiving any amount in the identified exemptions represent the pool of low income seniors. This accounts for all but 20 municipalities or unincorporated county areas. The population in the areas without any exemption available as a share of the population in the areas with any exemption available is used to share up totals as appropriate.

For each of these parcels, the just value is grown out to 2026 using the homestead value change from the Ad Valorem conference, and their assessed values and taxable values are grown out to 2026 using the homestead assessment cap from the Ad Valorem conference. The Federal Housing Finance Agency (FHFA) growth rate is estimated out into the future using a 3-year moving average, skipping 2021 and including 2020 in its place when relevant. Each year, the time-lived and just value are used to determine if a parcel has become eligible for the new exemption under (4). Each year's cohort of newly eligible parcels are compiled and their non-school taxable values are recorded and grown at the homestead assessment cap rate to represent the impact to non-school taxable value from the existing low income seniors.

Additionally, each year there is a net increase of approximately 1,700 low-income seniors. For 2021, and assuming the new pool is eligible at the same rate as the existing pool, approximately 700 would be eligible for (4) and 1,000 ineligible. Due to the FHFA growth rate outpacing the Ad Valorem homestead value growth rate, the eligible share is expected to grow each year. This rate is achieved by comparing the number of newly eligible parcels each year from the 2021 pool divided by the total parcels in the 2021 pool. For the share of new parcels expected to be located in areas where an existing (1) or (2) exemption exists, the non-school taxable value per parcel is used from the 2021 pool and multiplied by the new parcel amount. For the share of new parcels expected to be located in areas where neither (1) nor (2) exist, the non-school taxable value, plus the maximum of the 4 possible exemptions, per parcel is used from the 2021 pool and multiplied by the new parcel amount. This exercise is reproduced for each of the outyears, creating a cohort for each year consisting of the non-school taxable values for each year that are then grown using the homestead assessment cap rate to represent the impact to non-school taxable value from the net new low income seniors each year. The total non-school taxable value for all cohorts can be summed for each year and the 2021 statewide non-school millage rate can be applied to produce a tax impact.

Impact of the amended Section 4:

For the low income seniors identified in the analysis of (4) above, the school taxable value of all parcels identified in 2021 are aggregated and grown out to 2026. This is similarly done for all net new low income seniors in the outyear cohorts using the average school taxable value per parcel grown annually using the homestead assessment cap rate. The full school taxable value set described is then compared with how it would look if the value stopped growing in 2023, with the differences each year representing the impact of the bill on school taxable value.

A similar process is applied for the impact to non-school taxable value. For the 2021 pool, the impact is evaluated by summing the tv_nsd for the known (4) ineligible parcels each year. For the net new low income seniors, the tv_nsd per parcel for the known parcels is applied to the estimated new (4) ineligible parcels each year and grown according to the homestead assessment cap rate. For the comparison set, the known 2021 pool contains the newly ineligible parcels and the av_nsd in 2023 is already estimated, so the estimates are used since the ineligible pool is declining over time. The outyear cohorts stop growing in 2023. The full non-school taxable value set is then compared with how it would look if the value stopped growing in 2023, with the differences each year representing the further impact of the bill on non-school taxable value.

The analysis does not include the eligibility incline feature for future cohorts, though it will likely exist, thus the impact is slightly understated. A high estimate is produced by doubling the net new low income seniors each year, the eligibility rate, and the amount to share up to account for areas currently ineligible for (1) or (2). A low estimate is produced by halving the net new low income seniors each year, the eligibility rate, and the amount to share up to account for areas currently ineligible for (1) or (2).

The joint resolution is dependent on the ballot outcome and implementing legislation, therefor the proposed fiscal impact is indeterminate.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2023-24	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2024-25	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2025-26	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2026-27	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)

List of affected Trust Funds:
Ad Valorem

Section 5: Consensus Estimate (Adopted: 01/07/2022): The Conference adopted a zero impact since this is a joint resolution proposing an amendment to be submitted to the voters which is not self-executing.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Homestead Property Taxes Persons Age 65 or Older (Implementing)
Bill Number(s): SB1280/HB975

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Diaz
Month/Year Impact Begins: January 2023
Date of Analysis: January 7, 2021

Section 1: Narrative

a. Current Law:

There is currently no Section 193.626, Florida Statutes.

Section 196.075(2) currently reads:

"In accordance with s. 6(d), Art. VII of the State Constitution, the board of county commissioners of any county or the governing authority of any municipality may adopt an ordinance to allow either or both of the following additional homestead exemptions:

(a) Up to $50,000 for a person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, who has attained age 65, and whose household income does not exceed $20,000.

(b) The amount of the assessed value of the property for a person who has the legal or equitable title to real estate with a just value less than $250,000, as determined in the first tax year that the owner applies and is eligible for the exemption, and who has maintained thereon the permanent residence of the owner for at least 25 years, who has attained age 65, and whose household income does not exceed the income limitation prescribed in paragraph (a), as calculated in subsection (3)."

b. Proposed Change:

Section 193.626, Florida Statutes, is created allowing low income homesteaded seniors to apply for an assessment limitation that prevents their assessed value from growing so long as they remain low income and maintain the homestead exemption. The limitation carries over to surviving spouses in the homestead if they meet the low income homesteaded senior requirement. If the property appraiser identifies a parcel receiving the exemption in the most recent 10 years that was not entitled to it, a lien and hefty tax penalty apply.

Section 196.075(2) is amended such that either (a) or (b) must be chosen (not both) and that they both apply to low income seniors, removing the time-lived and just value requirements from (b). Note that (a) and (b), currently and under the bill, apply to the respective county or municipal taxes, not the full non-school taxes.

Sections 196.075(4)-(9), F.S., become Sections 196.075(6)-(11), F.S., and a new (4) and (5) are created. The new 196.075(4) creates an exemption of all non-school taxes for low-income homesteaded seniors with a just value less than $300,000 that have been in their homestead for at least 20 years. Starting in the 2024 roll year, the $300,000 just value maximum grows by the average of most recent quarters 4, 1, 2, and 3 of the House Price Index, All Transactions Index, Florida, Not Seasonally Adjusted reported by the Federal Housing Finance Agency. Further, any resident who receives the current law 196.075(2)(b) [low income senior, in home for at least 25 years, and jv<250,000 in first year of application] will automatically receive the new exemption under 196.075(4).

The new 196.075(5) indicates that any county or municipality that has adopted (2)(a) decides to instead adopt (2)(b), the (2)(b) exemption can be granted to the previous (2)(a) recipients without requiring new applications.

Section 2: Description of Data and Sources

2021 Final Real Property Assessment Rolls, NAL data
Conference Package from the August 2, 2021 Ad Valorem Revenue Estimating Conference
2021 Millage and Taxes Levied Report, 2021 Final Data Book published by Property Tax Oversight
Population: April 1, 2021 Estimate for Counties and Municipalities from EDR Population and Demographic Data
House Price Index, All Transactions Index, Florida, Not Seasonally Adjusted from the Federal Housing Finance Agency

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Homestead Property Taxes Persons Age 65 or Older (Implementing)
Bill Number(s): SB1280/HB975

Section 3: Methodology (Include Assumptions and Attach Details)

Impact of the amended subsection 196.075(2):

While many recipients of the current (a) and/or (b) would switch to the new (4) exemption, it is unclear how local governments will react to the bill and whether there will be any new (a) or (b) recipients after the bill is implemented. For the purposes of the measurement, we are assuming that it is indeterminate and would be zero by default.

Impact of the new subsection 196.075(5):

There is no fiscal impact associated with this piece of the bill. Further, under the assumptions above no county or municipality that has adopted (a) would chose to adopt (b) instead.

Impact of the new subsection 196.075(4):

The NAL data identifies exemption amounts for the (a) and (b) county (exmpt_03 and exmpt_39, respectively) and municipal (exmpt_04 and exmpt_40, respectively) exemptions. Years lived was identified based on the most recent sale of each parcel. For the 2021 year, the set of all homestead parcels receiving any amount in the identified exemptions represent the pool of low income seniors. This accounts for all but 20 municipalities or unincorporated county areas. The population in the areas without any exemption available as a share of the population in the areas with any exemption available is used to share up totals as appropriate.

