REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Concealed Weapons License
Bill Number(s): CS/HB543

☐ **Entire Bill**
☒ **Partial Bill**: Section 5
Sponsor(s): Representative Brannan
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: June 13, 2023

Section 1: Narrative

a. **Current Law**: A person is prohibited from carrying a concealed weapon or concealed firearm (CWCF) without a license to carry a concealed weapon (CWL), with exemptions for certified law enforcement officers, correctional officers or correctional probation officers. Carrying a concealed weapon without a CWL is a first degree misdemeanor. Carrying a concealed firearm without a CWL is a third degree felony.

b. **Proposed Change**: The bill authorizes a person to carry a CWCF with or without a valid CWL. They must otherwise satisfy the criteria for receiving and maintaining a CWL, except that the person is not required to demonstrate competency with a firearm or state they carry for self-defense. A person carrying a CWCF without a CWL must carry valid identification while in possession of a CWCF. They are still prohibited from carrying a CWCF in certain locations, including schools, patrol stations, and drinking establishments.

Section 2: Description of Data and Sources

https://www.tn.gov/content/dam/tn/safety/documents/2022_Annual_Handgun_Report.pdf
https://www.seviercountysheriff.com/tennessee-gun-laws.html
https://www.fdacs.gov/content/download/7502/file/cw_active.pdf
https://www.fdacs.gov/content/download/7438/file/Concealed-Weapons-License-Fees-06-26-2017.pdf

Section 3: Methodology (Include Assumptions and Attach Details)

- Florida currently (April 30,3023 – DACS) has 2,692,551 concealed weapon/firearm licensees
- The license renews every 7 years
- To be issued a license, the applicant will fill out an application, get fingerprinted at DACS, tax collector or a local sheriff/police department. They must provide a certificate of completion from a firearms training class. The class cost is typically $50. Application fees are as follows *(source: Dept. of Ag)* :

FEE SCHEDULE
CONCEALED WEAPON OR FIREARM: SECTION 790.06, FLORIDA STATUTES

LICENSE TYPE	Fingerprint Processing Fee	Initial License Fee	Total	Renewal License Fee	Revised/ Duplicate Fee
Concealed Weapon or Firearm Florida Resident	$42	$55	$97	$45	$15
Concealed Weapon or Firearm Out of State Resident	$42	$55	$97	$87 (includes $42 fingerprint processing fee)	$15
FLORIDA Law Enforcement Officer, ACTIVE	NONE	$55	$55	$45	$15
FLORIDA Law Enforcement Officer, RETIRED within preceding year	NONE	NONE	NONE	$30	$15
FLORIDA Law Enforcement Officer, RETIRED more than one year	$42	$30	$72	$30	$15
Consular Security Official	NONE	$300	$300	$300	$15
Judge, ACTIVE	NONE	NONE	NONE	NONE	NONE
APPOINTED TAX COLLECTOR CONVENIENCE FEES					
APPOINTMENT OF TAX COLLECTOR TO ACCEPT APPLICATIONS FOR CONCEALED WEAPON OR FIREARM					
SECTION 790.0625, FLORIDA STATUTES					
Tax Collectors may collect the following convenience fees in addition to the fees noted above:					
New Applications: + $22			Renewal Applications: + $12		

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Concealed Weapons License
Bill Number(s): CS/HB543

- Florida Department of Agriculture reports a 22% decline in renewals/applications in April 2023 over April 2022.
- Florida Department of Agriculture reports a 4.88% increase in renewals/applications in May 2023 over May 2022.
    - New Applications: 11,030 – 61.51% decrease from May 2022
    - Renewal Applications: 19,209 – 43% increase from May 2022

Reasons why to continue to get a permit to carry:
- Allows Floridians to carry in states with permit reciprocity while traveling.
- May prevent delays resulting from a delayed NICS check when purchasing from a Federal Firearms License seller.
- May clarify any questions an individual has regarding their eligibility to carry or possess firearms.
- May prevent legal issues associated with a person coming within 1,000 feet of the grounds of a public, parochial, or private school without a state issued permit in violation of the federal Gun Free School Zones Act.

Permit less carry states: Alabama, Alaska, Arizona, Arkansas, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Mississippi, Missouri, Montana, Nebraska, New Hampshire, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas, Utah, Vermont, West Virginia, Wyoming

The analysis uses other state's license history to determine the impact of removing the requirement for a concealed weapons license. States that recently enacted the law on average saw a 37% reduction in volume the first year and 22% reduction the second year. These averages were used to estimate new and renewal declines for Florida residents. A smaller reduction was assumed for out of state residents. The assumption was a 15% decrease for the first year and 5% decrease for the years after. An out of state resident may choose to get a Florida license as the renewal period is 7 years while most states are typically every 5 years and to take advantage of reciprocity with other states.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			($8.9)	($8.9)		
2024-25			($12.1)	($12.1)		
2025-26			($14.7)	($14.7)		
2026-27			($16.8)	($16.8)		
2027-28			($18.4)	($18.4)		

Revenue Distribution: FDLE and FDACS Trust Funds, General Revenue Service Charge

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted 50% of the expected reductions from the new law that were proposed in Section 4. This is considered the minimum of the impact; other states have had greater declines.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(0.3)	(0.3)	(3.9)	(3.9)	0.0	0.0	(4.2)	(4.2)
2024-25	(0.5)	(0.5)	(5.8)	(5.8)	0.0	0.0	(6.3)	(6.3)
2025-26	(0.6)	(0.6)	(7.4)	(7.4)	0.0	0.0	(8.0)	(8.0)
2026-27	(0.8)	(0.8)	(8.9)	(8.9)	0.0	0.0	(9.7)	(9.7)
2027-28	(0.9)	(0.9)	(10.2)	(10.2)	0.0	0.0	(11.1)	(11.1)

FEES	New applicants		Renewal (out of state includes fingerprint fee)	
	Fingerprint processing Fee	Initial License Fee	Renewal License Fee	Revised/Duplicate Fee
Concealed Weapon or Firearm - Florida Resident	$42.00	$55.00	$45.00	$15.00
Concealed Weapon or Firearm - Out of State	$42.00	$55.00	$87.00	$15.00

Distribution

FDLE	$15.00		$15.00	
FDLE (FBI - Federal Fee)	$13.25		$13.25	
FDACS - instate	$13.75	$55.00	$13.75	$15.00
FDACS - out of state	$13.75	$55.00	$45.00	$15.00

Florida	In-State		Out of State	
License Issued	New applications	Renewal	New applications	Renewal
FY 2022-23 ytd	162,026	183,077	22,502	11,393
FY 2021-22	260,443	84,451	23,236	9,780
FY 2020-21	293,127	98,290	16,798	11,652
FY 2019-20	147,762	141,633	12,215	11,376
FY 2018-19	159,727	121,006	14,292	12,533
FY 2017-18	195,980	126,838	17,360	11,258
FY 2016-17	211,910	160,443	26,259	13,637
FY 2015-16	212,734	120,965	24,992	6,671

	In-State		Out of State	
	New applications	Renewal	New applications	Renewal
Average 7 years	198,093	125,889	19,726	10,876
Estimated Reduction 1st Year	**18.3%**	**18.3%**	**7.5%**	**7.5%**
Estimated Reduction After 1st Year	**10.8%**	**10.8%**	**2.5%**	**2.5%**

Volume after Enactment	In-State New	In-State Renewal	Out of State New	Out of State Renewals
FY 2023-24	161,778	102,811	18,246	10,060
FY 2024-25	144,366	91,746	17,790	9,809
FY 2025-26	128,828	81,871	17,345	9,563
FY 2026-27	114,963	73,060	16,912	9,324
FY 2027-28	102,590	65,196	16,489	9,091

Reduced Volume	In-State New	In-State Renewal	Out of State New	Out of State Renewals
Baseline	**198,093**	**125,889**	**19,726**	**10,876**
FY 2023-24	36,315	23,078	1,479	816
FY 2024-25	53,727	34,144	1,936	1,067
FY 2025-26	69,264	44,018	2,380	1,312
FY 2026-27	83,130	52,830	2,814	1,551
FY 2027-28	95,503	60,693	3,237	1,785

Breakout of Fees	Total Fee	FDLE	FDACS	(FBI Fee)
	New			
Florida Resident	$ 97.00	$ 15.00	$ 68.75	$ 13.25
Out of State	$ 97.00	$ 15.00	$ 68.75	$ 13.25
	Renewal			
Florida Resident	$ 45.00		$ 45.00	
Out of State	$ 87.00	$ 15.00	$ 58.75	$ 13.25

	In-State New	In-State Renewal	Out of State New	Out of State Renewals
FY 2023-24	$ 3,522,541	$ 1,038,526	$ 143,504	$ 70,965
FY 2024-25	$ 5,211,483	$ 1,536,465	$ 187,751	$ 92,846
FY 2025-26	$ 6,718,649	$ 1,980,812	$ 230,892	$ 114,179
FY 2026-27	$ 8,063,602	$ 2,377,335	$ 272,955	$ 134,980
FY 2027-28	$ 9,263,800	$ 2,731,181	$ 313,966	$ 155,260

	Total	FDLE	FDACS	(FBI Fee)
FY 2023-24	$ 4,775,535	$ 579,149	$ 3,684,804	$ 511,582
FY 2024-25	$ 7,028,545	$ 850,941	$ 5,425,940	$ 751,665
FY 2025-26	$ 9,044,533	$ 1,094,357	$ 6,983,493	$ 966,682
FY 2026-27	$ 10,848,871	$ 1,312,431	$ 8,377,127	$ 1,159,314
FY 2027-28	$ 12,464,207	$ 1,507,867	$ 9,624,391	$ 1,331,949

	TF	GR Service Charge	
FY 2023-24	$ (3.9)	$ (0.3)	($4.3)
FY 2024-25	$ (5.8)	$ (0.5)	($6.3)
FY 2025-26	$ (7.4)	$ (0.6)	($8.1)
FY 2026-27	$ (8.9)	$ (0.8)	($9.7)
FY 2027-28	$ (10.2)	$ (0.9)	($11.1)

State	Permit Type	Effective Date of CWL repeal	Note	Growth Rate 1st Year After Enactment	Average Growth Rate After Enactment	2022	2021	2020	2019	2018	2017	2016
Alabama	Concealed Weapon	1/1/2023	Based on 5 counties	-33%		50,808 -33%	76,116					
Tennessee	Handgun Permit	7/1/2021		-36%		67,385 -36%	104,573					
Ohio	Licenses, New and Renewals	6/13/2022		-56%		89,782 -56%	202,920					
Oklahoma	Approved applications	11/1/2019		-36%	-25%	14,957 -30%	21,433 -2%	21,902 -27%	29,991 -36%	46,757		
South Dakota	Active Pistol Permits	7/1/2019		-15%	-18%	54,918 -17%	66,156 -22%	85,332 -15%	100,544 -6%	107,129		
Texas	Handgun Licensing	9/1/2021	SFY (09/30 - 08/31)	-44%		260,908 -44%	469,543 20%	390,886 28%	305,133			

After repeal of CWL requirement

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Tourist Development Taxes - Local Tax Referenda
Bill Number(s): HB 7063 (codified as Chapter 2023-157, L.O.F.)

☐ **Entire Bill**
☒ **Partial Bill: Section 2 only**
Sponsor(s): House Ways and Means Committee and Representative McClain
Month/Year Impact Begins: July 1, 2023
Date of Analysis: June 23, 2023

Section 1: Narrative
a. Current Law:

General Election
Section 97.021(17), F.S., defines ***general election*** as "an election held on the first Tuesday after the first Monday in November in the even-numbered years, for the purpose of filling national, state, county, and district offices and for voting on constitutional amendments not otherwise provided for by law."

Tourist Development Taxes
Section 125.0104, F.S., authorizes five separate tourist development taxes (TDTs) that county governments may levy. Depending on a county's eligibility to levy, the tax rate applied to transient rental transactions may vary from a minimum of 3 percent to a maximum of 6 percent. The levies are by vote of the county's governing body or referendum approval. The tax proceeds are used generally for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance; however, the authorized uses vary according to the particular levy. The five TDTs are as follows below; however, only the 1 or 2 Percent Tax and Additional 1 Percent Tax must or may be authorized pursuant to referendum.

1. 1 or 2 Percent Tax [s. 125.0104(3)(c), F.S] – authorized pursuant to referendum approval by the registered voters within the county or subcounty special district.
2. Additional 1 Percent Tax [s. 125.0104(3)(d), F.S.] – authorized pursuant to an extraordinary vote of the county's governing body or by referendum approval by the registered voters within the county or subcounty special district.
3. Professional Sports Franchise Facility Tax [s. 125.0104(3)(l), F.S.] – authorized pursuant to a majority vote of the county's governing body.
4. High Tourism Impact Tax [s. 125.0104(3)(m), F.S.] – authorized pursuant to an extraordinary vote of the county's governing body.
5. Additional Professional Sports Franchise Facility Tax [s. 125.0104(3)(n), F.S.] – authorized pursuant to a majority plus one vote of the county's governing body.

Chapter 2016-220, L.O.F., created s. 125.0104(5)(c), F.S., to authorize a county located adjacent to the Gulf of Mexico or the Atlantic Ocean, except a county that receives revenues from taxes levied pursuant to s. 125.0108, F.S., (i.e., Monroe County) which meets certain criteria to use up to 10 percent of the tourist development tax revenue to reimburse expenses incurred in providing public safety services, including emergency medical services as defined in s. 401.107(3),F.S., and law enforcement services, which are needed to address impacts related to increased tourism and visitors to the area.

To receive reimbursement, the county must:

1. Generate a minimum of $10 million in annual proceeds from any Tourist Development Tax, or any combination of such taxes, authorized to be levied pursuant to s. 125.0104, F.S.
2. Have at least three municipalities.
3. Have an estimated population of less than 225,000, excluding the inmate population, according to the most recent official population estimate.

The counties currently eligible to receive reimbursement are Bay, Okaloosa, and Walton.

Tax: Local Taxes and Fees
Issue: Tourist Development Taxes - Local Tax Referenda
Bill Number(s): HB 7063 (codified as Chapter 2023-157, L.O.F.)

b. Proposed Changes:

Tourist Development Taxes
Section 2 of the legislation amends s. 125.0104, F.S., to modify the procedures for levying certain TDTs.

1. Additional 1 Percent Tax [s. 125.0104(3)(d), F.S.] – deletes the optional authorization of this levy pursuant to an extraordinary vote of the county's governing body. Any referendum to authorize this levy must be held at a general election.
2. Professional Sports Franchise Facility Tax [s. 125.0104(3)(l), F.S.] – deletes the authorization of this levy pursuant to a majority vote of the county's governing body and replaces it with approval by referendum that must be held at a general election.
3. High Tourism Impact Tax [s. 125.0104(3)(m), F.S.] – deletes the authorization of this levy pursuant to an extraordinary vote of the county's governing body and replaces it with approval by referendum that must be held at a general election.
4. Additional Professional Sports Franchise Facility Tax [s. 125.0104(3)(n), F.S.] – deletes the authorization of this levy pursuant to a majority plus one vote of the county's governing body and replaces it with approval by referendum that must be held at a general election.

Additionally, the legislation requires any future referendum to ***reenact*** an expiring tourist development tax to be held at a general election occurring within the 48-month period immediately preceding the effective date of the reenacted tax. Furthermore, any such referendum could only appear on the ballot once within that 48-month period.

Furthermore, the legislation amends s. 125.0104(5)(c), F.S., to increase the 225,000 population threshold to 275,000, which will allow the continued use of funds for public safety purposes by Bay, Okaloosa, and Walton counties. Additionally, it allows this use of funds by fiscally constrained counties that border the Gulf of Mexico or the Atlantic Ocean. The House of Representatives Staff Final Bill Analysis of HB 7063, dated June 1, 2023, states that under existing fiscally constrained county designations, this expansion would include Dixie, Franklin, Gulf, Levy, Taylor, and Wakulla counties.

Section 2: Description of Data and Sources
According to the Florida Department of State's Division of Elections website, the next General Election Day will be November 5, 2024.[1] In 2026 and 2028, the General Election Days will be held on November 3, 2026 and November 7, 2028, respectively.

Section 3: Methodology (Include Assumptions and Attach Details)
Following the 2019 Regular Legislative Session, the REC considered CS/CS/HB 5 – Section 1 that would have required a referendum to adopt or amend a local discretionary sales surtax to be held at a general election as defined in s. 97.021, F.S. On June 5, 2019, the REC adopted an estimate of zero cash/zero recurring. The Conference reasoned that the requirement did not directly impact current baseline revenue forecasts because they were based on current law / current administration and did not contain assumptions regarding future surtax enactments. That legislation was approved by the Governor and later codified as Chapter 2019-64, L.O.F.

Following the 2022 Regular Legislative Session, the REC considered CS/CS/HB 777 that would have required a referendum to adopt or amend several local taxes to be held at a general election as defined in s. 97.021, F.S. On June 1, 2022, the REC adopted an estimate of zero cash/zero recurring and stated that the Conference does not account for future changes in the enactment of these taxes in its baseline. That legislation was approved by the Governor and later codified as Chapter 2022-214, L.O.F.

On April 7, 2023, the REC considered proposed language, which was later incorporated into HB 7063, to require that a referendum to reenact any of several local option taxes must be held at a general election as defined in s. 97.021, F.S., and any such referendum to reenact an expiring tax must occur within the 48 month immediately preceding the effective date of the reenacted tax. Furthermore, any such referendum could only appear on the ballot once within that 48-month period. The REC adopted an estimate of zero cash/zero recurring and stated that the Conference does not account for future changes in the enactment of these taxes in its baseline.

[1] https://dos.myflorida.com/elections/for-voters/election-dates/

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Tourist Development Taxes - Local Tax Referenda
Bill Number(s): HB 7063 (codified as Chapter 2023-157, L.O.F.)

While this legislation would limit the current flexibility that county governments or subcounty special districts have for authorizing or reenacting several Tourist Development Tax levies and scheduling the required referendum, it does not appear to limit the authority of these local entities to raise revenues. The legislation does not increase or decrease local revenues; it only shifts the timing of revenues collected from local levies that may be approved by voters in the future.

For these reasons, EDR staff again recommends a zero cash/zero recurring fiscal impact.

Section 4: Proposed Fiscal Impact (Millions)

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			0	0		
2024-25			0	0		
2025-26			0	0		
2026-27			0	0		
2027-28			0	0		

List of Affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the proposed estimate. The Conference does not account for future changes in the enactment of these taxes in its baseline.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Specialty Contractors
Bill Number(s): CS/CS/HB 1383

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Trabulsy
Month/Year Impact Begins: July 1, 2024
Date(s) Conference Reviewed: June 23, 2023

Section 1: Narrative

a. Current Law:

Construction contractors are either certified ("certified contractors" or "certified specialty contractors") by the Construction Industry Licensing Board (CILB) housed within DBPR, or are registered with the CILB ("registered contractors," licensed by local jurisdictions). Contractors certified by the CILB can operate statewide, while registered contractors can only work in the jurisdiction for which they hold a license.

CILB currently issues 18 specialty contractor licenses, as follows:

- Drywall
- Demolition
- Gas Line
- Glass and Glazing
- Industrial Facilities
- Irrigation
- Marine
- Residential Pool/Spa Servicing
- Solar Water Heating
- Structure
- Swimming Pool Decking
- Swimming Pool Excavation
- Swimming Pool Finishes
- Swimming Pool Layout
- Swimming Pool Piping
- Swimming Pool Structural
- Swimming Pool Trim
- Tower

These existing specialty licenses have fees for: application ($40), initial licensure ($200), examination ($160), and administration fee for exam ($135).

b. Proposed Change:

The bill requires the CILB, by July 1, 2024, to, by rule, establish certified specialty contractor categories for voluntary licensure for each of the following (categories in bold appear to be subcategories of existing specialty licenses):

- **Structural aluminum or screen enclosures**
- **Marine seawall work**
- **Marine bulkhead work**
- **Marine dock work**
- **Marine pile driving**
- **Structural masonry**
- **Structural prestressed, precast concrete work**
- Rooftop solar heating installation
- **Structural steel**
- Window and door installation, including garage door installation and hurricane or windstorm protection
- Plaster and lath
- **Structural carpentry**

Section 2: Description of Data and Sources

HB 1383 Staff Analysis
HB 1383 Agency Analysis by Department of Business and Professional Regulation
Communication with DBPR

Section 3: Methodology (Include Assumptions and Attach Details)

Based on information provided by DBPR, while "voluntary," local governments can require relevant licensure in order to pull permits and complete work in their jurisdiction. As such, contractors wishing to work in these specialty areas are incentivized, or in some cases required, to apply for specialty licenses.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Specialty Contractors
Bill Number(s): CS/CS/HB 1383

DBPR indicated that no existing speciaty licenses are expected to be discontinued or replaced by the new categories of specialty licenses. DBPR anticipates it will take a full year to adopt rules and procedures related to these new specialties, so there should be no impact until July 2024. Beginning in July 2024, all thirty specialty licenses should be available. While the new categories will not replace existing categories, it seems likely that some contractors will choose to apply for the existing specialty licensure that covers more areas for the same fee (e.g., apply for the existing "marine" license, rather than "marine seawall work" or "marine dock work." The demand for the narrower new subcategories of existing licenses is likely lower than for the entirely new categories (e.g., window and door installation).

The total number of specialty licenses issued in the last three years ranges from 151 to 207, increasing each year. The impact is structured to assume the number of new licenses in any year is a percentage of the existing licenses issued in any given year. To calculate the number of existing licenses in any year, the number of licenses issued thus far in 2023 (roughly 110) is doubled, and the average increase over the last three years is used to estimate how many licenses under the existing categories will be issued in the coming years. The low assumes 10% of the number of existing specialty licenses will be issued for the twelve new license categories. The middle assumes 30%, and the high assumes 50%. The relatively low percentages factor in that of the twelve "new" categories, only three are not currently within the scope of an existing specialty license so demand will likely be lower. Any applicant who would have applied for an existing license and will now apply for a new license has no fiscal impact, as they would have paid the fee in either case. The proposed impact reflects only the likely new applicants, as compared to baseline applicants.

After the first year, the impact also accounts for the annual renewal of licensing fees for the new applicants from the cumulative years before. The impact assumes the renewal fee is $200, equivalent to the initial licensure fee.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0	0	0	0	0	0
2024-25	*	*	*	*	*	*
2025-26	0.1	0.1	*	*	*	*
2026-27	0.2	0.2	*	*	*	*
2027-28	0.2	0.2	0.1	0.1	*	*

Revenue Distribution: Professional Regulation Trust Fund

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the low estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2025-26	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2026-27	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2027-28	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Regulation of Securities
Bill Number(s): CS/SB 180

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Gruters
Month/Year Impact Begins: October 1, 2023
Date(s) Conference Reviewed: June 22, 2023

Section 1: Narrative

a. Current Law:

The Office of Financial Regulation (Office) and the Division of Securities within oversee the registration of firms, brokers, issuers, dealers, and agents, the registration of securities, and the regulation of securities transactions.

Registration of Dealer, Issuers, and Associated Persons
A dealer, issuer, or associated person may not offer or sell securities in Florida unless registered with the Office or is exempt from registration. Issuers and dealers pay a registration fee of $200. Associated persons pay a registration fee of $50.[1] Registrations expire at the end of each calendar year.

Registration of Securities
Securities must be registered with the State unless the security meets an exemption provided by law or is federally covered, such as a security under the exclusive jurisdiction of the Securities and Exchange Commission (SEC).[2] Securities offerings are subject to a one-time fee equal to $1,000.[3]

Registration of Private Fund Advisors
Private fund advisors are not a distinct class of advisors under current law. An "investment adviser" is any person who receives compensation, directly or indirectly, and engages for all or part of her or his time, directly or indirectly, or through publications or writings, in the business of advising others as to the value of securities or as to the advisability of investments in, purchasing of, or selling of securities, except a dealer whose performance of these services is solely incidental to the conduct of her or his business as a dealer and who receives no special compensation for such services.

The law excludes from registration as an investment advisor "[a]ny person who does not hold herself or himself out to the general public as an investment adviser and has no more than 15 clients within 12 consecutive months in this state.[4]

b. Proposed Change:

Registration of Dealer, Issuers, and Associated Persons
The bill excludes issuers who sell or offer to sell securities in this state or to persons in this state from the requirement to register with the Office. Making this change also exempts from registration associated persons of such issuers.

Registration of Securities
The bill reduces the application fee from $1,000 to $200 for securities offerings totaling $5 million or less.

Registration of Private Fund Advisors
The bill exempts private fund advisors from registration with the Office. A private fund advisor is an investment advisor who provides advice to solely one or more qualifying private funds. Under the bill, a "qualify private fund" may be one of three types:

- A private fund not registered under the Investment Company Act of 1940 (the SEC) and is not treated as a business development company,

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[1] Section 517.12(10)(a), F.S. Fees for associated persons may be waived if the person is or was an active duty member of the United States Armed Forces or a spouse or surviving spouse of such person.
[2] Section 517.07, F.S.
[3] Section 517.081(6), F.S.
[4] Section 517.021(14)(b)7., F.S.

- A venture capital fund (generally may be an entity such as a small business investment company or a rural investment company or a fund that meets other federal criteria such as requirements for strategy representation, debt obligations, and is not registered by the SEC)[5], or
- A venture operating company defined by the U.S. Department of Labor.

Section 2: Description of Data and Sources

CS/SB 180 Senate Bill Analysis
Correspondence with the Office of Financial Regulation
CS/HB 253 Final Bill Analysis

Section 3: Methodology (Include Assumptions and Attach Details)

There are three impacts identified in the bill. One, exclusion of issuers and their agents from registration; two, a reduction in the one-time application fee for offerings that total $5 million or less; and three, exempting private fund advisors from registration.

Number 3. Private Fund Advisors

Investment advisors who meet the new registration exemption are not identifiable in the data. However, the exclusion in current law is expected to include 'private fund advisors' who are investment advisors today. The impact from this part is zero.

Number 1. Exclusion of Issuers and their Agents from Registration

The Office provided data for issuer registrations and their agents for Fiscal Years 2017-18 through 2021-22. Annual registrations and renewals estimates are forecasted each year beginning in Fiscal Year 2022-23 using a five-year moving average. The following table displays the data followed by a chart to display the forecast trend.

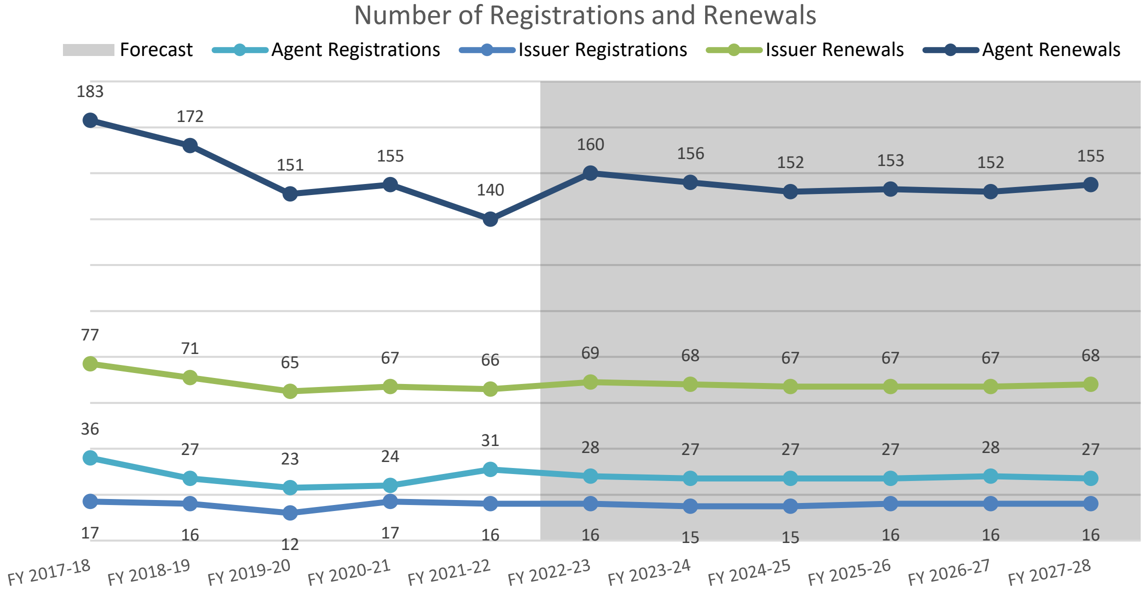
	# of Issuer Applications per Year	Total Fees	# of Issuer Renewals	Total Fees	# of Issuer Agent Applications per Year	Total Fees	# of Issuer Agent Renewals per Year	Total Fees
FY 2017-18	17	$ 3,400	77	$ 15,400	36	$ 1,800	183	$ 9,150
FY 2018-19	16	$ 3,200	71	$ 14,200	27	$ 1,350	172	$ 8,600
FY 2019-20	12	$ 2,400	65	$ 13,000	23	$ 1,150	151	$ 7,550
FY 2020-21	17	$ 3,400	67	$ 13,400	24	$ 1,200	155	$ 7,750
FY 2021-22	16	$ 3,200	66	$ 13,200	31	$ 1,550	140	$ 7,000
FY 2022-23	16	$ 3,200	69	$ 13,800	28	$ 1,400	160	$ 8,000
FY 2023-24	15	$ 3,000	68	$ 13,600	27	$ 1,350	156	$ 7,800
FY 2024-25	15	$ 3,000	67	$ 13,400	27	$ 1,350	152	$ 7,600
FY 2025-26	16	$ 3,200	67	$ 13,400	27	$ 1,350	153	$ 7,650
FY 2026-27	16	$ 3,200	67	$ 13,400	28	$ 1,400	152	$ 7,600
FY 2027-28	16	$ 3,200	68	$ 13,600	27	$ 1,350	155	$ 7,750

Total fees is equal to the number of issuer and agent registrations and renewals multiplied by their respective fee amount, $200 per year for issuers and $50 per year for agents.

[5] § 275.203(l)-1 Venture capital fund defined

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Regulation of Securities
Bill Number(s): CS/SB 180



The revenue reduction for this part is equal to the sum of the fee columns.

	Revenue Reduction
FY 2023-24	$ 25,750
FY 2024-25	$ 25,350
FY 2025-26	$ 25,600
FY 2026-27	$ 25,600
FY 2027-28	$ 25,900

Number 2. Reduction to the One-time Application Fee for Offerings that Total $5 Million or Less
The Office provided data for Fiscal Years 2017-18 through 2021-22. Only 1 issuer made application. The forecast is derived as the expected value of an application being filed in any given year. Since only 1 application existed in the look-back period, there is a 20 percent chance that in any year an application will be filed. Multiplying 20 percent by the revenue reduction per application ($800) results in the annual expected value of foregone revenue.

The table below reports the total number of filings for all offerings and for filings of $5 million or less, with corresponding total fee amounts.