For each of these parcels, the just value is grown out to 2026 using the homestead value change from the Ad Valorem conference, and their assessed values and taxable values are grown out to 2026 using the homestead assessment cap from the Ad Valorem conference. The Federal Housing Finance Agency (FHFA) growth rate is estimated out into the future using a 3-year moving average, skipping 2021 and including 2020 in its place when relevant. Each year, the time-lived and just value are used to determine if a parcel has become eligible for the new exemption under (4). Each year's cohort of newly eligible parcels are compiled and their non-school taxable values are recorded and grown at the homestead assessment cap rate to represent the impact to non-school taxable value from the existing low income seniors.

Additionally, each year there is a net increase of approximately 1,700 low-income seniors. For 2021, and assuming the new pool is eligible at the same rate as the existing pool, approximately 700 would be eligible for (4) and 1,000 ineligible. Due to the FHFA growth rate outpacing the Ad Valorem homestead value growth rate, the eligible share is expected to grow each year. This rate is achieved by comparing the number of newly eligible parcels each year from the 2021 pool divided by the total parcels in the 2021 pool. For the share of new parcels expected to be located in areas where an existing (a) or (b) exemption exists, the non-school taxable value per parcel is used from the 2021 pool and multiplied by the new parcel amount. For the share of new parcels expected to be located in areas where neither (a) nor (b) exist, the non-school taxable value, plus the maximum of the 4 possible exemptions, per parcel is used from the 2021 pool and multiplied by the new parcel amount. This exercise is reproduced for each of the outyears, creating a cohort for each year consisting of the non-school taxable values for each year that are then grown using the homestead assessment cap rate to represent the impact to non-school taxable value from the net new low income seniors each year. The total non-school taxable value for all cohorts can be summed for each year and the 2021 statewide non-school millage rate can be applied to produce a tax impact.

Impact of the new section 193.626:

For the low income seniors identified in the analysis of (4) above, the school taxable value of all parcels identified in 2021 are aggregated and grown out to 2026. This is similarly done for all net new low income seniors in the outyear cohorts using the average school taxable value per parcel grown annually using the homestead assessment cap rate. The full school taxable value set described is then compared with how it would look if the value stopped growing in 2023, with the differences each year representing the impact of the bill on school taxable value.

A similar process is applied for the impact to non-school taxable value. For the 2021 pool, the impact is evaluated by summing the tv_nsd for the known (4) ineligible parcels each year. For the net new low income seniors, the tv_nsd per parcel for the known parcels is applied to the estimated new (4) ineligible parcels each year and grown according to the homestead assessment cap rate. For the comparison set, the known 2021 pool contains the newly ineligible parcels and the av_nsd in 2023 is already estimated, so the estimates are used since the ineligible pool is declining over time. The outyear cohorts stop

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Homestead Property Taxes Persons Age 65 or Older (Implementing)
Bill Number(s): SB1280/HB975

growing in 2023. The full non-school taxable value set is then compared with how it would look if the value stopped growing in 2023, with the differences each year representing the further impact of the bill on non-school taxable value.

The analysis does not include the eligibility incline feature for future cohorts, though it will likely exist, thus the impact is slightly understated. A high estimate is produced by doubling the net new low income seniors each year, the eligibility rate, and the amount to share up to account for areas currently ineligible for (a) or (b). A low estimate is produced by halving the net new low income seniors each year, the eligibility rate, and the amount to share up to account for areas currently ineligible for (a) or (b).

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$0	$(18.4 M)	$0	$(17.0 M)	$0	$(16.4 M)
2023-24	$(21.3 M)	$(21.3 M)	$(19.1 M)	$(19.1 M)	$(18.4 M)	$(18.4 M)
2024-25	$(30.2 M)	$(30.2 M)	$(26.8 M)	$(26.8 M)	$(25.7 M)	$(25.7 M)
2025-26	$(40.0 M)	$(40.0 M)	$(35.2 M)	$(35.2 M)	$(33.6 M)	$(33.6 M)
2026-27	$(50.7 M)	$(50.7 M)	$(44.2 M)	$(44.2 M)	$(42.0 M)	$(42.0 M)

List of affected Trust Funds:
Ad Valorem

Section 5: Consensus Estimate (Adopted: 01/07/2022): The impact of the implementing bill to the constitutional amendment is zero/negative indeterminate due to the requirement for a statewide referendum. If the constitutional amendment does not pass, the impact is zero.

If approved, the Conference adopted the following impact (the middle estimate with the fifth year recurring being the recurring impact):

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(9.8)	0.0	(34.4)	0.0	(44.2)
2023-24	0.0	(9.8)	0.0	(34.4)	0.0	(44.2)
2024-25	(3.2)	(9.8)	(23.7)	(34.4)	(26.8)	(44.2)
2025-26	(6.4)	(9.8)	(28.8)	(34.4)	(35.2)	(44.2)
2026-27	(9.8)	(9.8)	(34.4)	(34.4)	(44.2)	(44.2)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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/(**)
2026-27	0	0	0	0	0/(**)	0/(**)	0/(**)	0/(**)

	A	B	C	D	E	F	G	H	I	J	K
1	**Years in Home**	**count**									
2	**0-4**	41,802									
3	**5-9**	46,395									
4	**10-14**	11,346									
5	**15-19**	45,536									
6	**20-24**	28,696									
7	**25+**	69,433									
8											
9		**High**	**Middle**	**Low**							
10	**share increase for 25 to 20**	41.3%	41.3%	41.33%							
11	**net new parcels at 25+**	2,400	1,200	600							
12	**net new parcels at 20+**	3,392	1,696	848							
13	**eligible (4) in 2021**	192,058	96,029	48,015							
14	**eligible (a) or (b) in 2021**	243,208	243,208	243,208							
15	**share eligible**	79.0%	39.5%	19.74%							
16	**new yearly eligible parcels**	2,679	670	167							
17	**FL pop with some (a) or (b)**	20,775,438	20,775,438	20,775,438							
18	**FL pop with neither (a) nor (b)**	1,144,464	1,144,464	1,144,464							
19	**Share up other counties**	11.0%	5.5%	2.75%							
20	**2021 SD millage**	6.269890	6.269890	6.269890							
21	**2021 NSD millage**	10.758500	10.758500	10.758500							
22											
23	**AV Tax Year**	**FHFA Growth (jv)**	**Homestead Growth (jv)**	**SOHGrowth (av)**							
24	**2021**	12.96%	6.67%	1.40%							
25	**2022**	6.56%	4.74%	3.00%							
26	**2023**	6.07%	3.45%	2.00%							
27	**2024**	6.18%	3.06%	2.10%							
28	**2025**	6.27%	2.92%	2.10%							
29	**2026**	6.17%	2.73%	2.13%							
30											
31		**Net New Parcels State:**	1,696								
32	**AV Tax Year**	**65+ low income parcels**	**New Eligible**	**New Ineligible**							
33	**2021**	256,606	670	1,026							
34	**2022**	258,395	687	1,009							
35	**2023**	260,184	708	988							
36	**2024**	261,974	732	964							
37	**2025**	263,763	760	936							
38	**2026**	265,553	787	909							

	A	B	C	D	E	F	G	H	I	J	K
39											
40	**tv_nsd of parcels owned by 65+ low income seniors in 2021 that are or become eligible for (4) each year**										
41	**AV Tax Year\Cohort**	**21**	**22**	**23**	**24**	**25**	**26**	**Total**	**new parcels**	**tv_nsd/parcel**	**share new**
42	**2021**	$ 1,310,668,555						$ 1,310,668,555	96,029	$ 13,649	
43	**2022**	$ 1,349,988,612	$ 129,832,691					$ 1,479,821,303	6,425	$ 20,207	2.64%
44	**2023**	$ 1,376,988,384	$ 132,429,345	$ 146,839,281				$ 1,656,257,010	7,359	$ 19,954	3.03%
45	**2024**	$ 1,405,905,140	$ 135,210,361	$ 149,922,906	$ 198,597,025			$ 1,889,635,432	8,254	$ 24,061	3.39%
46	**2025**	$ 1,435,429,148	$ 138,049,779	$ 153,071,287	$ 202,767,562	$ 243,253,440		$ 2,172,571,217	9,210	$ 26,412	3.79%
47	**2026**	$ 1,466,003,789	$ 140,990,239	$ 156,331,706	$ 207,086,511	$ 248,434,739	$ 282,858,373	$ 2,501,705,356	8,802	$ 32,136	3.62%
48											
49	**tv_nsd of parcels owned by 65+ low income seniors in 2021 that are or become eligible for (4) each year (with max exemption (a) or (b) added back on to better represent tv_nsd per parcel for areas with no current exemption)**										
50	**AV Tax Year\Cohort**	**21**	**22**	**23**	**24**	**25**	**26**	**Total**	**new parcels**	**tv_nsd/parcel**	
51	**2021**	$ 3,953,193,937						$ 3,953,193,937	96,029	$ 41,167	
52	**2022**	$ 4,071,789,755	$ 323,269,783					$ 4,395,059,538	6,425	$ 50,314	
53	**2023**	$ 4,153,225,550	$ 329,735,179	$ 369,081,030				$ 4,852,041,759	7,359	$ 44,807	
54	**2024**	$ 4,240,443,287	$ 336,659,617	$ 376,831,732	$ 455,536,941			$ 5,409,471,577	8,254	$ 55,190	
55	**2025**	$ 4,329,492,596	$ 343,729,469	$ 384,745,198	$ 465,103,217	$ 536,000,549		$ 6,059,071,029	9,210	$ 58,198	
56	**2026**	$ 4,421,710,788	$ 351,050,907	$ 392,940,271	$ 475,009,916	$ 547,417,360	$ 578,084,943	$ 6,766,214,185	8,802	$ 65,677	
57											
58	**tv_nsd of net new parcels in future years that become eligible for (4) but are not owned by 65+ low income seniors in 2021**								**Impact of (4) on**		
59	**AV Tax Year\Cohort**	**21**	**22**	**23**	**24**	**25**	**26**	**Total**	**tv_nsd + Shareup**		
60	**2021**							$ -	$ (1,382,869,823)		
61	**2022**		$ 15,794,088					$ 15,794,088	$ (1,577,134,837)		
62	**2023**		$ 16,109,970	$ 15,877,488				$ 31,987,458	$ (1,779,483,292)		
63	**2024**		$ 16,448,279	$ 16,210,916	$ 19,842,054			$ 52,501,249	$ (2,046,231,705)		
64	**2025**		$ 16,793,693	$ 16,551,345	$ 20,258,737	$ 22,505,970		$ 76,109,745	$ (2,368,362,171)		
65	**2026**		$ 17,151,398	$ 16,903,889	$ 20,690,249	$ 22,985,347	$ 28,151,696	$ 105,882,578	$ (2,745,400,274)		

	A	B	C	D	E	F	G	H	I	J	K
66											
67	**tv_sd of all parcels owned by 65+ low income seniors**										
68	**AV Tax Year\Cohort**	**tv_sd_21**	**22**	**23**	**24**	**25**	**26**	**tot_tv_sd**	**tv_sd + Shareup**	**parcels**	**tv_sd/parcel**
69	**2021**	$ 21,269,009,451						$ 21,269,009,451	$ 22,440,662,998	256,606	$ 82,886
70	**2022**	$ 21,907,079,135	$ 152,763,402					$ 22,059,842,537	$ 23,275,060,991	258,395	$ 85,373
71	**2023**	$ 22,345,220,299	$ 157,346,304	$ 155,818,670				$ 22,658,385,273	$ 23,906,575,865	260,184	$ 87,080
72	**2024**	$ 22,814,470,540	$ 160,493,230	$ 158,935,043	$ 159,090,862			$ 23,292,989,676	$ 24,576,138,947	261,974	$ 88,909
73	**2025**	$ 23,293,575,055	$ 163,863,588	$ 162,272,679	$ 162,431,770	$ 162,431,770		$ 23,944,574,863	$ 25,263,618,242	263,763	$ 90,776
74	**2026**	$ 23,789,727,228	$ 167,304,723	$ 165,680,406	$ 165,842,837	$ 165,842,837	$ 165,891,567	$ 24,620,289,598	$ 25,976,556,317	265,553	$ 92,709
75											
76	**tv_sd of all parcels owned by 65+ low income seniors under the bill**										
77	**AV Tax Year\Cohort**	**tv_sd_21_bill**	**22**	**23**	**24**	**25**	**26**	**tot_tv_sd_bill**	**tv_sd_bill + Shareup**	**tv_sd_impact**	
78	**2021**	$ 21,269,009,451						$ 21,269,009,451	$ 22,440,662,998	$ -	
79	**2022**	$ 21,907,079,135	$ 152,763,402					$ 22,059,842,537	$ 23,275,060,991	$ -	
80	**2023**	$ 22,345,220,299	$ 157,346,304	$ 155,818,670				$ 22,658,385,273	$ 23,906,575,865	$ -	
81	**2024**	$ 22,345,220,299	$ 157,346,304	$ 155,818,670	$ 159,090,862			$ 22,817,476,135	$ 24,074,430,622	$ (501,708,325)	
82	**2025**	$ 22,345,220,299	$ 157,346,304	$ 155,818,670	$ 159,090,862	$ 162,431,770		$ 22,979,907,906	$ 24,245,810,330	$ (1,017,807,912)	
83	**2026**	$ 22,345,220,299	$ 157,346,304	$ 155,818,670	$ 159,090,862	$ 162,431,770	$ 165,891,567	$ 23,145,799,473	$ 24,420,840,425	$ (1,555,715,892)	
84											
85	**tv_nsd of parcels owned by 65+ low income seniors ineligible for (4)**										
86	**AV Tax Year\Cohort**	**tv_nsd_21 (inelig)**	**22**	**23**	**24**	**25**	**26**	**tot_tv_nsd**	**tv_nsd + Shareup**	**Ineligible21Parcels**	**tv_nsd/parcel**
87	**2021**	$ 7,079,743,109						$ 7,079,743,109	$ 7,469,747,455	147,179	$ 48,103
88	**2022**	$ 7,162,302,516	$ 51,324,126					$ 7,213,626,642	$ 7,611,006,279	140,754	$ 50,885
89	**2023**	$ 7,158,709,147	$ 52,863,850	$ 53,012,268				$ 7,264,585,265	$ 7,664,772,078	133,395	$ 53,665
90	**2024**	$ 7,110,445,215	$ 53,921,127	$ 54,072,513	$ 54,762,350			$ 7,273,201,205	$ 7,673,862,647	125,141	$ 56,819
91	**2025**	$ 7,016,511,322	$ 55,053,471	$ 55,208,036	$ 55,912,359	$ 56,653,906		$ 7,239,339,093	$ 7,638,135,161	115,931	$ 60,523
92	**2026**	$ 6,883,104,348	$ 56,209,594	$ 56,367,405	$ 57,086,519	$ 57,843,638	$ 58,376,105	$ 7,168,987,607	$ 7,563,908,198	107,129	$ 64,251
93											
94	**tv_nsd of parcels owned by 65+ low income seniors ineligible for (4) under the bill**										
95	**AV Tax Year\Cohort**	**tv_nsd_21_bill (inelig)**	**22**	**23**	**24**	**25**	**26**	**tot_tv_nsd_bill**	**tv_nsd_bill + Shareup**	**tv_nsd_impact**	
96	**2021**	$ 7,079,743,109						$ 7,079,743,109	$ 7,469,747,455	$ -	
97	**2022**	$ 7,162,302,516	$ 51,324,126					$ 7,213,626,642	$ 7,611,006,279	$ -	
98	**2023**	$ 7,158,709,147	$ 52,863,850	$ 53,012,268				$ 7,264,585,265	$ 7,664,772,078	$ -	
99	**2024**	$ 6,964,196,885	$ 52,863,850	$ 53,012,268	$ 54,762,350			$ 7,124,835,353	$ 7,517,323,712	$ (156,538,935)	
100	**2025**	$ 6,730,847,059	$ 52,863,850	$ 53,012,268	$ 54,762,350	$ 56,653,906		$ 6,948,139,432	$ 7,330,894,079	$ (307,241,081)	
101	**2026**	$ 6,465,163,783	$ 52,863,850	$ 53,012,268	$ 54,762,350	$ 56,653,906	$ 58,376,105	$ 6,740,832,261	$ 7,112,166,905	$ (451,741,293)	
102											