	# of Issuers Who Paid Filing Fees	Total Fees	# of Issuers who paid filing fees for offering <$5m	Total Fees
FY 2017-18	10	$10,000	0	$0
FY 2018-19	2	$2,000	0	$0
FY 2019-20	5	$5,000	0	$0
FY 2020-21	7	$7,000	0	$0
FY 2021-22	15	$15,000	1	$1,000
FY 2022-23	8	$16,000	0.2	$160
FY 2023-24	7	$14,000	0.2	$160
FY 2024-25	8	$16,000	0.2	$160
FY 2025-26	9	$18,000	0.2	$160
FY 2026-27	9	$18,000	0.2	$160
FY 2027-28	8	$16,000	0.2	$160

The revenue reduction for this part is equal to the expected value of filing fees in any given year.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Regulation of Securities
Bill Number(s): CS/SB 180

Fiscal Year	Revenue Reduction
FY 2023-24	$ 160
FY 2024-25	$ 160
FY 2025-26	$ 160
FY 2026-27	$ 160
FY 2027-28	$ 160

<u>Final Impact</u>
With all parts combined, the final impact of the bill is negative insignificant.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(*)	(*)		
2024-25			(*)	(*)		
2025-26			(*)	(*)		
2026-27			(*)	(*)		
2027-28			(*)	(*)		

Revenue Distribution:
General Revenue (impacts from Firms and Issuers)
Regulatory Trust Fund (Agent fees)

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2024-25	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2025-26	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2026-27	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2027-28	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Communications Services Tax
Issue: Local Rate Freeze
Bill Number(s): HB 7063 Enrolled

☐ **Entire Bill**
☒ **Partial Bill**: HB 7063 Enrolled – Section 17
Sponsor(s):
Month/Year Impact Begins: July 2023
Date(s) Conference Reviewed: June 23, 2023

Section 1: Narrative

a. Current Law: The governing authority of each county and municipality may levy a discretionary communications service tax.

b. Proposed Change: The proposed language redefines "discretionary" communications service tax as a "local" communications service tax and freezes the local CST rate in effect January 1, 2023, until January 1, 2026.

Section 2: Description of Data and Sources
February 2023 Gross Receipts/CST Conference Package

Section 3: Methodology (Include Assumptions and Attach Details)
The Conference does not assume future change to local rates in its local baseline forecast; therefore, the impact of the local rate freeze is zero.

Fiscal year	Local CST Revenues	Impact
FY 22-23	$ 666M	$ 0M
FY 23-24	$ 694M	$ 0M
FY 24-25	$ 720M	$ 0M
FY 25-26	$ 738M	$ 0M
FY 26-27	$ 754M	$ 0M
FY 27-28	$ 768M	$ 0M

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			$0M	$0M		
2024-25			$0M	$0M		
2025-26			$0M	$0M		
2026-27			$0M	$0M		
2027-28			$0M	$0M		

Revenue Distribution: Local CST

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the proposed estimate. The Conference does not assume future changes to local rates in its local baseline forecast; therefore, the impact of the local rate freeze is zero.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax
Issue: Brownfield Tax Credit Increase
Bill Number(s): HB7063

☐ **Entire Bill**
☒ **Partial Bill**: Section 37
Sponsor(s): Representative McClain
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: June 23, 2023

Section 1: Narrative

a. **Current Law**: Current law stipulates that $27 million in tax credits may be granted in the 2021-2022 fiscal year and $10 million each fiscal year thereafter.

b. **Proposed Change**: Tax credits increase to and may not exceed $35 million from $10 million each fiscal year starting in fiscal year 2023-2024.

Section 2: Description of Data and Sources
Review of prior analysis and communications with DEP.

Section 3: Methodology (Include Assumptions and Attach Details)
Each estimate assumes the first fiscal year will have the projected activity of $23.8 million and clear the $8.7 million backlog totaling $32.5 million. In the high estimate, the following years will have a level of activity equal to the approved tax credits of $35 million. The middle estimate uses a constant growth rate derived from the most recent three years of approved credits starting from the projected level of activity of $23.8 million in fiscal year 2023-2024. The low estimate follows the same methodology as the middle estimate but applies a growth rate derived from a five-year average.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	($22.5 mil)	($25.0 mil)	($22.5 mil)	($25.0 mil)	($22.5 mil)	($25.0 mil)
2024-25	($25.0 mil)	($25.0 mil)	($19.3 mil)	($25.0 mil)	($17.0 mil)	($25.0 mil)
2025-26	($25.0 mil)	($25.0 mil)	($25.0 mil)	($25.0 mil)	($20.6 mil)	($25.0 mil)
2026-27	($25.0 mil)	($25.0 mil)	($25.0 mil)	($25.0 mil)	($24.7 mil)	($25.0 mil)
2027-28	($25.0 mil)	($25.0 mil)	($25.0 mil)	($25.0 mil)	($25.0 mil)	($25.0 mil)

Revenue Distribution: Corporate Income Tax

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted high estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(22.5)	(22.5)	0.0	0.0	0.0	0.0	(22.5)	(22.5)
2024-25	(25.0)	(25.0)	0.0	0.0	0.0	0.0	(25.0)	(25.0)
2025-26	(25.0)	(25.0)	0.0	0.0	0.0	0.0	(25.0)	(25.0)
2026-27	(25.0)	(25.0)	0.0	0.0	0.0	0.0	(25.0)	(25.0)
2027-28	(25.0)	(25.0)	0.0	0.0	0.0	0.0	(25.0)	(25.0)

Calendar Year	Fiscal Year Issued	Total Amount of Tax Credits Approved	Tax Credits Issued	Remaining Backlog	Growth Rate of Tax Credits Approved	Total Demand of Credits	Growth in Demand (Tax Credits Approved + Previous Year's Backlog)
2016	FY17-18	$ 14,356,339.93	$ 10,000,000.00	$ 10,451,298.04		$ 14,356,339.93	
2017	FY18-19	$ 11,407,898.28	$ 18,500,000.00	$ 3,191,328.84	-21%	$ 21,859,196.32	52%
2018	FY19-20	$ 15,055,055.38	$ 10,000,000.00	$ 8,246,384.22	32%	$ 18,246,384.22	-17%
2019	FY20-21	$ 12,525,086.20	$ 10,000,000.00	$ 10,771,490.81	-17%	$ 20,771,470.42	14%
2020	FY21-22	$ 16,157,168.98	$ 27,500,000.00	$ 411,530.14	29%	$ 26,928,659.79	30%
2021	FY22-23	$ 18,799,854.84	$ 10,000,000.00	$ 8,678,546.78	16%	$ 19,211,384.98	-29%
2022	FY23-24	$ 23,774,740.14	$ 32,453,286.92	$ (2,546,713.08)	26%	$ 32,453,286.92	69%

Input Variables	
Tax Credits	$ 35,000,000.00
5yr Avg. Demand Growth	13%
3yr Avg. Demand Growth	23%
2022 Expected	$ 32,453,286.92

Previous Analysis	
Input Variables	
Tax Credits	$ 10,000,000.00
5yr Avg. Growth*	17%
3yr Avg. Growth	23%
2022 Expected	$ 23,192,427.95

Calendar Year	Fiscal Year Issued	Projected Tax Credits Approved	Tax Credits Issued	Difference From Current Funding	Report Input Numbers
High (Constant Value)					
2022	FY23-24	$ 32,453,286.92	$ 32,453,286.92	$ 22,453,286.92	($22.5)
2023	FY24-25	$ 35,000,000.00	$ 35,000,000.00	$ 25,000,000.00	($25.0)
2024	FY25-26	$ 35,000,000.00	$ 35,000,000.00	$ 25,000,000.00	($25.0)
2025	FY26-27	$ 35,000,000.00	$ 35,000,000.00	$ 25,000,000.00	($25.0)
2026	FY27-28	$ 35,000,000.00	$ 35,000,000.00	$ 25,000,000.00	($25.0)
Low (5yr Growth Rate)					
2022	FY23-24	$ 32,453,286.92	$ 32,453,286.92	$ 22,453,286.92	($22.5)
2023	FY24-25	$ 26,971,151.93	$ 26,971,151.93	$ 16,971,151.93	($17.0)
2024	FY25-26	$ 30,597,307.57	$ 30,597,307.57	$ 20,597,307.57	($20.6)
2025	FY26-27	$ 34,710,984.27	$ 34,710,984.27	$ 24,710,984.27	($24.7)
2026	FY27-28	$ 39,377,727.16	$ 35,000,000.00	$ 25,000,000.00	($25.0)
Middle (3yr Growth Rate)					
2022	FY23-24	$ 32,453,286.92	$ 32,453,286.92	$ 22,453,286.92	($22.5)
2023	FY24-25	$ 29,315,179.97	$ 29,315,179.97	$ 19,315,179.97	($19.3)
2024	FY25-26	$ 36,146,757.92	$ 35,000,000.00	$ 25,000,000.00	($25.0)
2025	FY26-27	$ 44,570,359.43	$ 35,000,000.00	$ 25,000,000.00	($25.0)
2026	FY27-28	$ 54,956,987.97	$ 35,000,000.00	$ 25,000,000.00	($25.0)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes & Fees
Issue: Temporary Commercial Kitchens
Bill Number(s): CS/SB 752
☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Calatayud
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: 6/23/2023.

Section 1: Narrative

Current Law: The Division of Hotels and Restaurants (Division) within the Department of Business and Professional Regulation (DBPR) is charged with enforcing the applicable laws relating to the inspection and regulation of public food service establishments for the purpose of protecting the public health, safety, and welfare. Food trucks are regulated by DBPR as a "mobile food dispensing vehicle,"(MFDV). To obtain a license as an MFDV, an applicant must complete a kitchen plan review for sanitation and safety concerns, apply for a license and pay the license fee, and schedule and pass an initial licensing inspection. Once licensed, Division personnel inspect MFDVs as often as necessary for the protection of the public's health, safety, and welfare.

By rule, the division provides different license fees for a public food service establishment based on the license classification for the establishment. The division's general classifications are non-seating and seating, which are then divided into sub-classifications. MFDVs are classified under the non-seating classification. The license for an MFDV requires payment of a $50 application fee and a $347 license fee.

Proposed Change:

The bill amends s. 509.101, F.S., requires operators of public food service establishments to recognize temporary commercial kitchens similarly to MFDVs when it comes to maintaining a daily registry and verifying proper licenses.

It defines a temporary commercial kitchen as a public food service establishment used for takeout or delivery-only meals housed in portable structures with self-contained utilities, excluding a tent. The bill also preempts regulation of licenses, registrations, permits, and fees for temporary commercial kitchens.

Temporary commercial kitchens and MFDVs can operate on the same premises as a separately licensed public food service establishment and can supplement the kitchen operations of a licensed permanent food service establishment.

Temporary commercial kitchens can operate for 60 consecutive days on the premises of a licensed permanent food service establishment to assist in kitchen operations or 120 consecutive days during renovation, repair, or rebuilding of a licensed permanent food service establishment and during a declared state of emergency (both time frames can be granted an extension). Excluding those circumstances, a temporary kitchen cannot operate in one location for longer than 30 straight days.

Temporary commercial kitchens must notify the Division of their location and renew it every 90 days for the duration of their operation.

Section 2: Description of Data and Sources

Correspondence with DBPR
https://mobilekitchens.com/2020/12/14/food-truck-vs-mobile-kitchen-trailer-which-is-better/

Section 3: Methodology (Include Assumptions and Attach Details)

The bill provides uniformity when licensing and regulating temporary commercial kitchens and seems geared to provide assistance to restaurants damaged in the wake of a hurricane or similar natural disaster.

The definition of a temporary commercial kitchen closely mirrors that of mobile food dispensing vehicles (food trucks), but the clear delineation of the two may spur additional revenue from current brick and mortar businesses looking to expand.

Presently, the total cost of application and annual license fee is $397 ($50 application fee, $347 license fee). Currently there are 9,314 active MFDV licenses statewide.

In 2021, DBPR licensed 467 new mobile food dispensing vehicles, and in 2022, it was 432 licenses for new mobile food dispensing vehicles.

Because of the clear delineation and boundaries within which a temporary commercial kitchen can now operate, it is possible that this bill will incrementally increase the number of licenses for a temporary commercial kitchen, otherwise, the revenue impact would not change, hence a projection of either 0 or positive insignificant.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes & Fees
Issue: Temporary Commercial Kitchens
Bill Number(s): CS/SB 752

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			0/*	0/*		
2024-25			0/*	0/*		
2025-26			0/*	0/*		
2026-27			0/*	0/*		
2027-28			0/*	0/*		

Revenue Distribution: Hotel and Restaurant Trust Fund

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0/*	0/*	0/*	0/*	0.0	0.0	0/*	0/*
2024-25	0/*	0/*	0/*	0/*	0.0	0.0	0/*	0/*
2025-26	0/*	0/*	0/*	0/*	0.0	0.0	0/*	0/*
2026-27	0/*	0/*	0/*	0/*	0.0	0.0	0/*	0/*
2027-28	0/*	0/*	0/*	0/*	0.0	0.0	0/*	0/*

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Grandfathered Licensing of Electrical and Alarm Contractors
Bill Number(s): CS/CS/HB 869

☐ **Entire Bill**
☒ **Partial Bill**: Section 3
Sponsor(s): Representative McClain
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: June 23, 2023

Section 1: Narrative

a. Current Law:

Section 489.514, F.S., previously permitted Florida registered electrical and alarm contractors to grandfather their registered license to a state wide certification without taking the state licensure examination if they met certain criteria and made application to the Department between July 1, 2019, and November 1, 2021. Registered contractors are permitted to work only within local jurisdictions which provide them a local competency card and are not permitted to operate on a state wide basis unless they obtain a state certified license. Since closing of the grandfathering provision on November 1, 2021, registered contractors are required to sit for the state certified license examination prior to receiving a state certified license as an electrical or alarm contractor.

b. Proposed Change:

The bill amends s. 489.118, F.S., to permanently re-open the period for grandfathering of registered contractors' licenses to state wide certified contractors' licenses indefinitely by removing the requirement that applicants apply by November 1, 2021.

Section 2: Description of Data and Sources
HB 869 Staff Analysis
HB 869 and SB 782 Agency Analysis from Department of Business and Professional Regulation
Communications with DBPR staff

Section 3: Methodology (Include Assumptions and Attach Details)

Revenue from a grandfathering fee is indeterminate because it is unknown how many eligible registered Electrical Contractors' Licensing Board (ECLB) licensees will apply for grandfathering. The total fee (application fee, initial licensing fee, and unlicensed activity fee) during the end of the previous grandfathering period was $196.

There are 2,036 Registered Current Active/Inactive ECLB licensees who may be able to take advantage of the grandfathering provision. However, the department received only 766 applications during the last period of grandfathering, which was from July 1, 2019 to November 1, 2021, representing a little over 1/3 of the total base of eligible applicants.

As a permanent change, the bill may lead to fewer applications in any given year (lack of urgency) but a steady stream of applicants in the future. Given that 766 applications were received over the 28 month grandfather period the last time, the middle assumes a similar future impact of 27 applications per month over the forecast period. The high assumes that the number of applications will start with 27 per month but will grow 10% per year. The low assumes most of the individuals who held the applicable licensure and wanted to take advantage of the grandfathering provision did so the last time the option was available, and the number of individuals who will take advantage of this is 10 per month over the forecast period.

Assuming total application/license fees of $196, the initital application grandfathering fees received by the department are logically capped at $399,056, which would be the impact if all 2,036 Registered Current Active/Inactive licensees apply over the forecast period. These seems unlikely given participation in the recent grandfathering program for these individuals. While the workpapers show a range of potential impacts, they are all less than $100,000 per fiscal year.

The total impact includes an estimate that all of the new licensees will also pay renewal fees of $196 in each subsequent year, which increase all three impacts above the threshold for significance by FY 2027-28.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Grandfathered Licensing of Electrical and Alarm Contractors
Bill Number(s): CS/CS/HB 869

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	*	*	*	*	*	*
2024-25	0.1	0.1	*	*	*	*
2025-26	0.2	0.2	*	*	*	*
2026-27	0.3	0.3	0.1	0.1	*	*
2027-28	0.4	0.4	0.2	0.2	0.1	0.1

Revenue Distribution: Professional Regulation Trust Fund

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted a positive insignificant impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	*	*	*	*	0.0	0.0	*	*
2024-25	*	*	*	*	0.0	0.0	*	*
2025-26	*	*	*	*	0.0	0.0	*	*
2026-27	*	*	*	*	0.0	0.0	*	*
2027-28	*	*	*	*	0.0	0.0	*	*

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Business Rent Tax Rate Reduction
Bill Number(s): HB 7063

☐ **Entire Bill**
☒ **Partial Bill**: Section 22
Sponsor(s): Representative McClain
Month/Year Impact Begins: December 2023
Date(s) Conference Reviewed: June 23rd, 2023

Section 1: Narrative

a. **Current Law**: Commercial Rent is taxed at a 5.5% rate which is expected to decline to a 2% rate in August 2024 based on the most recent Reemployment Tax Trust Fund estimate.

b. **Proposed Change**: The commercial rent tax rate would be reduced to a 4.5% rate. The drop to 2% is still expected in August 2024.

Section 2: Description of Data and Sources

March 2, 2023, Unemployment Compensation Trust Fund Estimating Conference
March 13, 2023, General Revenue Estimating Conference (Business Investment Growth rates – adjusted for trust fund rate reduction)
February 2023 Commercial Rent Tax Base Investigation by the Office of Tax Research

Section 3: Methodology (Include Assumptions and Attach Details)

We multiply the commercial rent tax base by both the current and proposed rate, then take the difference to reach an impact. The impact is of limited window. 6.75 Months in the first year to account for the lag in collections and the delayed start date, 1.25 months in the second year to account for the drop to a 2% rate already expected to take effect. The conference previously adopted a one week, 25% first month lag and a corresponding 25% last month remainder, so that is reflected in the impact below.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			($215.9) M	$0		
2024-25			($40.1) M	$0		
2025-26				$0		
2026-27				$0		
2027-28				$0		

Revenue Distribution: Sales and Use Tax – state rate only

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(191.2)	0.0	(Insignificant)	0.0	(6.4)	0.0	(18.3)	0.0
2024-25	(35.5)	0.0	(Insignificant)	0.0	(1.2)	0.0	(3.4)	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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	(24.7)	0.0	(215.9)	0.0
2024-25	0.0	0.0	(4.6)	0.0	(40.1)	0.0
2025-26	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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F
1	**Return**	**Total Taxable Sales**				
2	**DR-15**	$ 24,656,095,571				
3	**DR-15 EZ**	$ 8,593,388,358				
4	**DR-7 Members**	$ 5,926,034,291				
5	**Total**	$ 39,175,518,219				
6						
7	**Total Tax Paid at Each Commercial Rent Rate**					
8	**5.5%**	$ 2,154,653,502				
9	**4.5%**	$ 1,762,898,320				
10						
11	**2023 Leg. GR Sales Tax Business Investment**					
12		Collections	Growth			
13	2022-23	$ 7,695.00				
14	2023-24	$ 7,540.30	-2%			
15	2024-25	$ 6,523.70	-13%			
16						
17	**2023 Leg. GR Sales Tax Business Investment Adjustment**					
18		Collections	Measures	Adj. Collections	Growth	
19	2022-23	$ 7,695.00		$ 7,695.00		
20	2023-24	$ 7,540.30		$ 7,540.30	-2.0%	
21	2024-25	$ 6,523.70	$ 1,038.50	$ 7,562.20	0.3%	
22						
23	**2023 Leg. Business Investment Growth Rates Adjustmed for Measures** (not adjusted for CY)					
24	2023-24	-2.0%				
25	2024-25	0.3%				
26						
27	**Grown to 2024-25**					
28		Tax Paid at 5.5%	Tax Paid at 4.5%			
29	2022-23	$ 2,154,653,502	$ 1,762,898,320			
30	2023-24	$ 2,111,336,426	$ 1,727,457,076			
31	2024-25	$ 2,117,468,579	$ 1,732,474,292			
32						
33	**Impact of rate reduction from 5.5% to 4.5%**					
34	2023-24	$ (383,879,350)				
35	2024-25	$ (384,994,287)				
36						
37	**Months in Effective Window**					
38	2023-24	6.75				
39	2024-25	1.25				
40						
41		**Middle**				
42		Cash	Recurring			
43	2023-24	$ (215,932,134.52)	$ -			
44	2024-25	$ (40,103,571.57)	$ -			

That -13% includes the anticipated drop to a 2% tax rate. In order to measure the true growth of the economic sector, the forecast must be adjusted to remove this effect.

The effective window of the 4.5% tax rate is December 1 2023 to July 31 2024. This is 7 months of FY24 and 1 month of FY25. The conference has previously adopted a 1 week lag on the effect of a commercial rent rate change, which is approximated as 75% of a month.

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Local Option Food and Beverage Tax – Levy of 1% Tax in Select Municipalities Subject to Referendum Approval
Bill Number(s): HB 7063 (codified as Chapter 2023-157, L.O.F.)

☐ **Entire Bill**
☒ **Partial Bill: Section 21 only**
Sponsor(s): House Ways and Means Committee and Representative McClain
Month/Year Impact Begins: July 1, 2023
Date of Analysis: June 23, 2023

Section 1: Narrative

a. Current Law:

Local Option Food and Beverage Tax

Section 212.0306, F.S., authorizes the Local Option Food and Beverage Tax, which actually consists of two separate levies. Any county, as defined in s. 125.011(1), F.S., [i.e., Miami-Dade County] may impose two separate taxes by ordinance adopted by a majority vote of the county's governing body. The first tax authorized in s. 212.0306(1)(a), F.S., may be imposed at the rate of 2 percent on the sale of food, beverages, or alcoholic beverages in hotels and motels. A second tax authorized in s. 212.0306(1)(b), F,S., may be imposed at the rate of 1 percent on the sale of food, beverages, or alcoholic beverages in establishments that are licensed by the state to sell alcoholic beverages for consumption on the premises, except for hotels and motels. However, this 1 percent tax does not apply to any alcoholic beverage sold by the package for off-premises consumption. The county levying either tax locally administers the tax using the powers and duties enumerated for local administration of the tourist development tax by s. 125.0104, F.S. Miami-Dade County began levying these taxes on October 1, 1993.

The county distributes the 2 percent tax proceeds to a countywide convention and visitors' bureau, which by interlocal agreement and contract with the county has been given the primary responsibility for tourist and convention promotion, to be used for those purposes authorized in s. 125.0104(5)(a)2. or 3., F.S. (1992 Supp.). If the county is not or is no longer a party to such an interlocal agreement and contract with a countywide convention and visitors' bureau, the county allocates the proceeds for those purposes authorized in s. 125.0104(5)(a)2. or 3., F.S. (1992 Supp.).

As described in s. 125.0104(5)(a)2. or 3., F.S. (1992 Supp.), the 2 percent tax proceeds are used for the following purposes.

1. Promoting and advertising tourism in the State of Florida and nationally and internationally.
2. Funding convention bureaus, tourist bureaus, tourist information centers, and news bureaus as county agencies or by contract with the chambers of commerce or similar associations in the county.

The 1 percent tax proceeds are distributed by the county pursuant to the guidelines provided in the approved plans for addressing homeless needs as well as the construction and operation of domestic violence centers. The county and its respective municipalities continue to contribute each year at least 85 percent of aggregate expenditures from the respective county or municipal general fund budget for county-operated or municipally-operated homeless shelter services at or above the average level of such expenditures in the two fiscal years preceding the levy date of this tax.

For the first 12 months of the 1 percent tax levy, the proceeds are used by the county to assist persons who have become or are about to become homeless. These funds are made available for emergency homeless shelters, food, clothing, medical care, counseling, alcohol and drug abuse treatment, mental health treatment, employment and training, education, and housing. Thereafter, not less than 15 percent of the proceeds are made available for construction and operation of domestic violence centers. The remainder is used for programs to assist the homeless or those about to become homeless. In addition, the proceeds and accrued interest may be used as collateral, pledged, or hypothecated for authorized projects, including bonds issued in connection with such authorized projects.

Pursuant to s. 212.0306(2)(d), F.S., sales in cities or towns presently imposing a municipal resort tax as authorized by Chapter 67-930, L.O.F., are exempt from the Local Option Food and Beverages Tax.

Municipal Resort Tax

Chapter 67-930, L.O.F., as amended by Chapters 82-142, 83-363, 93-286, and 94-344, L.O.F., authorizes the Municipal Resort Tax, which also consists of two separate levies. Municipalities in counties having a population of not less than 330,000 and not more than 340,000 (i.e., Broward County) and in counties having a population of more than 900,000 (i.e., Miami-Dade County), according to the 1960 decennial census, whose charter specifically provided or was amended prior to January 1, 1968, to provide for this tax levy, are eligible to impose it by ordinance adopted by the governing body. A tax of up to 4% may be levied upon the rent of every occupancy of a room or rooms in any hotel, motel, apartment house, rooming house, tourist or trailer camp, as defined in part I of ch. 212, F.S. A tax of up to 2% may be levied upon the retail sale price of all items of food or beverages sold at retail, and of alcoholic beverages sold at retail for consumption on the premises at any place of business required by law to be licensed by the state hotel and restaurant commission or by the state beverage department. However, the tax does not apply to those sales the amount of which is less than 50 cents or sales of food or beverages delivered to a person's home under a contract providing for deliveries on a regular schedule when the price of each meal is less than $10.

The Miami-Dade County municipalities of Bal Harbour, Miami Beach, and Surfside are eligible to impose the Municipal Resort Tax. According to their official government websites, Bal Harbour[1], Miami Beach[2], and Surfside[3] are imposing the tax at 4 percent on transient rental transactions and 2 percent on the sale of food and beverages.

It is the duty of every person renting a room or rooms and selling at retail food or beverages or alcoholic beverages for consumption on the premises to act as the tax collection agent. These persons must collect, report, and pay over to the municipality all taxes levied in accordance with the enacted ordinance. Any municipality collecting the tax has the same duties and privileges as the Department of Revenue (DOR) under part I of ch. 212, F.S., and may use any power granted to the DOR under this part including enforcement and collection procedures and penalties.

The governing body may authorize by ordinance the creation of an authority or commission empowered to contract and be contracted with its own name as an agency of the municipality to expend the tax proceeds as the body may determine appropriate. The tax proceeds are used for the creation and maintenance of convention and publicity bureaus; development and maintenance of art and cultural centers; enhancement of tourism; publicity and advertising; construction, operation, and maintenance of auditoriums, community centers, and convention structures; or relief from ad valorem taxes being used for any of these other purposes.

<table>
<tr><th colspan="4">Relevant Taxes on the Sale of Food, Beverages, or Alcoholic Beverages</th></tr>
<tr><th colspan="2">Local Option Food and Beverage Tax</th><th colspan="2">Municipal Resort Tax</th></tr>
<tr><td>2% Tax</td><td>On the sale of food, beverages, or alcoholic beverages in hotels and motels only.</td><td rowspan="2">Up to 2% Tax</td><td rowspan="2">Upon the retail sale price of all items of food or beverages sold at retail, and of alcoholic beverages sold at retail for consumption on the premises at any place of business required by law to be licensed by the state hotel and restaurant commission of by the state beverage department. However, this tax shall not apply to those sales the amount of which is less than fifty cents nor to sales of food or beverages delivered to a person's home under a contract providing for deliveries on-a regular schedule when the price of each meal is less than ten dollars.</td></tr>
<tr><td>1% Tax</td><td>On the sale of food, beverages, or alcoholic beverages in establishments that are licensed by the state to sell alcoholic beverages for consumption on the premises, except for hotels and motels; however, the tax shall not apply to any alcoholic beverage sold by the package for off-premises consumption.</td></tr>
</table>

b. Proposed Change: The legislation amends s. 212.0306(2)(d), F.S., to maintain the Local Option Food and Beverage Tax exemption for each of the three municipalities (i.e., Bal Harbour, Miami Beach, and Surfside) currently levying the Municipal Resort Tax. However, the 1% Local Option Food and Beverage Tax authorized in s. 212.0306(1)(b), F.S., may be levied by each of the three municipalities of Bal Harbour, Miami Beach, and Surfside, if the levy is approved by voters of that municipality in a referendum held at a general election as defined in s. 97.021, F.S. Any authorized levy of this 1% tax takes effect on January 1st following the general election in which the ordinance was approved. Furthermore, any future referendum to reenact an expiring

[1] http://www.balharbourfl.gov/doing-business/resort-tax-registration
[2] https://www.miamibeachfl.gov/city-hall/finance/filepay-resort-tax/
[3] See document entitled "Resort Tax Form" available at http://www.townofsurfsidefl.gov/departments-services/finance/certificate-of-use-local-business-tax-receipt-and-resort-tax-information

levy of this 1% tax must be held at a general election occurring within the 48-month period immediately preceding the effective date of the reenacted tax, and the referendum may appear on the ballot only once within the 48-month period.

Section 2: Description of Data and Sources
None

Section 3: Methodology (Include Assumptions and Attach Details)
Beginning July 1, 2023, any future imposition of the 1% Local Option Food and Beverage Tax on eligible sales within one or more of these three municipalities (and the resulting tax proceeds going to Miami-Dade County) would be subject to two conditions. First, the municipality's governing body would need to call for a local referendum to approve the tax levy within the jurisdiction. Second, the registered voters within that municipality would need to approve the referendum, which must be held at a general election.

On April 21, 2023, the REC reviewed proposed language, which was similar to this legislation. The April 2023 language would have maintained the exemption for each of the three municipalities levying the Municipal Resort Tax, unless the 1% or 2% Local Option Food and Beverage Tax or both were approved in a referendum by voters of that municipality. At that time, the REC adopted a zero/positive indeterminate fiscal impact.

In this legislation, the referendum approval provision is limited to the 1% tax only. For these reasons, EDR staff again recommends a zero/positive indeterminate fiscal impact.

Section 4: Proposed Fiscal Impact - $ Millions

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			0	0/**		
2024-25			0/**	0/**		
2025-26			0/**	0/**		
2026-27			0/**	0/**		
2027-28			0/**	0/**		

List of Affected Trust Funds: Local funds only.

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	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/**
2025-26	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/**
2027-28	0.0	0.0	0.0	0.0	0/**	0/**	0/**	0/**

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Affordable Housing Property Tax Exemption (missing middle)
Bill Number(s): CS/SB 102 Section 8 – Paragraphs 196.1978 (3)(a)-(o) F.S.

☐ **Entire Bill**
☑ **Partial Bill**: Section 8 – Missing Middle
Sponsor(s): Senator Calatayud
Month/Year Impact Begins: January 2024
Date(s) Conference Reviewed: February 3, 2023; February 10, 2023; February 17, 2023; March 3, 3023; June 13, 2023; June 23, 2023

Section 1: Narrative

a. Current Law: No current law.

b. Proposed Change: Effective January 1, 2024, subsection (3) is added to 196.1978 F.S.; the impact-relevant parts are paraphrased below:

(3) (b) Notwithstanding ss. 196.195 and 196.196, portions of property in a multifamily project are considered property used for a charitable purpose and are eligible to receive an ad valorem property tax exemption if such portions:

1. Provide affordable housing to natural persons or families meeting the income limitations provided in paragraph (d);
2. Are within a newly constructed multifamily project that contains more than 70 units dedicated to housing natural persons or families meeting the income limitations provided in paragraph (d); and
3. Are rented at a rate that does not exceed the amount as specified by the most recent multifamily rental programs income and rent limit chart posted by the corporation and derived from the Mulfiamily Tax Subsidy Projects Income Limits published by the US Dept of Housing and Urban Development or 90% of the fair market value rent as determined by a rental market study meeting the requirements of paragraph (m), whichever is less.