	A	B	C	D	E	F	G	H	I	J	K
103		**Total Impact**									
104		**Year**	High		Middle		Low				
105			Cash	Recurring	Cash	Recurring	Cash	Recurring			
106		22-23	$0	$(18.4 M)	$0	$(17.0 M)	$0	$(16.4 M)			
107		23-24	$(21.3 M)	$(21.3 M)	$(19.1 M)	$(19.1 M)	$(18.4 M)	$(18.4 M)			
108		24-25	$(30.2 M)	$(30.2 M)	$(26.8 M)	$(26.8 M)	$(25.7 M)	$(25.7 M)			
109		25-26	$(40.0 M)	$(40.0 M)	$(35.2 M)	$(35.2 M)	$(33.6 M)	$(33.6 M)			
110		26-27	$(50.6 M)	$(50.6 M)	$(44.2 M)	$(44.2 M)	$(42.0 M)	$(42.0 M)			
111											
112		**Impact: School District**									
113		**Year**	High		Middle		Low				
114			Cash	Recurring	Cash	Recurring	Cash	Recurring			
115		22-23	$0	$0	$0	$0	$0	$0			
116		23-24	$0	$0	$0	$0	$0	$0			
117		24-25	$(3.4 M)	$(3.4 M)	$(3.1 M)	$(3.1 M)	$(3.0 M)	$(3.0 M)			
118		25-26	$(6.8 M)	$(6.8 M)	$(6.4 M)	$(6.4 M)	$(6.2 M)	$(6.2 M)			
119		26-27	$(10.5 M)	$(10.5 M)	$(9.8 M)	$(9.8 M)	$(9.4 M)	$(9.4 M)			
120											
121		**Impact: Non-School District**									
122		**Year**	High		Middle		Low				
123			Cash	Recurring	Cash	Recurring	Cash	Recurring			
124		22-23	$0	$(18.4 M)	$0	$(17.0 M)	$0	$(16.4 M)			
125		23-24	$0	$(21.3 M)	$0	$(19.1 M)	$0	$(18.4 M)			
126		24-25	$(26.9 M)	$(26.9 M)	$(23.7 M)	$(23.7 M)	$(22.7 M)	$(22.7 M)			
127		25-26	$(33.1 M)	$(33.1 M)	$(28.8 M)	$(28.8 M)	$(27.4 M)	$(27.4 M)			
128		26-27	$(40.2 M)	$(40.2 M)	$(34.4 M)	$(34.4 M)	$(32.6 M)	$(32.6 M)			

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Valuation of Timeshare Units
Bill Number(s): HB 801/SB1132

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Fine & Senator Gruters
Month/Year Impact Begins: July 1, 2022
Date of Analysis: 01/07/2022

Section 1: Narrative

a. Current Law: ss. 192.037 currently states in part:

"(10) In making his or her assessment of timeshare real property, the property appraiser shall look first to the resale market.

(11) If there is an inadequate number of resales to provide a basis for arriving at value conclusions, then the property appraiser shall deduct from the original purchase price "usual and reasonable fees and costs of the sale." For purposes of this subsection, "usual and reasonable fees and costs of the sale" for timeshare real property shall include all marketing costs, atypical financing costs, and those costs attributable to the right of a timeshare unit owner or user to participate in an exchange network of resorts. For timeshare real property, such "usual and reasonable fees and costs of the sale" shall be presumed to be 50 percent of the original purchase price; provided, however, such presumption shall be rebuttable.

(12) Subsections (10) and (11) apply to fee and non-fee timeshare real property."

b. Proposed Change: **SB 1132** ss. 192.037 (12) is inserted: "<u>In all tax appeals regarding timeshare real property in which the taxpayer asserts that there is an adequate number of resales to provide a basis for arriving at value conclusions, the number of resales is deemed to be adequate when a reasonable number of resales is provided by the taxpayer as supported by the Uniform Standards of Professional Appraisal Practice. This meets the requirement of just valuation of all property, including timeshare real property, as required under s. 4, Art. VII of the State Constitution."</u>

HB 801: ss. 192.037 (12) is replaced (HB1007): "<u>In any tax appeal regarding a timeshare unit, if the taxpayer asserts that there is an adequate number of resales to provide a basis for arriving at value conclusions, the number of resales shall be considered adequate if the taxpayer provides a reasonable number of resales and such number is supported by the most recent standards adopted by the Uniform Standards of Professional Appraisal Practice. This valuation methodology for timeshare units meets the requirement of just valuation as provided in s. 4, Art. VII of the State Constitution."</u>

Section 2: Description of Data and Sources

2021 NAL Tax Rolls
August 2021 Ad Valorem Assessment Estimating Conference
Consolidated Case Nos: 2012-CA-1293-OC
Consolidated Case Nos: 2016-CA-1006-OC
DBPR List of Registered Time Shares

Section 3: Methodology (Include Assumptions and Attach Details)

The cases referenced above highlight that the resale market does not appear robust enough to use as the basis of an appraisal. The property appraiser's office involved in both cases argued that the more appropriate method of valuation is to look to developer sales as the original purchase price. There is a significant difference between the resale value and the purchase price valuation. Based on the above court cases, the resale price valuation method results in values that are between 75% or 40% lower than the purchase price method.

The proposed change directs the property appraiser to defer to the taxpayer for determination of whether the number of resales is adequate. The proposed change does not provide a lower bound on what an constitutes an adequate number. One resale might be an adequate number under the proposed change. It appears that the taxpayer could select whichever resale(s) generates the most advantageous valuation.

Timeshare properties are not assigned a unique use code in the NAL (real property) tax roll. Property appraisers were contacted around the state and we have aggregated their reported time share data. Four counties, Orange, Osceola, Volusia, and Palm Beach,

Tax: Ad Valorem
Issue: Valuation of Timeshare Units
Bill Number(s): HB 801/SB1132

represent the largest share (~85%) of timeshare properties by assessed value. Each provided a list of parcel numbers for timeshare properties in their county. These parcel identification numbers were then matched with the 2021 Final NAL tax roll and the school and non-school assessed values were extracted.

Total 2021 Final non-school assessed value for the properties is $14,214,251,643 and school assessed value is $14,350,944,316. Future year impacts were derived by using the August 2021 Ad Valorem Assessment Estimating Conference Non-Residential Assessed Values. It was assumed the millage rates would stay constant across the forecast period.

The high, medium and low forecasts were derived from using recent court decisions to determine the most common reduction claimed when small numbers of resale transactions were used to protest the current property appraiser's assessments. These changes ranged from a forty percent reduction (low) to nearly seventy-five percent (high). The middle is presented as a 60% reduction.

The effective date is July 1, 2022 and would first impact protests for the 2023 tax year.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23		$(188.5 M)		$(150.8 M)		$(100.6 M)
2023-24	$(190.5 M)	$(190.5 M)	$(152.4 M)	$(152.4 M)	$(101.6 M)	$(101.6 M)
2024-25	$(190.6 M)	$(190.6 M)	$(152.5 M)	$(152.5 M)	$(101.7 M)	$(101.7 M)
2025-26	$(190.3 M)	$(190.3 M)	$(152.2 M)	$(152.2 M)	$(101.5 M)	$(101.5 M)
2026-27	$(190.1 M)	$(190.1 M)	$(152.1 M)	$(152.1 M)	$(101.4 M)	$(101.4 M)

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 01/07/2022) The Conference adopted the high estimate because the Uniform Standard of Professional Appraisal Practice provides minimal guidance regarding the adequate number of resales.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(69.8)	0.0	(118.7)	0.0	(188.5)
2023-24	(70.6)	(70.6)	(119.9)	(119.9)	(190.5)	(190.5)
2024-25	(70.6)	(70.6)	(120.0)	(120.0)	(190.6)	(190.6)
2025-26	(70.5)	(70.5)	(119.8)	(119.8)	(190.3)	(190.3)
2026-27	(70.4)	(70.4)	(119.7)	(119.7)	(190.1)	(190.1)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	0.0	(188.5)	0.0	(188.5)
2023-24	0.0	0.0	0.0	0.0	(190.5)	(190.5)	(190.5)	(190.5)
2024-25	0.0	0.0	0.0	0.0	(190.6)	(190.6)	(190.6)	(190.6)
2025-26	0.0	0.0	0.0	0.0	(190.3)	(190.3)	(190.3)	(190.3)
2026-27	0.0	0.0	0.0	0.0	(190.1)	(190.1)	(190.1)	(190.1)