(c) If a unit that in the previous year qualified for the exemption under this subsection and was occupied by a tenant is vacant on January 1, the vacant unit is eligible for the exemption if the use of the unit is restricted to providing affordable housing that would otherwise meet the requirements of this subsection and a reasonable effort is made to lease the unit to eligible persons or families.

(d) 1. Qualified property used to house natural persons or families whose annual household income is 80% but not more than 120% of the median annual adjusted gross income [AGI] for households within the metropolitan statistical area [MSA] or, if not within a MSA, within the county in which the person or family resides, must receive an ad valorem property tax exemption of 75% of the assessed value.

2. Qualified property used to house natural persons or families whose annual household income does not exceed 80% of the median annual AGI for hoseholds within the MSA or, if not within a MSA, within the county in which the person or family residesis exempt from ad valorem property taxes.

Section 2: Description of Data and Sources

- 2022F Real Property (NAL) Roll data
- Apartment Pricing Market Research:
  - Various apartment websites and Apartments.com
    - Individual links can be found in accompanying spreadsheet
- Conversations with Florida Housing Finance Corporation's (FHFC's) Office of Multifamily Development
- Distribution of bedrooms for renter-occupied units: Census.gov Table B25042 Tenure by Bedrooms, 2021 ACS 1-year estimates
  - B25042: TENURE BY BEDROOMS - Census Bureau Table
- Florida Housing Finance Corporation: Florida Housing Rental Programs - 2022 MTSP Income and Rent Limits, 4/18/2022
  - https://www.floridahousing.org/owners-and-managers/compliance/rent-limits
- List of FHFC properties: Florida Housing Data Clearinghouse—Assisted Housing Inventory Property List (Sheet 2)
  - http://flhousingdata.shimberg.ufl.edu/assisted-housing-inventory/results?nid=1
- Median Household Income by County: Florida Health Charts
  - https://www.flhealthcharts.gov/ChartsReports/rdPage.aspx?rdReport=NonVitalIndRateOnly.DataViewer&cid=293

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Affordable Housing Property Tax Exemption (missing middle)
Bill Number(s): CS/SB 102 Section 8 – Paragraphs 196.1978 (3)(a)-(o) F.S.

- Median Income and Income Distribution: 2021 ACS 1-Year Estimates Table S1901
  - https://data.census.gov/table?q=household+income+in+florida&tid=ACSST1Y2021.S1901
- Rental-occupied bedroom distribution: ACS 2021 1-Yr data
- Rent Limits: Florida Housing Finance Corporation: Florida Housing Rental Programs - 2022 MTSP Income and Rent Limits, 4/18/2022
  - https://www.floridahousing.org/owners-and-managers/compliance/rent-limits
- Rental Rate Information: Smart Asset: "How Much Should I Charge for Rent?"
  - https://smartasset.com/mortgage/how-much-you-should-charge-for-rent#:~:text=The%20amount%20of%20rent%20you,%242%2C000%20and%20%242%2C750%20each%20month.
- Residential Non-homestead Taxable Value Growth Rates: August 2022 Ad Valorem Revenue Estimating Conference (AV REC)
  - http://edr.state.fl.us/Content/conferences/advalorem/index.cfm
- Survey Cost per Unit: information received from Office of Economic and Demographic Research

Section 3: Methodology (Include Assumptions and Attach Details)

Step 1: Identify Eligible Parcels

The 2022 Final (2022F) NAL roll was used to identify 1,027 parcels that had been built (Actual Year Built) between 2017 and 2022 with more than 70 residential units. As of the publishing date of the 2022F NAL roll, only one parcel with at least 70 units was recorded as having been built that year (as opposed to the average of 205 built in prior years). The 2017 data was used as a proxy for the 2022 data. The following DOR Use Codes are included in the analysis leaving 867 parcels:

- 03 (Multi-family - 10 units or more)
- 06 (Retirement Homes not eligible for exemption)
- 12 (Mixed use - store and office or store and residential combination)

Step 2: Estimate Market Value and Rental Rates

For each parcel, the just value (JV) was increased by 15% to determine the market value (MV). The MV was divided by the number of residential units to get a per-unit MV. According to Smart Asset, "the rents that landlords charge fall between 0.8% and 1.1% of the home's value," so the MV/unit was multiplied by 0.81% for the low estimate, 0.80% for the middle, and 0.79% in the high to calculate the monthly rent for each unit.

53 properties' current rental rates were identified through market research and were compared to their parcels' just and market values. While the information on the Real Property Roll does not give information regarding bedroom counts per unit, comparing the advertised rental rates and just values give some insight regarding the market capitalization rate of such properties.

Step 3: Estimating Potential New Rental Rates

HUD releases Rental Limits (RLs) based on the county or MSA, number of bedrooms in the unit (0-5 bedrooms), and income of the renter. The RL used for comparison is a weighted average of the different bedroom (br) prices for each county. The current weighting reflects the 2021 1-year ACS data for tenure by bedrooms. First, each property's new rental rates were calculated three ways:

1. It is assumed that the current high, middle, and low rental rates are the current fair market value rents. These values were reduced to 90% for comparisons, and we will call this value the "Reduced Rate."
2. Each parcel's county was used to determine the RL for an 80% income level tenant ("80%_RL").
3. Each parcel's county was used to determine the RL for a 120% income level tenant ("120%_RL").

Step 4: Estimate Tax Burden

Using the 2022 real property roll, taxable value non-school district amount per unit and parcel are calculated. Using each county's millage rates, the estimated tax burdens per unit and parcel were calculated.

Step 5: Cost/Benefit Analysis

It is assumed that property owners would only seek this exemption if the exemption value would outweigh the income they would forgo by lowering their rents into the applicable ranges. (3) (b) 3. states, in part:
"…portions of property in a multifamily project are…eligible to receive an ad valorem property tax exemption if such portions…[a]re rented for an amount that does not exceed the amount as specified by the most recent multifamily rental programs income and rent limit chart posted by the corporation and derived from the Multifamily Tax Subsidy Projects Income Limits published by the United States Department of Housing and Urban Development or 90 percent of the fair market value rent as determined by a rental market study…whichever is less."

To detmine if owners would seek the 75% or 100% exemption, two case-by-case calculations were performed.

1. The lesser of the reduced rate and the 80%_RL was subtracted from the original estimated rental rate. This represents the monthly rent the owner would need to forgo to receive the 100% exemption. This difference was multiplied by twelve to annualize the amount, and this forgone rent amount was compared to the estimated tax burden for that parcel. If the annual forgone rent, plus a cost of $185.88 per unit for the rental market study, is less than the estimated tax burden, it is assumed the owner would take the necessary steps to seek the exemption.
2. The lesser of the reduced rate and the 120%_RL was subtracted from the original estimated rental rate. This represents the monthly rent the owner would need to forgo to receive the 75% exemption. This difference was multiplied by twelve to annualize the amount, and this forgone rent amount was compared to 75% of the estimated tax burden for that parcel. If the annual forgone rent, plus a cost of $185.88 per unit for the rental market study, is less than 75% of the estimated tax burden, it is assumed the owner would take the necessary steps to seek the exemption.

If it would be worth the cost to seek both the 100% and the 75% exemption, the benefit under both scenarios is calculated and the property owner sets the rent such that they receive the most benefit. (This situation would likely occur if the reduced rate would be lower than the 80%_RL, or if the parcel has a particularly high tax burden).

For the low, middle, and high estimates, it is assumed that the cost of conducting the survey is $185.88, per information received from the Office of Economic and Demographic Research regarding per-unit market rental study costs.

Step 6: Calculate Tax Impact

The taxable value for each parcel was then multiplied by its county millage rates to determine the tax impact. Those that only met the threshold for the 75% exemption were multiplied by 75% to find the amount that would be exempted.

Step 7: Account for Parcels with Florida Housing Finance Corporation (FHFC) Contracts

Paragraph (3) (k) (lines 796-801) indicate that units with an existing agreement with "the corporation" (FHFC) are not eligible for this exemption. Florida Housing Data Clearinghouse's Assisted Housing Inventory Property List was used to identify properties built in 2017-2020 with greater than 70 units that have existing agreements with FHFC. 2021 data was not yet available. Of the 861 properties initially identified on the NAL Roll, 37 were found to have such FHFC agreements, representing of 0.67% of the eligible pool's School District Taxable Value (TV_SD) and Non-school District Taxable Value (TV_NSD).

The amounts calculated in Step 6 were reduced by this 0.7% to account for properties with FHFC agreements for all properties built 2017-2021.

Step 8: Unit Participation Estimate

Thus far in the analysis, it is assumed that eligible properties would seek the exemption for 100% of their units. However, property owners may consider seeking certification and applying for this exemption for only a portion of their units. To account for this, the high estimate assumes 100% of each property's units would seek and receive the exemption. The middle assumes 95% participation and the low assumes 90%.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Affordable Housing Property Tax Exemption (missing middle)
Bill Number(s): CS/SB 102 Section 8 – Paragraphs 196.1978 (3)(a)-(o) F.S.

Step 9: Apply Growth Rates and Forecast Impact

Residential Non-Homestead Taxable Value Growth Rates from the March 2023 Ad Valorem Revenue Estimating Conference were applied to grow the 2021 impact through the forecast period. A cohort concept has been included to represent new batches of qualifying properties entering the market each year. The additional cohort is equal to one-fifth of the 2022-23 year as this represents the most recent 5 years' worth of qualifying properties.

Assumptions:

- It is assumed that people will behave rationally and self select into units with appropriate income and rent limits.
- It is assumed that property owners would only seek this exemption if the exemption value would outweigh the income they would forgo by lowering their rents into the applicable ranges.
- It is assumed that parcels built in 2017 are an appropriate proxy for those built in 2022.
- It is assumed that the current high, middle, and low rental rates are the current fair market value rents.

Additional Information:

Paragraph (3) (f) lists four pieces of information that must be provided to FHFC to receive certification for this exemption:

1. A completed rental market study
2. A list of units for which the owner is seeking exemption
3. The rent amount received for each unit for which the owner is seeking exemption
4. A sworn statement restricting the property for affordable housing for at least 3 years

This list does not include verification of the renter's income. Based on discussions with FHFC's Office of Multifamily Development, FHFC has no current plan to verify this aspect of the requirements. As long as the property is more than 70 units, was built in the last five years, submits the required paperwork, and is not listed in the FHFC portfolio, they would have no reason to deny the certification. Finally, the bill first impacts the 2024 tax roll.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	$0	$(1,002.7 M)	$0	$(930.5 M)	$0	$(827.5 M)
2024-25	$(517.5 M)	$(1,002.7 M)	$(480.2 M)	$(930.5 M)	$(427.0 M)	$(827.5 M)
2025-26	$(630.8 M)	$(1,002.7 M)	$(585.3 M)	$(930.5 M)	$(520.5 M)	$(827.5 M)
2026-27	$(748.6 M)	$(1,002.7 M)	$(694.7 M)	$(930.5 M)	$(617.7 M)	$(827.5 M)
2027-28	$(871.1 M)	$(1,002.7 M)	$(808.3 M)	$(930.5 M)	$(718.8 M)	$(827.5 M)

Revenue Distribution: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Affordable Housing Property Tax Exemption (missing middle)
Bill Number(s): CS/SB 102 Section 8 – Paragraphs 196.1978 (3)(a)-(o) F.S.

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the low estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	0.0	(827.5)	0.0	(827.5)
2024-25	0.0	0.0	0.0	0.0	(427.0)	(827.5)	(427.0)	(827.5)
2025-26	0.0	0.0	0.0	0.0	(520.5)	(827.5)	(520.5)	(827.5)
2026-27	0.0	0.0	0.0	0.0	(617.7)	(827.5)	(617.7)	(827.5)
2027-28	0.0	0.0	0.0	0.0	(718.8)	(827.5)	(718.8)	(827.5)

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	(289.1)	0.0	(538.4)	0.0	(827.5)
2024-25	(149.2)	(289.1)	(277.8)	(538.4)	(427.0)	(827.5)
2025-26	(181.8)	(289.1)	(338.7)	(538.4)	(520.5)	(827.5)
2026-27	(215.8)	(289.1)	(401.9)	(538.4)	(617.7)	(827.5)
2027-28	(251.1)	(289.1)	(467.7)	(538.4)	(718.8)	(827.5)

	A	B	C	D	E	F	G
1	**Step 1: Identify Eligible Parcels**						
2	DOR Use Codes:	003 (Multi-family - 10 units or more), 006 (Retirement Homes not eligible for exemption), or 012 (Mixed use - store and office or store and residential combination)					
3	Number of Residential Units:	> 70					
4	Actual Year Built	2017-2021					
5		**Actual Year Built**	**Count**	**School District Taxable Value (TV_SD)**	**Non-School District Taxable Value (TV_NSD)**		
6		2017 *(proxy for 2022)*	155	$ 7,059,156,804	$ 6,492,794,800		
7		2018	147	$ 7,649,543,034	$ 6,819,839,222		
8		2019	165	$ 8,350,872,617	$ 7,658,162,628		
9		2020	192	$ 11,015,735,149	$ 10,415,162,970		
10		2021	208	$ 10,598,036,214	$ 10,590,316,730		
11		*Sum*	*867*	*44,673,343,818*	*41,976,276,350*		
12		*Source: 2022F NAL Roll*					
13							
14	**Step 2: Estimate Market Value and Current Rental Rates**						
15	**Just Value to Market Value Increase**						
16		15%					
17							
18	**Rental Rate of Market Value**						
19			High	Middle	Low		
20			0.79%	0.80%	0.81%		
21							
22	**Step 3: Estimating Potential New Rental Rates**						
23	**a) HUD's Rental Limit (RL) Estimate**						
24	**RL Weighted by Bedrooms**		Weight				
25		0	5.16%				
26		1	22.09%				
27		2	41.14%				
28		3	24.77%				
29		4	6.13%				
30		5	0.71%				
31		Sum	100%				
32		*Source: ACS 2021 1-year Tenure by Bedroom: Table B25042*					
33							
34	**b) Fair Market Value Rent**						
35	**90% of the Fair Market Rent**						
36	*Lines 693-695 of bill language*						
37		90%					
38							
39	**Step 4: Estimate Tax Burden**						
40	***Each parcel's Non-School District Taxable Value was multiplied by its county's 2022F millage rates to estimate the tax burden***						
41							
42	**Step 5: Cost/Benefit Analysis**						
43							
44	**Survey Cost (per parcel)**						
45			Cost				
46			$ 185.88				
47							
48	**Pool 1: (3) (d) 2. = 100% Exempt**						
49	(Rent Forgone + Survey Cost) < Tax Burden						
50			High	Middle	Low		
51		Parcels	282	270	261		
52		Units	54,800	52,557	50,212		
53		TV_SD	7,366,112,207	$ 6,914,701,864	$ 6,481,425,187		
54		TV_NSD	$ 7,111,596,679	$ 6,668,140,356	$ 6,242,371,148		
55		Estimated Tax Burden	$ 124,459,660	$ 116,555,152	$ 109,456,167		
56		Tax Impact	$ (124,459,660)	$ (116,555,152)	$ (109,456,167)		

	A	B	C	D	E	F	G
57		*Source: 2022F NAL Roll*					
58							
59	**Pool 2: (3) (d) 1.= 75% Exempt**						
60	(Rent Forgone + Survey Cost) < 75% of Tax Burden						
61			High	Middle	Low		
62		Parcels	199	202	192		
63		Units	56,216	56,468	53,237		
64		TV_SD	13,924,017,193	$ 13,941,290,263	$ 13,028,541,090		
65		TV_NSD	$ 13,598,740,363	$ 13,629,564,912	$ 12,773,463,271		
66		Estimated Tax Burden	$ 248,838,479	$ 249,767,256	$ 234,369,621		
67		Tax Impact	$ (186,628,859)	$ (187,325,442)	$ (175,777,216)		
68		*% Exempt*	*75%*	*75%*	*75%*		
69		*Source: 2022F NAL Roll*					
70	*Note: It is assumed that, if qualified for both exemption amounts, the owner would elect to be 100% exempt (pool 1)*						
71							
72	**Step 6: Calculate Tax Impact**						
73	**Statewide Aggregate Millage Rates**						
74		Use County Level Millage?	1				
75		School District					
76		Non-School District					
77							
78	**Pool 1: (3) (d) 2. = 100% Exempt**						
79	2022 Taxes Owed						
80		100%	High	Middle	Low		
81		School District	$ 44,690,302	$ 41,888,856	$ 39,327,632		
82		Non-School District	$ 79,769,358	$ 74,666,296	$ 70,128,535		
83							
84	**Pool 2: (3) (d) 1.= 75% Exempt**						
85	2022 Taxes Owed, 75% Exempt						
86			High	Middle	Low		
87		School District	$ 64,345,027	$ 64,471,619	$ 60,320,015		
88		Non-School District	$ 122,283,832	$ 122,853,823	$ 115,457,201		
89							
90	**2022 Total Impact**						
91			High	Middle	Low		
92		School District	$ (109,035,329)	$ (106,360,475)	$ (99,647,647)		
93		Non-School District	$ (202,053,189)	$ (197,520,119)	$ (185,585,736)		
94							
95	**Step 7: Account for Parcels with Florida Housing Finance Corporation (FHFC) Agreements**						
96		Actual Year Built	Count	Agreement with FHFC	Remaining	FHFC %	
97		2017 *(proxy for 2022)*	155	2	153	1.3%	
98		2018	147	11	136	7.5%	
99		2019	165	14	151	8.5%	
100		2020	192	10	182	5.2%	
101		2021	208	14	194		
102		*Sources: 2022F NAL Roll and Shimburg Report*		*Note: shading indicates estimate*	average:	7.1%	
103							
104	**School District Taxable Value**						
105		Actual Year Built	All	Agreement with FHFC	Remaining	FHFC Percent	
106		2017 *(proxy for 2022)*	$ 7,059,156,804	$ 5,149,281	$ 7,054,007,523	0.1%	
107		2018	$ 7,649,543,034	$ 47,399,752	$ 7,602,143,282	0.6%	
108		2019	$ 8,350,872,617	$ 74,918,330	$ 8,275,954,287	0.9%	
109		2020	$ 11,015,735,149	$ 56,007,601	$ 10,959,727,548	0.5%	
110		2021	$ 10,598,036,214	$ 71,544,025	$ 10,526,492,189		
111		*Sources: 2022F NAL Roll and Shimburg Report*		*Note: shading indicates estimate*	average:	0.7%	
112							

	A	B	C	D	E	F	G
113	**Non-School District Taxable Value**						
114		Actual Year Built	All	Agreement with FHFC	Remaining	FHFC Percent	
115		2017 *(proxy for 2022)*	$ 6,492,794,800	$ 5,117,164	$ 6,487,677,636	0.1%	
116		2018	$ 6,819,839,222	$ 42,156,904	$ 6,777,682,318	0.6%	
117		2019	$ 7,658,162,628	$ 71,649,825	$ 7,586,512,803	0.9%	
118		2020	$ 10,415,162,970	$ 41,976,237	$ 10,373,186,733	0.4%	
119		2021	$ 10,590,316,730	$ 69,076,463	$ 10,521,240,267		
120		*Sources: 2022F NAL Roll and Shimburg Report*		*Note: shading indicates estimate*	average:	0.7%	
121							
122	**Percent of Value to Remove for FHFC Parcels**						
123		0.7%					
124							
125	**2022 Total Impact**						
126		**% Exempt**	High	Middle	Low		
127		School District	$ (108,324,135)	$ (105,666,728)	$ (98,997,685)		
128		Non-School District	$ (200,735,276)	$ (196,231,773)	$ (184,375,233)		
129							
130	**Step 8: Unit Participation Estimate**						
131			High	Middle	Low		
132			100%	95%	90%		
133							
134	**2022 Total Impact**						
135		**% Exempt**	High	Middle	Low		
136		School District	$ (108,324,135)	$ (100,383,391)	$ (89,097,916)		
137		Non-School District	$ (200,735,276)	$ (186,420,185)	$ (165,937,710)		
138							
139	**Step 9: Apply Growth Rates and Forecast Impact**						
140	**Residential Non-Homestead Taxable Value Growth Rates**						
141		2022	$ 884,038,137,463				
142		2023	$ 1,033,445,782,129	16.9%			
143		2024	$ 1,057,273,251,883	2.3%			
144		2025	$ 1,127,660,298,544	6.7%			
145		2026	$ 1,189,593,719,242	5.5%			
146		2027	$ 1,245,789,396,602	4.7%			
147		2028	$ 1,303,762,658,809	4.7%			
148		Source: Mar 2023 AV REC					
149							
150	**Impact: School District**						
151	**Year**	**High**		**Middle**		**Low**	
152		**Cash**	**Recurring**	**Cash**	**Recurring**	**Cash**	**Recurring**
153	*2022-2023*	$0	$(108.3 M)	$0	$(100.4 M)	$0	$(89.1 M)
154	2023-2024	$0	$(152.0 M)	$0	$(140.8 M)	$0	$(125.0 M)
155	2024-2025	$(181.4 M)	$(181.4 M)	$(168.1 M)	$(168.1 M)	$(149.2 M)	$(149.2 M)
156	2025-2026	$(221.1 M)	$(221.1 M)	$(204.9 M)	$(204.9 M)	$(181.8 M)	$(181.8 M)
157	2026-2027	$(262.4 M)	$(262.4 M)	$(243.1 M)	$(243.1 M)	$(215.8 M)	$(215.8 M)
158	2027-2028	$(305.3 M)	$(305.3 M)	$(282.9 M)	$(282.9 M)	$(251.1 M)	$(251.1 M)
159	*2028-2029*	$(351.5 M)	$(351.5 M)	$(325.7 M)	$(325.7 M)	$(289.1 M)	$(289.1 M)
160							
161	**Impact: Non-School District**						
162	**Year**	**High**		**Middle**		**Low**	
163		**Cash**	**Recurring**	**Cash**	**Recurring**	**Cash**	**Recurring**
164	*2022-2023*	$0	$(200.7 M)	$0	$(186.4 M)	$0	$(165.9 M)
165	2023-2024	$0	$(281.6 M)	$0	$(261.5 M)	$0	$(232.8 M)
166	2024-2025	$(336.1 M)	$(336.1 M)	$(312.1 M)	$(312.1 M)	$(277.8 M)	$(277.8 M)
167	2025-2026	$(409.7 M)	$(409.7 M)	$(380.5 M)	$(380.5 M)	$(338.7 M)	$(338.7 M)
168	2026-2027	$(486.2 M)	$(486.2 M)	$(451.5 M)	$(451.5 M)	$(401.9 M)	$(401.9 M)
169	2027-2028	$(565.8 M)	$(565.8 M)	$(525.4 M)	$(525.4 M)	$(467.7 M)	$(467.7 M)
170	*2028-2029*	$(651.3 M)	$(651.3 M)	$(604.8 M)	$(604.8 M)	$(538.4 M)	$(538.4 M)
171							

	A	B	C	D	E	F	G
172	**Total Impact**						
173	**Year**	**High**		**Middle**		**Low**	
174		**Cash**	**Recurring**	**Cash**	**Recurring**	**Cash**	**Recurring**
175	*2022-2023*	$0	$(309.1 M)	$0	$(286.8 M)	$0	$(255.0 M)
176	2023-2024	$0	$(433.6 M)	$0	$(402.3 M)	$0	$(357.8 M)
177	2024-2025	$(517.5 M)	$(517.5 M)	$(480.2 M)	$(480.2 M)	$(427.0 M)	$(427.0 M)
178	2025-2026	$(630.8 M)	$(630.8 M)	$(585.3 M)	$(585.3 M)	$(520.5 M)	$(520.5 M)
179	2026-2027	$(748.6 M)	$(748.6 M)	$(694.7 M)	$(694.7 M)	$(617.7 M)	$(617.7 M)
180	2027-2028	$(871.1 M)	$(871.1 M)	$(808.3 M)	$(808.3 M)	$(718.8 M)	$(718.8 M)
181	*2028-2029*	$(1,002.7 M)	$(1,002.7 M)	$(930.5 M)	$(930.5 M)	$(827.5 M)	$(827.5 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Local Option Affordable Housing Property Tax Exemption
Bill Number(s): CS/SB 102 Section 9: Local Option

☐ **Entire Bill**
☑ **Partial Bill**: Section 9
Sponsor(s): Senator Calatayud
Month/Year Impact Begins: January 2024
Date(s) Conference Reviewed: February 3, 2023; June 13, 2023; June 23, 2023

Section 1: Narrative

a. Current Law: No current law

b. Proposed Change: Section 196.1979, F.S., is created and is paraphrased below:

(1) (a) Notwithstanding ss. 196.195 and 196.196, the board of county commissioners or governing body of a municipality **may** adopt an ordinance to exempt those portions of property used to provide affordable housing meeting the requirements of this section. Such property is considered property used for a charitable purpose. To be eligible, the portions of property:

1. Must be used to house those whose annual household income:
    a. Is > 30% but <= 60% of the median annual adjusted gross income (AGI) for households within the metropolitan statistical area (MSA) or county in which the person or family resides; or
    b. <= 30% of the AGI for households within the MSA or county;
2. Must be within a multifamily project containing >= 50 residential units, >= 20% of which are used to provide affordable housing per this section;
3. Must be rented for an amount no greater than the amount specified by the most recent multifamily rental programs income and rent limit chart posted by the corporation and derived from the Multifamily Tax Subsidy Projects Income Limits published by the U.S. Dept of Housing and Urban Development (HUD) or 90% of the fair market value rent as determined by a rental market study meeting the requirements of subsection (4), whichever is less;
4. May not have been cited for 3 or more code violations in the 24 months before the submission of the exemption application;
5. May not have any un-remedied cited code violations before the submission of the exemption application;
6. May not have any unpaid fines or charges relating to the cited code violations. Payment of unpaid fines or charges before a final determination on a property's qualification for an exemption under this section will not exclude such property from eligibility if the property otherwise complies with all other requirements for the exemption.

(b) Qualified property may receive an ad valorem exemption of:

1. Up to 75% of the assessed value of each unit used to provide affordable housing if <100% of the units are used for affordable housing
2. Up to 100% of the assessed value if 100% of the units are used to provide affordable housing.

(c) The board of county commissioners or the governing body may choose to adopt exemptions for properties that meet the income limits of sub-subparagraph (a)1.a., (a)1.b., or both.

(2) If a unit that qualified the previous year is vacant in the current year, it can still qualify if a reasonable effort is made to lease it to qualifying individuals.

(3) An ordinance granting the exemption authorized by this section must:

(a) Be adopted under the procedures for adoption of a nonemergency ordinance by a board of county commissioners specified in chapter 125 or by a municipal governing body specified in chapter 166.

(b) Designate the local entity under the supervision of the board of county commissioners or governing body of a municipality which must develop, receive, and review applications for certification and develop notices of determination of eligibility.

(c) Require the property owner to apply for a certification by the local entity. The application must be on a form provided by the local entity designated pursuant to paragraph (b) and include all of the following:

1. The most recently completed rental market study meeting the requirements of subsection (4).
2. A list of the units for which the property owner seeks an exemption.
3. The rent amount received by the property owner for each unit for which the property owner seeks an exemption. If the unit is vacant (per subsection (2)), owner must provide evidence of the published rent amount.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Local Option Affordable Housing Property Tax Exemption
Bill Number(s): CS/SB 102 Section 9: Local Option

(d) Require the local entity to verify and certify property and forward the certification to the property owner and appraiser. If the local entity denies the exemption, it must notify the applicant and include reasons for the denial.

(e) Require the eligible unit to meet the eligibility criteria of paragraph (1) (a).

(f)-(l) Additional procedures are identified

(4) A rental market study submitted as required by paragraph (3)(c) must identify the fair market value rent of each unit for which a property owner seeks an exemption. Only a certified general appraiser, as defined in s. 475.611, may issue a rental market study. The certified general appraiser must be independent of the property owner who requests a rental market study. In preparing the study, the appraiser shall comply with the standards of professional practice pursuant to part II of chapter 475 and use comparable property within the same geographic area and of the same type as the property in question. This study must have been completed within 3 years before submission of the application.

(5) An ordinance adopted under this section must expire before the fourth January 1 after adoption; however, it can be renewed.

(6) Consequences are identified for having falsely claimed this exemption.

(7) This section first applies to the 2024 tax roll.

Section 2: Description of Data and Sources

- 2022F Real Property (NAL) Roll data
- American Community Survey (1-yr, 2021) renter-occupied units
- Apartment Pricing Market Research:
  - Various apartment websites and Apartments.com
    - Individual links can be found in accompanying spreadsheet
- Conversations with Florida Housing Finance Corporation's (FHFC's) Office of Multifamily Development
- Distribution of bedrooms for renter-occupied units: Census.gov Table B25042 Tenure by Bedrooms, 2021 ACS 1-year estimates
  - B25042: TENURE BY BEDROOMS - Census Bureau Table
- Median Income and Income Distribution: 2021 ACS 1-Year Estimates Table S2503
  - https://data.census.gov/table?q=Income+(Households,+Families,+Individuals)&g=0400000US12&tid=ACSST1Y2021.S2503
- Rent Limits: Florida Housing Finance Corporation: Florida Housing Rental Programs - 2022 MTSP Income and Rent Limits, 4/18/2022
  - https://www.floridahousing.org/owners-and-managers/compliance/rent-limits
- Rental Rate Information: Smart Asset: "How Much Should I Charge for Rent?"
  - https://smartasset.com/mortgage/how-much-you-should-charge-for-rent#:~:text=The%20amount%20of%20rent%20you,%242%2C000%20and%20%242%2C750%20each%20month.
- Residential Non-homestead Taxable Value Growth Rates: August 2022 Ad Valorem Revenue Estimating Conference (AV REC)
  - http://edr.state.fl.us/Content/conferences/advalorem/index.cfm
- Survey Cost per Unit: information received from Office of Economic and Demographic Research

Section 3: Methodology (Include Assumptions and Attach Details)

Step 1: Identify Eligible Parcels

The 2022F Real Property Roll was used to identify 5,511 parcels with DOR Use Code = 3 (Multi-family – 10 units or more) and 50 or more residential units.

Step 2: Estimate Current Rent

For each parcel, the just value (JV) was increased by 15% to determine the market value (MV). The MV was divided by the number of residential units to get a per-unit MV. According to Smart Asset, "the rents that landlords charge fall between 0.8% and 1.1% of the home's value," so the MV/unit was multiplied by 0.81% for the low estimate, 0.80% for the middle, and 0.79% in the high to calculate the monthly rent for each unit.

Step 3: Find Lowest New Rent

HUD releases Rental Limits (RLs) based on the county or MSA, number of bedrooms in the unit (0-5 bedrooms), and income of the renter. The RL used for comparison is a weighted average of the different bedroom (br) prices for each county. The current weighting reflects the 2021 1-year ACS data for tenure by bedrooms. First, each property's new rental rates were calculated three ways:

1. It is assumed that the current high, middle, and low rental rates are the current fair market value rents. These values were reduced to 90% for comparisons, and we will call this value the "Reduced Rate."
2. Each parcel's county was used to determine the RL for an 30% income level tenant ("30%_RL").
3. Each parcel's county was used to determine the RL for a 60% income level tenant ("60%_RL").