	A	B	C	D	E	F	G	H
1	**Identified Timeshare Values**							
2	County	Non-School Assessed Value of Timeshares 2021	School Assessed Value of Timeshares 2021					
3	Orange	$ 8,418,005,563	$ 8,418,005,563					
4	Osceola	$ 2,892,867,750	$ 2,934,925,805					
5	Volusia	$ 377,128,682	$ 377,128,682					
6	Palm Beach	$ 366,514,167	$ 374,356,671					
7	Total Including Rest of FL	$ 14,214,251,643	$ 14,350,944,316					
8	Top 4 % total	84.8%	84.3%					
9								
10	**Non-residential Assessed Values December 2021 Ad Valorem Conference**							
11	Calendar	Total	Growth Rates					
12	2020	777,908						
13	2021	813,145	4.53%					
14	2022	841,533	3.49%					
15	2023	879,916	4.56%					
16	2024	920,765	4.64%					
17	2025	961,794	4.46%					
18	2026	1,003,505	4.34%					
19	2027	1,046,226	4.26%					
20								
21		Assessed Value of Timeshares 2022	Assessed Value of Timeshares 2023	Assessed Value of Timeshares 2024	Assessed Value of Timeshares 2025	Assessed Value of Timeshares 2026	Assessed Value of Timeshares 2027	
22	Growth Rate	3.49%	4.56%	4.64%	4.46%	4.34%	4.26%	
23	Non-School Assessed Value 2021 adjusted by Growth Rate	$ 14,710,490,537	$ 14,862,575,144	$ 14,874,130,501	$ 14,847,634,244	$ 14,830,694,094	$ 14,819,377,721	
24	School Assessed Value 2021 adjusted by Growth Rate	$ 14,851,955,338	$ 15,005,502,480	$ 15,017,168,961	$ 14,990,417,900	$ 14,973,314,843	$ 14,961,889,645	
25								
26								

	A	B	C	D	E	F	G	H
27	**Adjustment - High**	75%						
28	Non-School	$ 11,032,867,903	$ 11,146,931,358	$ 11,155,597,876	$ 11,135,725,683	$ 11,123,020,570	$ 11,114,533,290	
29	School	$ 11,138,966,503	$ 11,254,126,860	$ 11,262,876,720	$ 11,242,813,425	$ 11,229,986,132	$ 11,221,417,234	
30	**Adjustment -Medium**	60%						
31	Non-School	$ 8,826,294,322	$ 8,917,545,086	$ 8,924,478,301	$ 8,908,580,546	$ 8,898,416,456	$ 8,891,626,632	
32	School	$ 8,911,173,203	$ 9,003,301,488	$ 9,010,301,376	$ 8,994,250,740	$ 8,983,988,906	$ 8,977,133,787	
33	**Adjustment - Low**	40%						
34	Non-School	$ 5,884,196,215	$ 5,945,030,058	$ 5,949,652,200	$ 5,939,053,698	$ 5,932,277,637	$ 5,927,751,088	
35	School	$ 5,940,782,135	$ 6,002,200,992	$ 6,006,867,584	$ 5,996,167,160	$ 5,989,325,937	$ 5,984,755,858	
36								
37	**Millage Rates**							
38	Non-School	10.7585						
39	School	6.2699						
40								
41	**Impact - High**							
42	Non-School	$ 118,697,109	$ 119,924,261	$ 120,017,500	$ 119,803,705	$ 119,667,017	$ 119,575,706	
43	School	$ 69,840,206	$ 70,562,250	$ 70,617,111	$ 70,491,316	$ 70,410,890	$ 70,357,164	
44	**Impact -Medium**							
45	Non-School	$ 94,957,687	$ 95,939,409	$ 96,014,000	$ 95,842,964	$ 95,733,613	$ 95,660,565	
46	School	$ 55,872,165	$ 56,449,800	$ 56,493,689	$ 56,393,053	$ 56,328,712	$ 56,285,731	
47	**Impact - Low**							
48	Non-School	$ 63,305,125	$ 63,959,606	$ 64,009,333	$ 63,895,309	$ 63,822,409	$ 63,773,710	
49	School	$ 37,248,110	$ 37,633,200	$ 37,662,459	$ 37,595,368	$ 37,552,475	$ 37,523,821	
50								
51		High		Middle		Low		
52		Cash	Recurring	Cash	Recurring	Cash	Recurring	
53	2022-23		$ (188.5 M)		$ (150.8 M)		$ (100.6 M)	
54	2023-24	$ (190.5 M)	$ (190.5 M)	$ (152.4 M)	$ (152.4 M)	$ (101.6 M)	$ (101.6 M)	
55	2024-25	$ (190.6 M)	$ (190.6 M)	$ (152.5 M)	$ (152.5 M)	$ (101.7 M)	$ (101.7 M)	
56	2025-26	$ (190.3 M)	$ (190.3 M)	$ (152.2 M)	$ (152.2 M)	$ (101.5 M)	$ (101.5 M)	
57	2026-27	$ (190.1 M)	$ (190.1 M)	$ (152.1 M)	$ (152.1 M)	$ (101.4 M)	$ (101.4 M)	

Statewide Timeshare totals							
Row Labels	Parcel Count on NAL	Just Value	Assessed Value School District	Assessed Value Non-School District	Taxable Value School District	Taxable Value Non-School District
Manatee	1	No Data	No Data	No Data	No Data	No Data
Orange	72	8,418,005,563	8,418,005,563	8,418,005,563	8,418,005,563	8,418,005,563
Osceola	301	2,934,925,805	2,934,925,805	2,892,867,750	2,934,925,805	2,892,867,750
Volusia	50	377,128,682	377,128,682	377,128,682	377,128,682	377,128,682
Palm Beach	17	374,356,671	374,356,671	366,514,167	374,356,671	366,514,167
Broward	43	317,687,530	317,687,530	317,687,530	317,687,530	317,687,530
Monroe	40	261,973,218	261,973,218	257,844,764	261,973,218	257,844,764
Pinellas	25	284,605,920	284,605,920	241,566,156	284,605,920	241,566,156
Lake	9	215,276,869	215,276,869	204,818,699	215,276,869	204,818,699
Lee	38	211,125,460	211,125,460	202,592,380	211,125,460	202,592,380
Bay	1122	158,022,211	157,827,294	152,143,183	157,557,486	151,623,375
Collier	652	125,609,764	125,609,764	125,609,764	125,609,764	125,609,764
Brevard	18	135,134,070	135,134,070	123,961,820	135,134,070	123,961,820
Miami-Dade	5	102,268,253	102,268,253	102,151,709	102,268,253	102,151,709
Indian River	286	83,991,759	83,991,759	83,991,759	83,991,759	83,991,759
Sarasota	12	84,512,100	84,512,100	83,898,006	84,512,100	83,898,006
Okaloosa	494	80,498,580	80,498,580	80,498,580	80,498,580	80,498,580
Walton	8	61,782,138	61,782,138	61,782,138	61,782,138	61,782,138
St. Johns	301	61,393,400	61,393,400	61,383,179	61,393,400	61,383,179
St. Lucie	5	24,574,600	24,574,600	21,796,900	24,574,600	21,796,900
Polk	1	14,165,829	14,165,829	14,165,829	14,165,829	14,165,829
Flagler	4	10,346,400	10,346,400	10,346,400	10,346,400	10,346,400
Martin	1	5,981,350	5,981,350	5,981,350	5,981,350	5,981,350
Escambia	1	2,869,833	2,869,833	2,869,833	2,869,833	2,869,833
Charlotte	4	2,955,747	2,955,747	2,428,213	2,955,747	2,428,213
Highlands	1	1,111,800	1,111,800	1,111,800	1,111,800	1,111,800
Levy	1	1,062,983	1,062,983	1,062,983	1,062,983	1,062,983
Pasco	1	42,506	42,506	42,506	42,506	42,506
Grand Total	0	14,351,409,041	14,351,214,124	14,214,251,643	14,350,944,316	14,213,731,835

REVENUE ESTIMATING CONFERENCE

Tax: Sales Tax
Issue: Leased Vehicles
Bill Number(s): Proposed Language

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): NA
Month/Year Impact Begins: October 1st, 2022
Date of Analysis: January 7th, 2022