Step 4: Estimate Cost to Owner

For a cost/benefit analysis, we first calculate the cost to the owner to attain the rent level to be eligible for the exemption. The cost is calculated as:

Annual Cost to Owner = [(Current Rent – New Rent) x (12 months) + Survey Cost] x (Number of Units)

For the low, middle, and high estimates, it is assumed that the cost of conducting the survey is $185.88, per information received from the Office of Economic and Demographic Research regarding per-unit market rental study costs.

Step 5: Estimate Tax Burden

The remaining non-school district taxable value for each parcel was multiplied by its county's aggregate millage rate to estimate the tax burden for the parcel and its units. For the high estimate's tax burden estimate, 100% of the units became 100% exempt. For the middle estimate's tax burden estimate, 29.7% of the units (the proportion of households making 60% or less of the median AGI) was used and the units became 75% exempt. For the low estimate's tax burden estimate, 20% of the units (the minimum required by the bill language) became 75% exempt.

Step 6: Estimate Benefit and Compare

Each parcel's annual forgone rent was compared to its high, middle, and low tax burden estimates. If the annual forgone rent is less than the tax burden, it is assumed the owner will seek the respective exemption amount for the respective portion of units, and those parcels were flagged as participating in the high, middle, and/or low estimate pools.

Step 7: Calculate Tax Impact

The taxable values for school and non-school districts were multiplied by the county millage rates for parcels that were flagged in step 6. Those amounts were then multiplied by the respective exemption amounts (100% for the high or 75% for the middle and low) and the unit participation amounts (100% for the high, 29.7% for the middle, or 20% for the low).

Step 8: Estimate Code Violation Portions

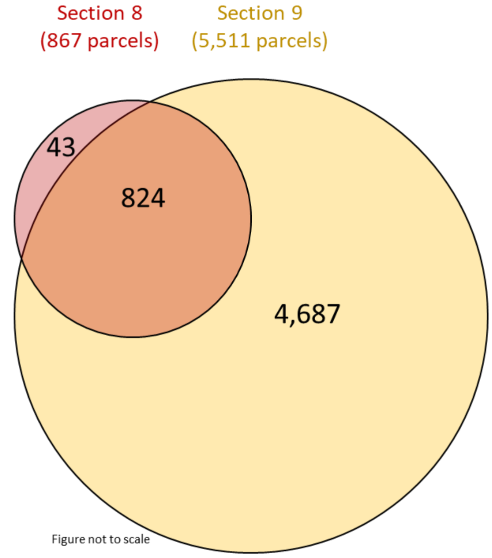
This bill requires that the property not have received three or more citations in the prior 24 months, or have any outstanding citations or violations. Research for the frequency of these situations was not fruitful. It is estimated that the violation rates are 0% for the high, 5% for the middle, and 10% for the low.

Step 9: Apply Growth Rates and Forecast Impact

The calculated impact was grown forward using the March 2023 Ad Valorem Revenue Estimating Conference's Residential Non-Homestead Taxable Value Growth Rate. The impact begins in the 2024-2025 fiscal year.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Local Option Affordable Housing Property Tax Exemption
Bill Number(s): CS/SB 102 Section 9: Local Option



Using the methodology in the analyses of CS/SB 102 sections 8 and 9 presented to the conference on June 13, 2023, of the 824 parcels in both analyses, 146 (17.7%) would benefit from either sections exemption under the high scenarios, 35 (4.2%) under the middle scenarios, and 31 (3.8%) under the low. The remaining would either only benefit from 1 or neither of the exemptions. Of those with both benefits available, the benefits of section 8 are always at least as large as those of section 9. As such, if the parcel is in the set for section 8, it is not considered for section 9.

A negative indeterminate impact may be appropriate because the exemption is granted at the discretion of the local jurisdiction. If all jurisdictions fully implement the exemption, the impact could be as large as -$805.7m recurring in Fiscal Year 2027-28, assuming 100% of the units in qualifying parcels would be eligible for the full exemption.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	$0	$(668.3 M)	$0	$(49.9 M)	$0	$(27.0 M)
2024-25	$(683.7 M)	$(683.7 M)	$(51.1 M)	$(51.1 M)	$(27.6 M)	$(27.6 M)
2025-26	$(729.3 M)	$(729.3 M)	$(54.5 M)	$(54.5 M)	$(29.5 M)	$(29.5 M)
2026-27	$(769.3 M)	$(769.3 M)	$(57.5 M)	$(57.5 M)	$(31.1 M)	$(31.1 M)
2027-28	$(805.7 M)	$(805.7 M)	$(60.2 M)	$(60.2 M)	$(32.5 M)	$(32.5 M)

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted a negative indeterminate impact because the exemption is granted at the discretion of the local jurisdiction. If all jurisdictions fully implement the exemption, the impact could be as large as -$805.7m recurring in Fiscal Year 2027-28, assuming 100% of the units in qualifying parcels would be eligible for the full exemption.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	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/(**)
2025-26	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/(**)
2027-28	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)

	A	B	C	D	E	F	G
1	**Step 1: Identify Eligible Parcels**						
2	DOR Use Codes:	003 (Multi-family - 10					
3	Units:	>=50					
4		**Actual Year Built**	**Count**	**School District Taxable Value (TV_SD)**	**Non-School District Taxable Value (TV_NSD)**		
5		<=2016	4,644	103,415,058,443	90,396,707,817		
6		2017	151	6,956,735,359	6,392,405,652		
7		2018	149	7,379,064,483	6,590,743,660		
8		2019	162	8,188,586,648	7,494,383,829		
9		2020	192	10,231,438,435	9,631,604,023		
10		2021	213	10,175,663,285	10,165,173,944		
11		2022	-	-	-		
12		*Sum*	*5,511*	*146,346,546,653*	*130,671,018,925*		
13		*Source: 2022F NAL Roll*					
14							
15	**Step 2: Estimate Market Value and Current Rental Rates**						
16	**Just Value to Market Value Increase**						
17		15%					
18							
19	**Rental Rate of Market Value**						
20			High	Middle	Low		
21			0.79%	0.80%	0.81%		
22							
23	**Step 3: Estimating Potential New Rental Rates**						
24	**a) HUD's Rental Limit (RL) Estimate**						
25	**RL Weighted by Bedrooms**		Weight				
26		0	5.16%				
27		1	22.09%				
28		2	41.14%				
29		3	24.77%				
30		4	6.13%				
31		5	0.71%				
32		Sum	100%				
33		*Source: ACS 2021 1-year Tenure by Bedroom: Table B25042*					
34							
35	**b) Fair Market Value Rent**						
36	**90% of the Fair Market Rent**						
37	*Lines 693-695 of bill language*						
38		90%					
39							
40	**Step 4: Estimate Tax Burden**						
41	***Each parcel's Non-School District Taxable Value was multiplied by its county's 2022F millage rates to estimate the tax burden***						
42							
43	**Survey Cost (per parcel)**						
44			Cost				
45			$ 185.88				
46							
47	**Step 5: Estimate Tax Burden**						
48	***Each parcel's Non-School District Taxable Value was multiplied by its county's 2022F millage rates to estimate the tax burden***						
49							

	A	B	C	D	E	F	G
50	**Step 6: Estimate Benefit and Compare**						
51	**Exemption Structure**						
52			High	Middle	Low		
53		% of Units	100%	29.7%	20%		
54		Exemption %	100%	75%	75%		
55							
56	***Each parcel's High, Middle, and Low % of Units and Exemption % were computed to determine the potential tax benefit.***						
57	***If this tax benefit exceeded the cost to the owner, it is assumed the owner would seek the exemption.***						
58							
59	**Step 7: Calculate Tax Impact**						
60	**2022F NAL Roll Data**						
61			High	Middle	Low		
62		Parcels	2,155	589	512		
63		Units	371,859	106,474	90,384		
64		TV_SD	$ 36,927,436,920	$ 11,807,789,717	$ 9,963,372,792		
65		TV_NSD	$ 33,330,295,348	$ 11,434,747,170	$ 9,677,859,712		
66							
67	**Statewide Aggregate Millage Rates**						
68		Use County Level Millage?	1				
69		School District					
70		Non-School District					
71							
72	**2022 Tax Impact**						
73			High	Middle	Low		
74		SD Impact	$ (207,786,675)	$ (15,004,540)	$ (8,561,376)		
75		NSD Impact	$ (363,923,632)	$ (29,948,961)	$ (17,096,824)		
76		*Source: 2022F NAL Roll*					
77							
78	**Step 8: Estimate Code Violation Portions**						
79			High	Middle	Low		
80			0%	5%	10%		
81							
82	**2022 Total Impact**						
83		**% Exempt**	High	Middle	Low		
84		School District	$ (207,786,675)	$ (14,254,313)	$ (7,705,239)		
85		Non-School District	$ (363,923,632)	$ (28,451,513)	$ (15,387,142)		
86							
87	**Step 9: Apply Growth Rates and Forecast Impact**						
88	**Residential Non-Homestead Taxable Value Growth Rates**						
89		2022	$ 884,038,137,463				
90		2023	$ 1,033,445,782,129	16.9%			
91		2024	$ 1,057,273,251,883	2.3%			
92		2025	$ 1,127,660,298,544	6.7%			
93		2026	$ 1,189,593,719,242	5.5%			
94		2027	$ 1,245,789,396,602	4.7%			
95		2028	$ 1,303,762,658,809	4.7%			
96		Source: Mar 2023 AV REC					
97							

	A	B	C	D	E	F	G
98	**Impact: School District**						
99	**Year**	**High**		**Middle**		**Low**	
100		**Cash**	**Recurring**	**Cash**	**Recurring**	**Cash**	**Recurring**
101	*2022-2023*	$0	$(207.8 M)	$0	$(14.3 M)	$0	$(7.7 M)
102	2023-2024	$0	$(242.9 M)	$0	$(16.7 M)	$0	$(9.0 M)
103	2024-2025	$(248.5 M)	$(248.5 M)	$(17.0 M)	$(17.0 M)	$(9.2 M)	$(9.2 M)
104	2025-2026	$(265.0 M)	$(265.0 M)	$(18.2 M)	$(18.2 M)	$(9.8 M)	$(9.8 M)
105	2026-2027	$(279.6 M)	$(279.6 M)	$(19.2 M)	$(19.2 M)	$(10.4 M)	$(10.4 M)
106	2027-2028	$(292.8 M)	$(292.8 M)	$(20.1 M)	$(20.1 M)	$(10.9 M)	$(10.9 M)
107	*2028-2029*	$(306.4 M)	$(306.4 M)	$(21.0 M)	$(21.0 M)	$(11.4 M)	$(11.4 M)
108							
109	**Impact: Non-School District**						
110	**Year**	**High**		**Middle**		**Low**	
111		**Cash**	**Recurring**	**Cash**	**Recurring**	**Cash**	**Recurring**
112	*2022-2023*	$0	$(363.9 M)	$0	$(28.5 M)	$0	$(15.4 M)
113	2023-2024	$0	$(425.4 M)	$0	$(33.3 M)	$0	$(18.0 M)
114	2024-2025	$(435.2 M)	$(435.2 M)	$(34.0 M)	$(34.0 M)	$(18.4 M)	$(18.4 M)
115	2025-2026	$(464.2 M)	$(464.2 M)	$(36.3 M)	$(36.3 M)	$(19.6 M)	$(19.6 M)
116	2026-2027	$(489.7 M)	$(489.7 M)	$(38.3 M)	$(38.3 M)	$(20.7 M)	$(20.7 M)
117	2027-2028	$(512.8 M)	$(512.8 M)	$(40.1 M)	$(40.1 M)	$(21.7 M)	$(21.7 M)
118	*2028-2029*	$(536.7 M)	$(536.7 M)	$(42.0 M)	$(42.0 M)	$(22.7 M)	$(22.7 M)
119							
120	**Total Impact**						
121	**Year**	**High**		**Middle**		**Low**	
122		**Cash**	**Recurring**	**Cash**	**Recurring**	**Cash**	**Recurring**
123	*2022-2023*	$0	$(571.7 M)	$0	$(42.7 M)	$0	$(23.1 M)
124	2023-2024	$0	$(668.3 M)	$0	$(49.9 M)	$0	$(27.0 M)
125	2024-2025	$(683.7 M)	$(683.7 M)	$(51.1 M)	$(51.1 M)	$(27.6 M)	$(27.6 M)
126	2025-2026	$(729.3 M)	$(729.3 M)	$(54.5 M)	$(54.5 M)	$(29.5 M)	$(29.5 M)
127	2026-2027	$(769.3 M)	$(769.3 M)	$(57.5 M)	$(57.5 M)	$(31.1 M)	$(31.1 M)
128	2027-2028	$(805.7 M)	$(805.7 M)	$(60.2 M)	$(60.2 M)	$(32.5 M)	$(32.5 M)
129	*2028-2029*	$(843.1 M)	$(843.1 M)	$(63.0 M)	$(63.0 M)	$(34.1 M)	$(34.1 M)

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Natural Emergencies
Bill Number(s): CS/CS/SB 250

☐ **Entire Bill:**
☒ **Partial Bill**: Sections 4, 9, 11-13, 17
Sponsor(s): Fiscal Policy Committee, Community Affairs Committee, and Senator Martin
Month/Year Impact Begins: July 1, 2023, except for Section 11 of bill that is effective upon becoming law.
Date of Analysis: June 23, 2023

Section 1: Narrative

a. Current Law:

Tolling of Permits during Emergencies

Section 252.363, F.S., states that the declaration of a state of emergency issued by the Governor for a natural emergency tolls the period remaining to exercise the rights under a permit or other authorization for the duration of the emergency declaration. Further, the emergency declaration extends the period remaining to exercise the rights under a permit or other authorization, authorized pursuant to s. 252.363(1)(a), F.S., for 6 months in addition to the tolled period.

Local Government Emergency Bridge Loan Program

Chapter 2023-1, L.O.F., creates s. 288.066, F.S., to establish the Local Government Emergency Bridge Loan Program, subject to appropriation, within the Department of Economic Opportunity (DEO). The program provides financial assistance to local governments impacted by Hurricanes Ian or Nicole. Its purpose is to assist impacted local governments in maintaining operations by bridging the time gap between when the declared disaster occurred and additional funding sources or revenues are secured. The term of any loan is one year, unless otherwise extended by DEO.

Additionally, the legislation provides a nonrecurring $50 million appropriation to DEO from the General Revenue Fund for the 2022-23 fiscal year. Any unexpended balance of the funds at June 30, 2023, are to revert and be re-appropriated for the 2023-24 fiscal year. The program expires June 30, 2027. On expiration, all unencumbered funds and loan repayments revert to the General Revenue Fund. This legislation became law on February 15, 2023.

Registered Contractors

Construction contractors are either certified or registered by the Construction Industry Licensing Board (CILB) housed within the Department of Business and Professional Regulation (DBPR). The CILB meets to approve or deny applications for licensure, review disciplinary cases, and conduct informal hearings relating to discipline. Certified contractors are individuals who pass the state competency examination and obtain a certificate of competency issued by DBPR. Certified contractors are able to obtain a certificate of competency for a specific license category and are permitted to practice in that category in any jurisdiction in the state. Furthermore, certified specialty contractors are contractors whose scope of work is limited to a particular phase of construction, such as drywall or demolition. Certified specialty contractor licenses are created by the CILB through rulemaking. Certified specialty contractors are permitted to practice in any jurisdiction in the state.

Section 489.117, F.S., states that any person engaged in the business of a contractor, as defined in law, must be registered before engaging in business as a contractor in Florida, unless the contractor is certified. To be initially registered, an applicant must submit the required fee and file evidence of successful compliance with local examination and licensing requirements, if any, in the area for which registration is desired. Contrary to certification, an examination is not required for registration. Pursuant to s. 489.117(1)(b), F.S., a registered contractor can only engage in contracting within the local jurisdiction (county, municipality, or development district) where such contractor has complied with all local licensing requirements. Furthermore, the registered contractor can only engage in the type of work covered by the registration.