Section 1: Narrative

a. Current Law: Section 1. Paragraph (c) of subsection (1) of section 212.05, Florida Statutes reads:
3. The tax imposed by this chapter does not apply to the lease or rental of a commercial motor vehicle as defined in s. 316.003(13)(a) to one lessee or rentee, for a period of not less than 12 months when tax was paid on the purchase price of such vehicle by the lessor. To the extent tax was paid with respect to the purchase of such vehicle in another state, territory of the United States, or the District of Columbia, the Florida tax payable shall be reduced in accordance with the provisions of s. 212.06(7). This subparagraph shall only be available when the lease or rental of such property is an established business or part of an established business or the same is incidental or germane to such business. (d) At the rate of 6 percent of the lease or rental price paid by a lessee or rentee, or contracted or agreed to be paid by a lessee or rentee, to the owner of the tangible personal property.

b. **Proposed Change**: Section 1. Paragraph (c) of subsection (1) of section 212.05, Florida Statutes, is amended to read:
3. The tax imposed by this chapter does not apply to the lease or rental of a commercial motor vehicle as defined in s. 316.003(13)(a) to one lessee or rentee, <u>or of a motor vehicle as defined in s. 316.003(44) which is to be used primarily in the trade or established business of the lessee or rentee,</u> for a period of not less than 12 months when tax was paid on the purchase price of such vehicle by the lessor. To the extent tax was paid with respect to the purchase of such vehicle in another state, territory of the United States, or the District of Columbia, the Florida tax payable shall be reduced in accordance with the provisions of s. 212.06(7). This subparagraph shall only be available when the lease or rental of such property is an established business or part of an established business or the same is incidental or germane to such business.

Section 2: Description of Data and Sources

July 2021 Highway Safety REC and Conference History
Phone and email contact with DHSMV staff

Section 3: Methodology (Include Assumptions and Attach Details)

The Department of Highway Safety provided the number of vehicles currently titled with a use code of "long term lease" or "lease" with an active registration. This number was next grown by the $1 title security fee growth rates from the most recent Highway Safety REC. Based upon the fiscal year 2020-21 percentage share of registrations under 10,000 pounds, it is assumed that 85.98% of leased vehicles are under 10,000 pounds. The percentage of new titles, as represented by $1 title security fee forecasted transactions, was divided by active registrations, calculated by added annual and biennial forecasted transactions for the STTF registration surcharge. The result is an assumed new leased vehicles under 10,000 pounds ranging from 446,660 in FY 2021-22 to 434,659 in FY 2026-27.

We begin by establishing 3 model leased vehicles. The purchase price of the vehicles is constant among all three transactions, but each vehicle is being leased for a different term of months. Setting the duration of the leases allows us to calculate vehicle total depreciation, and by extension, the vehicle's residual value after the lease is up. We then set "Interest Rate/fees share" to a constant value for all three vehicles (They are alike in all ways except the term of their lease). "Interest Rate/fees share" is an expanded interest rate, it includes all fees that will be charged to the lessee during the lease but is treated the same as an APR. With that last component, we can calculate the monthly payment for each lease. We then calculate the sales tax due with that payment (6% of the payment) and multiply that by the number of payments (the term of the lease) to arrive at the total sales tax due by this second method of accounting. "Tax Paid Difference" then shows how much money is saved by paying tax on the initial purchase price instead of paying it every month.

To expand these single transactions into impacts representing statewide activity, we first need to calculate how much more or less tax is being paid on these model leases in each fiscal year. The math for this is straightforward and the results are in the "Difference" table of the attached spreadsheet. In this table, you can see the pattern defines the impact – a "Front Loading" of sales tax that results in more tax collected in the initial year of a lease, but less tax collected in the remaining years. We then establish three long run tables, each predicated on the assumptions of an above model lease. Using the data from the Department of Highway Safety, we

Tax: Sales Tax
Issue: Leased Vehicles
Bill Number(s): Proposed Language

identify the number of leased vehicles in each fiscal year. We then assume a small participation rate – the percent of all leased vehicles which will be leased in this manner. Assuming that all the participating leased vehicles have lease agreements that match our model transaction, we can see how these leases behave in the aggregate. Due to the front-loading of the sales tax, the state does not see any losses until the final year of the lease.

Note that the bill refers to S.316.003(44) which defines the term Moped. We assume for this impact that the bill intends to refer to S.316.003(46) defining Motor Vehicle.

Section 4: Proposed Fiscal Impact

	High		**Middle**		**Low**	
Fiscal Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-2023	$29.78 M	$(6.42 M)	$19.89 M	$(2.44 M)	$9.97 M	$(0.12 M)
2023-2024	$22.83 M	$(6.42 M)	$15.30 M	$(2.44 M)	$7.70 M	$(0.12 M)
2024-2025	$15.50 M	$(6.42 M)	$10.47 M	$(2.44 M)	$5.30 M	$(0.12 M)
2025-2026	$8.30 M	$(6.42 M)	$5.71 M	$(2.44 M)	$2.95 M	$(0.12 M)
2026-2027	$1.10 M	$(6.42 M)	$0.96 M	$(2.44 M)	$0.59 M	$(0.12 M)
2027-2028	$(5.91 M)		$(2.50 M)		$(0.15 M)	
2028-2029	$(6.42 M)		$(2.44 M)		$(0.12 M)	

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 01/07/2022) The Conference adopted an adjusted middle impact that assumes 1% of total leased vehicles are impacted.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	26.4	(5.7)	Insignificant	(Insignificant)	0.9	(0.2)	2.5	(0.5)
2023-24	20.2	(5.7)	Insignificant	(Insignificant)	0.7	(0.2)	1.9	(0.5)
2024-25	13.7	(5.7)	Insignificant	(Insignificant)	0.5	(0.2)	1.3	(0.5)
2025-26	7.3	(5.7)	Insignificant	(Insignificant)	0.2	(0.2)	0.7	(0.5)
2026-27	1.0	(5.7)	Insignificant	(Insignificant)	Insignificant	(0.2)	0.1	(0.5)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	4.4	(0.9)	7.8	(1.7)	34.2	(7.4)
2023-24	3.4	(0.9)	6.0	(1.7)	26.2	(7.4)
2024-25	2.3	(0.9)	4.1	(1.7)	17.8	(7.4)
2025-26	1.2	(0.9)	2.2	(1.7)	9.5	(7.4)
2026-27	0.2	(0.9)	0.3	(1.7)	1.3	(7.4)

	A	B	C	D	E	F	G	H	I	J	K
1	**Term**	**Description**									
2	*Term*	Expectated length of Vehicle lease									
3	*Residual Value*	Value at end of lease less Depreciation									
4	*Depreciation expense*	Percent of depreciation by lease term									
5	*Interest Rate/ fees share*	% additional amount of interest and other fees on top of base payment									
6	*Monthly Base Payment*	Payment without interest (Depreciation Cost)									
7	*Monthly Payment with Interest*	Payment with interest									
8	*Sales Tax on Monthly Payment*	6% Sales Tax on monthly payment with interest									
9	*Total Sales Tax on Lease*	Total Amount of Sales Tax Paid on the Lease									
10											
11		High	Middle	Low							
12	Purchase Price	$ 45,000	$ 45,000	$ 45,000							
13	Sales tax paid on purchase price	$ 2,700	$ 2,700	$ 2,700							
14	Term (months)	72	68	63							
15	Depreciation expense	68%	65%	62%							
16	Residual value	14,400	15,600	17,100							
17	Interest Rate/ fees share	20.0%	20.0%	20.0%							
18	Monthly Base Payments	$ 425	$ 432	$ 443							
19	Monthly Payment w/ Interest	$ 733	$ 726	$ 719							
20	Sales Tax on Monthly Payment	$ 44.0	$ 43.6	$ 43.1							
21	Total Sales Tax on Lease	$ 3,166	$ 2,962	$ 2,717							
22	Tax Paid Difference	$ (466)	$ (262)	$ (17)							
23											
24	**Sales Tax Paid on Monthly Lease Payments and at End of Lease**					**Lease months**					
25		High	Middle	Low		High	Middle	Low			
26	FY 2022-23	$ 484	$ 479	$ 474		11	11	11			
27	FY 2023-24	$ 528	$ 523	$ 517		12	12	12			
28	FY 2024-25	$ 528	$ 523	$ 517		12	12	12			
29	FY 2025-26	$ 528	$ 523	$ 517		12	12	12			
30	FY 2026-27	$ 528	$ 523	$ 517		12	12	12			
31	FY 2027-28	$ 528	$ 392	$ 172		12	9	4			
32	FY 2028-29	$ 44	$ -	$ -		1	-	-			
33		**$ 3,166**	**$ 2,962**	**$ 2,717**		**72**	**68**	**63**			
34											
35	**Sales Tax Paid on Purchase Price Up-Front and at End of Lease Less Refund**										
36		High	Middle	Low							
37	FY 2022-23	$ 2,700	$ 2,700	$ 2,700							
38	FY 2023-24	$ -	$ -	$ -							
39	FY 2024-25	$ -	$ -	$ -							
40	FY 2025-26	$ -	$ -	$ -							
41	FY 2026-27	$ -	$ -	$ -							
42											
43	**Difference**										
44		High	Middle	Low							
45	FY 2022-23	$ 2,216	$ 2,221	$ 2,226							
46	FY 2023-24	$ (528)	$ (523)	$ (517)							
47	FY 2024-25	$ (528)	$ (523)	$ (517)							
48	FY 2025-26	$ (528)	$ (523)	$ (517)							
49	FY 2026-27	$ (528)	$ (523)	$ (517)							
50	FY 2027-28	$ (528)	$ (392)	$ (172)							
51	FY 2028-29	$ (44)	$ -	$ -							
52	**Total**	**$ (466)**	**$ (262)**	**$ (17)**							

	A	B	C	D	E	F	G	H	I	J	K
54	**Potential Impact - High (millions)**	Lease Vehicles	3.0%				Leases				
55		< 10k lbs		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	**Total**
56	FY 2022-23	447,889	13,437	29.8							**29.8**
57	FY 2023-24	449,962	13,499	(7.1)	29.9						**22.8**
58	FY 2024-25	446,965	13,409	(7.1)	(7.1)	29.7					**15.5**
59	FY 2025-26	445,023	13,351	(7.1)	(7.1)	(7.1)	29.6				**8.3**
60	FY 2026-27	442,713	13,281	(7.1)	(7.1)	(7.1)	(7.0)	29.4			**1.1**
61	FY 2027-28	442,713	13,281	(7.1)	(7.1)	(7.1)	(7.0)	(7.0)	29.4		**(5.9)**
62	FY 2028-29	442,713	13,281	(0.6)	(7.1)	(7.1)	(7.0)	(7.0)	(7.0)	29.4	**(6.4)**
63	FY 2029-30				(0.6)	(7.1)	(7.0)	(7.0)	(7.0)	(7.0)	
64	FY 2030-31					(0.6)	(7.0)	(7.0)	(7.0)	(7.0)	
65	FY 2031-32						(0.6)	(7.0)	(7.0)	(7.0)	
66	FY 2032-33							(0.6)	(7.0)	(7.0)	
67									(0.6)	(7.0)	
68										(0.6)	
70	**Potential Impact - Middle (millions)**	Lease Vehicles	1.0%				Leases				
71		< 10k lbs		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	**Total**
72	FY 2022-23	447,889	4,479	9.9							**9.9**
73	FY 2023-24	449,962	4,500	(2.3)	10.0						**7.7**
74	FY 2024-25	446,965	4,470	(2.3)	(2.4)	9.9					**5.2**
75	FY 2025-26	445,023	4,450	(2.3)	(2.4)	(2.3)	9.9				**2.9**
76	FY 2026-27	442,713	4,427	(2.3)	(2.4)	(2.3)	(2.3)	9.8			**0.5**
77	FY 2027-28	442,713	4,427	(1.8)	(2.4)	(2.3)	(2.3)	(2.3)	9.8		**(1.3)**
78	FY 2028-29	442,713	4,427		(1.8)	(2.3)	(2.3)	(2.3)	(2.3)	9.8	**(1.2)**
79	FY 2029-30					(1.8)	(2.3)	(2.3)	(2.3)	(2.3)	
80	FY 2030-31						(1.7)	(2.3)	(2.3)	(2.3)	
81	FY 2031-32							(1.7)	(2.3)	(2.3)	
82	FY 2032-33								(1.7)	(2.3)	
83										(1.7)	
85	**Potential Impact - Low (millions)**	Lease Vehicles	1.0%				Leases				
86		< 10k lbs		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	**Total**
87	FY 2022-23	447,889	4,479	10.0							**10.0**
88	FY 2023-24	449,962	4,500	(2.3)	10.0						**7.7**
89	FY 2024-25	446,965	4,470	(2.3)	(2.3)	9.9					**5.3**
90	FY 2025-26	445,023	4,450	(2.3)	(2.3)	(2.3)	9.9				**2.9**
91	FY 2026-27	442,713	4,427	(2.3)	(2.3)	(2.3)	(2.3)	9.9			**0.6**
92	FY 2027-28	442,713	4,427	(0.8)	(2.3)	(2.3)	(2.3)	(2.3)	9.9		**(0.2)**
93	FY 2028-29	442,713	4,427		(0.8)	(2.3)	(2.3)	(2.3)	(2.3)	9.9	**(0.1)**
94	FY 2029-30					(0.8)	(2.3)	(2.3)	(2.3)	(2.3)	
95	FY 2030-31						(0.8)	(2.3)	(2.3)	(2.3)	
96	FY 2031-32							(0.8)	(2.3)	(2.3)	
97	FY 2032-33								(0.8)	(2.3)	
98										(0.8)	
99											

		High		Middle		Low	
100		**High**		**Middle**		**Low**	
101	Fiscal Year	**Cash**	**Recurring**	**Cash**	**Recurring**	**Cash**	**Recurring**
102	2022-2023	$ 29.78 M	$ (6.42 M)	$ 9.95 M	$ (1.22 M)	$ 9.97 M	$ (0.12 M)
103	2023-2024	$ 22.83 M	$ (6.42 M)	$ 7.65 M	$ (1.22 M)	$ 7.70 M	$ (0.12 M)
104	2024-2025	$ 15.50 M	$ (6.42 M)	$ 5.23 M	$ (1.22 M)	$ 5.30 M	$ (0.12 M)
105	2025-2026	$ 8.30 M	$ (6.42 M)	$ 2.85 M	$ (1.22 M)	$ 2.95 M	$ (0.12 M)
106	2026-2027	$ 1.10 M	$ (6.42 M)	$ 0.48 M	$ (1.22 M)	$ 0.59 M	$ (0.12 M)
107	2027-2028	$ (5.91 M)		$ (1.25 M)		$ (0.15 M)	
108	2028-2029	$ (6.42 M)		$ (1.22 M)		$ (0.12 M)	

	A	B	C	D	E	F	G
1	**Florida Leased Vehicles**						
2		**Titles $1 Security Fee**			**Leased Vehicles**		
3		**Revenue**	**Growth Rates**		**Total**	**Under 10k lbs**	**New**
4	FY 2021-2022	$ 6.4			1,876,642	1,613,511	442,897
5	FY 2022-2023	$ 6.4	1.13%		1,897,778	1,631,683	447,889
6	FY 2023-2024	$ 6.5	0.92%		1,915,152	1,646,621	449,962
7	FY 2024-2025	$ 6.5	0.23%		1,919,557	1,650,408	446,965
8	FY 2025-2026	$ 6.5	0.23%		1,923,972	1,654,204	445,023
9	FY 2026-2027	$ 6.5	0.23%		1,928,397	1,658,009	442,713
10							
11							
12	**Heavy Trucks and Passenger Cars Under 10,000 lbs (2020-21 data)**						
13	Private Autos	12,984,763					
14	Heavy Trucks	1,732,927					
15	Other Vehicles	2,985,994					
16	Total	17,703,684					
17	Under 10,000 lbs	15,221,381					
18	**Percent of Total**	**85.98%**					
19	Note: total does not include For-Hire because no weight data						
20							
21	**New Titles % of Active Regs**						
22		**New Titles ($1 Security Fee)**	**STTF Surcharge (FY #)**	**STTF Surcharge (PY Bien)**	**STTF Surcharge (Total)**	**New Titles % of Active Regs**	
23	FY 2021-2022	6,322,634	19,582,081	3,451,774	23,033,855	**27.45%**	
24	FY 2022-2023	6,393,843	19,795,794	3,497,308	23,293,102	**27.45%**	
25	FY 2023-2024	6,452,023	20,075,507	3,535,477	23,610,983	**27.33%**	
26	FY 2024-2025	6,466,862	20,293,306	3,585,432	23,878,739	**27.08%**	
27	FY 2025-2026	6,481,736	20,469,080	3,624,331	24,093,411	**26.90%**	
28	FY 2026-2027	6,481,736	20,619,092	3,655,724	24,274,816	**26.70%**	

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Private Investigative Services Exemption
Bill Number(s): HB 763/SB1146

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: July 1, 2022 (1-month lag to collections)
Date of Analysis: 01/07/2022

Section 1: Narrative

a. **Current Law:** Under s.212.05 (1) F.S., For the exercise of such privilege, a tax is levied on each taxable transaction or incident, which tax is due and payable as follows:

(i)1: At the rate of 6 percent on charges for all:

a. Detective, burglar protection, and other protection services (NAICS National Numbers 561611, 561612, 561613, and 561621).

s.212.05 (1) (i) F.S., 4. If a transaction involves both the sale or use of a service taxable under this paragraph and the sale or use of a service or any other item not taxable under this chapter, the consideration paid must be separately identified and stated with respect to the taxable and exempt portions of the transaction or the entire transaction shall be presumed taxable. The burden shall be on the seller of the service or the purchaser of the service, whichever applicable, to overcome this presumption by providing documentary evidence as to which portion of the transaction is exempt from tax. The department is authorized to adjust the amount of consideration identified as the taxable and exempt portions of the transaction; however, a determination that the taxable and exempt portions are inaccurately stated and that the adjustment is applicable must be supported by substantial competent evidence.

s. 493.6101 (17) F.S., "Private investigation" means the investigation by a person or persons for the purpose of obtaining information with reference to any of the following matters:

(a) Crime or wrongs done or threatened against the United States or any state or territory of the United States, when operating under express written authority of the governmental official responsible for authorizing such investigation.

(b) The identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation, or character of any society, person, or group of persons.

(c) The credibility of witnesses or other persons.

(d) The whereabouts of missing persons, owners of unclaimed property or escheated property, or heirs to estates.

(e) The location or recovery of lost or stolen property.

(f) The causes and origin of, or responsibility for, fires, libels, slanders, losses, accidents, damage, or injuries to real or personal property.

(g) The business of securing evidence to be used before investigating committees or boards of award or arbitration or in the trial of civil or criminal cases and the preparation therefor.

From Florida Department of Agriculture website: A private investigator is any individual or agency who, for consideration, advertises as providing or performs the following activities. Individuals or agencies providing or advertising as providing these services for consideration must be licensed.

- Subcontracting with the government to determine crimes or wrongs done or threatened against the United States
- Determining the identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation or character of any society, person, or group of persons
- The credibility of witnesses or other persons
- The whereabouts of missing persons, owners of abandoned or escheated property, or heirs to estates
- The location or recovery of lost or stolen property
- The causes or origin of fires, libels, slanders, losses, accidents, damage, or injuries to real or personal property
- Securing evidence to be used before investigating committees or boards of award or arbitration or trial of civil or criminal cases

b. **Proposed Change**: Under s.212.05. (1) F.S., For the exercise of such privilege, a tax is levied on each taxable transaction or incident, which tax is due and payable as follows:

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Private Investigative Services Exemption
Bill Number(s): HB 763/SB1146

(i)1: At the rate of 6 percent on charges for all:
a. Detective, burglar protection, and other protection services (NAICS National Numbers 561611, 561612, 561613, and 561621), However, charges for private investigations provided by a small private investigative agency are not subject to the tax.

(I) For purposes of this paragraph, the term "small private investigative agency" means a person as defined in s. 212.02(12), licensed as a private investigator under s. 493.6201, that employs three or fewer employees and that received less than $50,000 in compensation during the preceding calendar year for providing private investigations, as that term is defined in s. 493.6101(17) for all businesses that are related through common ownership.

(II) For purposes of this paragraph, the term "employees" means all full-time and part-time employees currently employed by a small private investigative agency at all of its business locations, wherever they are located, including any person performing services for the small private investigative agency under an arrangement for employee leasing as that term is defined in s. 468.520(4).

Section 2: Description of Data and Sources

Calendar Year 2020 Sales Tax Data specific NAICS codes:

561611 - Entities engaged in providing investigation and detective services.
561612 - Entities engaged in providing guard and patrol services, such as bodyguard, guard dog, and parking security services.
561613 - Entities engaged in picking up and delivering money, receipts, or other valuable items. These establishments maintain personnel and equipment to protect such properties while in transit.
561621 - Entities engaged in (1) selling security alarm systems, such as burglar and fire alarms, along with installation, repair, or monitoring services or (2) remote monitoring of electronic security alarm systems.

2020 Private Investigator Impact Analysis Growth Rates
Florida Department of Agriculture
Kind Code – NAICS crosswalk
Florida Department of Agriculture - Active Licensed Private Investigators
DOR Private Investigator Class A BP findings

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses a list from the Florida Department of Agriculture and Consumer Services (DACS) of the Active Licensed Private Investigators that has been matched into the Florida Department of Revenue's annual sales tax data files. Businesses with less than 50k in gross sales were kept. To account for licensed businesses that did not have a partner number, the impact was apportioned up according to the breakdown of those businesses with licenses that were matched. Out of 2627 total Class A licenses, 1469 included partner numbers. 813 of those were matched with SUT data and 412 is the remaining number of licensees under 50k in gross sales. Following the percentage breakdowns from those we get a potential 358 more class A licenses that could potentially fall into the under 50k group. An average was made for tax with the 412 matched licenses and that number was used to grow the undiscovered group. It was assumed a business generating less than 50k in gross sales would not be able to hire more than 3 people. Previous conferences on this issue adopted a 1.5% growth rate for Private Investigators which was used for the out years.

There is a one-month lag to collections, and the first-year cash is equal to eleven months of the recurring.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			$(0.28 M)	$(0.31 M)		
2021-22			$(0.31 M)	$(0.31 M)		
2022-23			$(0.32 M)	$(0.32 M)		
2023-24			$(0.32 M)	$(0.32 M)		
2024-25			$(0.33 M)	$(0.33 M)		

List of affected Trust Funds: General Revenue group

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
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Section 5: Consensus Estimate (Adopted: 01/07/2022) The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(0.3)	(0.3)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2023-24	(0.3)	(0.3)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2024-25	(0.3)	(0.3)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2025-26	(0.3)	(0.3)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2026-27	(0.3)	(0.3)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)
2023-24	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)
2024-25	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)
2025-26	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)
2026-27	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)

Total Class A Private Investigator active licenses

2,627

Total Class A PI licenses found with partner #	percentage breakdown	Unknown Class A Licenses
1469	55.9%	1,158

Total licenses matched with SUT data		
813	55.3%	648

Total licenses matched into SUT with less than 50k gross sales		
412	50.7%	358

breakdown of matched licensees with less than 50k Gross

Naics code	Gross sales	Taxable sales	Tax
561611	$ 3,774,723	$ 2,031,328	$ 141,287
561612	$ 385,541	$ 283,531	$ 19,763
561621	$ 43,499	$ 27,579	$ 1,896
	$ 4,203,763	**$ 2,342,439**	**$ 162,946**

Average for each license under 50k

Gross	10,203.31
Taxable	5,685.53
Tax	395.50

Apportioned tax from unkown licensees under 50k

Gross	$ 3,656,622
Taxable	$ 2,037,558
Tax	$ 141,738

Total Tax including apportioned factor

304,684

Growth rate for Private Investigators as used in previous conferences

1.5%

2022-23	309,254.06
2023-24	313,892.87
2024-25	318,601.26
2025-26	323,380.28
2026-27	328,230.99

Sales Tax Impacts

	High		Middle		Low	
FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$ -	$ -	$ 0.28 M	$ 0.31 M	$ -	$ -
2023-24	$ -	$ -	$ 0.31 M	$ 0.31 M	$ -	$ -
2024-25	$ -	$ -	$ 0.32 M	$ 0.32 M	$ -	$ -
2025-26	$ -	$ -	$ 0.32 M	$ 0.32 M	$ -	$ -
2026-27	$ -	$ -	$ 0.33 M	$ 0.33 M	$ -	$ -