Building Permits and Inspections

Part IV of Chapter 553, F.S., (i.e., the Florida Building Code) provides local governments with the authority to inspect all buildings, structures, and facilities within their jurisdiction in protection of the public's health, safety, and welfare. Local governments must enforce the Florida Building Code and issue building permits. It is unlawful for a person, firm, or corporation to construct, erect, alter, repair, secure, or demolish any building without first obtaining a permit from the local government enforcing agency or from such persons as may, by resolution or regulation, be directed to issue such permit. A local government may charge reasonable fees as set forth in a schedule of fees adopted by the enforcing agency for the issuance of a building permit. Such fees shall be used solely for carrying out the local government's responsibilities in enforcing the Building Code.

Enforcing the Building Code includes the direct costs and reasonable indirect costs associated with training, review of building plans, building inspections, re-inspections, building permit processing, and fire inspections. Local governments must post all building permit and inspection fee schedules on their respective websites.

Furthermore, current law provides a set of deadlines for ordinary processing of a building permit, chief among them that a local government must approve, approve with conditions, or deny an application for a building permit within 120 days following receipt of a completed application. Various laws require or encourage local governments to further expedite the permitting process in certain situations, such as for the construction of public schools, state colleges and universities, and affordable housing.

b. Proposed Change:

Tolling of Permits during Emergencies
Section 4 of the bill amends s. 252.363(1)(a), F.S., to increase the extension of a permit or other authorization following a declaration of a state of emergency from six to 24 months. The extension is capped at 48 months in the event of multiple natural emergencies for which the Governor declares a state of emergency. Furthermore, the tolling and extension of permits and other authorizations is applied retroactively to September 28, 2022.

Local Government Emergency Revolving Bridge Loan Program
Section 9 of the bill amends s. 288.066, F.S., to convert the loan program into a revolving loan program. Additionally, it makes any Florida county or municipality located in an area designated in a Federal Emergency Management Agency (FEMA) disaster declaration eligible for a loan. The term of any loan is extended from one year to up to 24 months, unless extended by DEO for up to six months based on the local government's financial condition. Furthermore, the program's expiration is extended from June 30, 2027 until July 1, 2038. Upon expiration of the program, all unencumbered funds and loan repayments made on or after July 1, 2038, must be transferred to the General Revenue Fund.

Section 17 of the bill provides $50 million in nonrecurring funds from the General Revenue Fund to be transferred to DEO's Economic Development Trust Fund. Any general revenue funds appropriated in Chapter 2023-1, L.O.F., which have not been loaned to a local government by July 1, 2023, are to be transferred to DEO's Economic Development Trust Fund to be used for the Local Government Emergency Revolving Bridge Loan Program. Loan repayments received by DEO from local governments are to be repaid to the Economic Development Trust Fund and be made available for loans under the program.

Registered Contractors
Section 11 of the bill amends s. 489.117, F.S., to allow registered contractors to engage in contracting for the types of work covered by their registration within any area for which a state of emergency has been declared, pursuant to s. 252.36, F.S., for a natural emergency. This authorization terminates 24 months after the expiration of the declared state of emergency. The local jurisdiction that licenses the registered contractor may discipline the contractor for violations occurring outside the licensing jurisdiction under these circumstances.

Waiver of Application and Inspection Fees for Expedited Permits
Section 12 of the bill creates s. 553.7922, F.S., to require local governments to approve special processing procedures to expedite the issuance of permits following a natural emergency for which the Governor has declared a state of emergency. Permits to be expedited pursuant to this section are those which do not require technical review and include, but are not limited to permits for: roof repairs; reroofing; electrical repairs; service changes; or the replacement of one window or one door. Local governments may waive application and inspection fees for such expedited permits.

Freeze on Local Building Inspection Fees
Section 13 of the bill creates s. 553.80(8), F.S., to prohibit local governments located in areas designated in the FEMA disaster declarations for Hurricanes Ian and Nicole from raising building inspection fees during the period of January 1, 2023 through October 1, 2024. This subsection expires June 30, 2025.

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Natural Emergencies
Bill Number(s): CS/CS/SB 250

Section 2: Description of Data and Sources
None

Section 3: Methodology (Include Assumptions and Attach Details)

Tolling of Permits during Emergencies (Section 4 of the Bill)
The REC did not analyze this issue in the original 2011 legislation (i.e., SB 2156 and later codified in Chapter 2011-142), which created s. 252.363, F.S., authorizing tolling and extension of permits and other authorizations. Additionally, subsequent amendments to this section of law in 2018 (i.e., CS/CS/HB 1151 and later codified in Chapter 2018-158, L.O.F.) and 2019 (i.e., CS/CS/HB 7103 and later codified in Chapter 2019-165, L.O.F.) were not considered by the REC.

In 2021, the REC considered CS/CS/SB 912 and later codified as Chapter 2021-179, L.O.F., which added two categories of permits that could be tolled as a result of a declaration of a state of emergency issued by the Governor for a natural emergency. The REC adopted the proposed estimates of zero/negative insignificant and zero/negative indeterminate, and the reasoning that the future impacts of the two additional categories were indeterminate because of the uncertain nature in predicting weather or other disaster events that could lead to a declared state of emergency for a natural emergency. Furthermore, the REC reasoned that there was additional indeterminacy in predicting which businesses might request the tolling of permits and when the impacts from such tolling would be felt. If the REC chooses to include this issue, EDR staff recommends a zero/negative indeterminate fiscal impact.

Local Government Emergency Revolving Bridge Loan Program (Sections 9 & 17 of the Bill)
When the legislation creating the original loan program (i.e., SB2-B and later codified as Chapter 2023-1, L.O.F.) was enacted, the REC did not analysis the bill because the provisions were subject to appropriation. The issue was separately addressed in the Outlook Statement. Consequently, no proposed fiscal impact for this issue has been included in this analysis.

Registered Contractors (Section 11 of the Bill)
Under current law, a registered contractor can only engage in contracting within the local jurisdiction where such contractor has complied with all local licensing requirements and only for the type of work covered by the registration. The proposed change would still limit the registered contractor to the same type of work covered by the registration, but allow such contractor to work within any area of the state for which a state of emergency has been declared for a natural emergency. However, the contractor would not be required to register within that local jurisdiction and pay the applicable fees.

Given the uncertainty regarding the future number of states of emergency that might be declared during the forecast period as well as the number of registered contractors, if any, who might choose to travel outside their licensing jurisdiction to work, EDR staff recommends a zero/negative indeterminate fiscal impact.

Waiver of Application and Inspection Fees for Expedited Permits (Section 12 of the Bill)
The decision by individual local governments to waive application and inspection fees for expedited permits is permissive rather than mandatory. Consequently, EDR staff recommends a zero/negative indeterminate fiscal impact.

Freeze on Local Building Inspection Fees (Section 13 of the Bill)
The FEMA disaster declarations for Florida's Hurricane Ian include all 67 counties[1], and 61 counties for Hurricane Nicole.[2] It is not known how many county or municipal governments, if any, were or are planning to raise building inspection fees during the period of the proposed freeze (i.e., January 1, 2023 through October 1, 2024). Consequently, EDR staff recommends a zero/negative indeterminate fiscal impact.

[1] https://www.fema.gov/disaster/4673/designated-areas
[2] https://www.fema.gov/disaster/4680/designated-areas

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Natural Emergencies
Bill Number(s): CS/CS/SB 250

Section 4: Proposed Fiscal Impact (millions $)

Tolling of Permits during Emergencies (Section 4 of the Bill)

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			0/(**)	0/(**)		
2024-25			0/(**)	0/(**)		
2025-26			0/(**)	0/(**)		
2026-27			0/(**)	0/(**)		
2027-28			0/(**)	0/(**)		

Registered Contractors (Section 11 of the Bill)

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			0/(**)	0/(**)		
2024-25			0/(**)	0/(**)		
2025-26			0/(**)	0/(**)		
2026-27			0/(**)	0/(**)		
2027-28			0/(**)	0/(**)		

Waiver of Application and Inspection Fees for Expedited Permits (Section 12 of the Bill)

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			0/(**)	0/(**)		
2024-25			0/(**)	0/(**)		
2025-26			0/(**)	0/(**)		
2026-27			0/(**)	0/(**)		
2027-28			0/(**)	0/(**)		

Freeze on Local Building Inspection Fees (Section 13 of the Bill)

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			0/(**)	0/(**)		
2024-25			0/(**)	0/(**)		
2025-26			0	0		
2026-27			0	0		
2027-28			0	0		

List of Affected Trust Funds: Local funds

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Natural Emergencies
Bill Number(s): CS/CS/SB 250

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted a zero/negative indeterminate cash impact and a negative indeterminate recurring impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	0/(**)	(**)	0/(**)	(**)
2024-25	0.0	0.0	0.0	0.0	0/(**)	(**)	0/(**)	(**)
2025-26	0.0	0.0	0.0	0.0	0/(**)	(**)	0/(**)	(**)
2026-27	0.0	0.0	0.0	0.0	0/(**)	(**)	0/(**)	(**)
2027-28	0.0	0.0	0.0	0.0	0/(**)	(**)	0/(**)	(**)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Mold Assessment and Remediation Licenses
Bill Number(s): CS/CS/HB 869

☐ **Entire Bill**
☒ **Partial Bill**: Section 1
Sponsor(s): Representative McClain
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: June 23, 2023

Section 1: Narrative

a. Current Law:
Mold assessors and mold remediators are regulated by ch. 468, part XVI, F.S., and licensed by the Mold-Related Services Licensing Program[1] in DBPR. There is a standard process for licensure requiring good character, passage of an exam, possession of liability insurance, and specified educational requirements.

In the alternative, a person who is licensed in another state is eligible for a "license by endorsement" in Florida if they:[2]

- are of good moral character;
- hold required general liability insurance;
- hold a valid license to practice as a mold assessor or mold remediator in another state or territory of the United States whose educational requirements are substantially equivalent to Florida; and
- have passed a national, regional, state, or territorial licensing examination that is substantially equivalent to the required Florida examination.

Applicants for a mold-related license pay an initial licensure fee of $230. There are currently 3,252 licensed mold assessors and 3,208 licensed mold remediators in the state. In the most recent fiscal year, there were 25 applicants for a license by endorsement.[3] The renewal fee for mold-related licenses is $105 per year.

b. Proposed Change:
The bill allows applicants to obtain a license by endorsement in Florida, if they have held a valid license to practice in another state or territory of the United States for at least ten years before the date of application. Such applications for a Florida license by endorsement must be made either when the applicant's license in another state or territory is active or within two years of when such license was last active. No other training or exam is required, the requirements for licensure in the other state do not have to be substantially equivalent to Florida, and the department must certify an applicant who has held such license for 10 years and who is of good moral character and has the required insurance coverage.

Section 2: Description of Data and Sources
HB 869 Staff Analysis
HB 869 and SB 782 Agency Analysis from Department of Business and Professional Regulation
Communications with DBPR staff

Section 3: Methodology (Include Assumptions and Attach Details)
For mold assessors and mold remediators, the total number of professionals seeking licensure in Florida under the existing "license by endorsement" option is currently 25 individuals per year, or roughly 0.4% of the existing license holders per year. Even assuming twice as many new applicants file in each of the next five years using the new option, and assuming that none of those new applicants would have applied under exisiting law (either using the current licensure by endorsement process or by taking the exam in Florida), the fiscal impact to the Professional Regulation Trust Fund would be roughly $12,000 per year. It is possible no new applicants will use this option, as it requires ten years of licensure in another state, within the last two years. It is unknown how many individuals would qualify under this program.

The low assumes that no new applicants use this option who would not have already applied for a license using one of the existing options. The middle assumes that in any given year it is possible no new applicants will use this option, but it is likely

[1] S. 468.84, F.S.
[2] S. 468.8414(3), (4), F.S.
[3] Email from Jonas Marquez, Legislative Affairs Director, Department of Business and Professional Regulation, RE: HB 869 (Feb. 28, 2023).

that at least a few will. The high assumes twice as many applicants will use the new option as compared to the existing "license by endorsement," and that the new applicants would have not otherwise applied using the license by endorsement or standard licensing methods. The high in the first year is $11,589, growing to $33,678 in FY 2027-28. After the first year, this impact also includes annual renewal fees from all new applicants from previous years. Even with the growth in renewal fees for the cumulative new licensees from previous years, the total still does not exceed $100,000 in any year of the forecast period.

Section 4: Proposed Fiscal Impact

Mold Assessors and Remediators

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	*	*	0/*	0/*	0	0
2024-25	*	*	0/*	0/*	0	0
2025-26	*	*	0/*	0/*	0	0
2026-27	*	*	0/*	0/*	0	0
2027-28	*	*	0/*	0/*	0	0

Revenue Distribution: Professional Regulation Trust Fund

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the high estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	*	*	*	*	0.0	0.0	*	*
2024-25	*	*	*	*	0.0	0.0	*	*
2025-26	*	*	*	*	0.0	0.0	*	*
2026-27	*	*	*	*	0.0	0.0	*	*
2027-28	*	*	*	*	0.0	0.0	*	*

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Insurance License Fees
Bill Number(s): HB 487

☐ **Entire Bill**
☒ **Partial Bill**: Section 9
Sponsor(s): Salzman
Month/Year Impact Begins: July 1, 2023
Date of Analysis: 6/14/2023.

Section 1: Narrative
Current Law: Section 624.501, F.S. stipulates that a reinsurance intermediary is subject to a $50 application filing and license fee, as well as a $60 appointment and biennial renewal or continuation thereof, appointment fee.

Proposed Change: Section 9 eliminates the $50 reinsurance intermediary application filing and license fee.

Section 2: Description of Data and Sources
LBA
House Final Bill Analysis: Email from Teri Madsen, Director of the Office of Finance and Budget, Department of Financial Services

Section 3: Methodology (Include Assumptions and Attach Details)
The revenue collections for the application filing and license fees for the past three years, as provided by DFS, are as follows:

	FY 19-20	FY 20-21	FY 21-22	FY 22-23 (partial)
TOTAL[60]	$ 1,250.00	$ 1,100.00	$ 2,050.00	$ 750.00

As a result of the fee elimination, the impact is expected to be negative insignificant.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24					(*)	(*)
2024-25					(*)	(*)
2025-26					(*)	(*)
2026-27					(*)	(*)
2027-28					(*)	(*)

Revenue Distribution: Insurance Regulatory Trust Fund

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the low estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2024-25	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2025-26	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2026-27	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2027-28	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Insurance License Fees
Bill Number(s): HB 487

☐ **Entire Bill**
☒ **Partial Bill**: Section 16
Sponsor(s): Salzman
Month/Year Impact Begins: July 1, 2023
Date of Analysis: 6/19/2023

Section 1: Narrative
Current Law: Under s. 624.501 (9) F.S., all limited license agents are subject to a $60 appointment and biennial renewal fee.

Section 626.321 F.S. prohibits licensees holding a limited license in motor vehicle damage and mechanical breakdown insurance, industrial fire insurance, burglary insurance, or credit insurance from holding multiple licenses, unless specified.

Beginning in October 2012, licenses covering credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, and guaranteed automobile protection insurance were authorized to be converted to a credit insurance license. The licensee could elect to have a new license printed by the Department for a $5 fee.

Section 497.466 F.S. authorizes the licensure of preneed sales agents for persons who offer preneed contracts to the public, or who execute preneed contracts on behalf of a preneed licensee. The application for the license shall be accompanied by a nonrefundable fee of $150 if made through the department's online licensing system, or $175 if made using paper forms.

Proposed Change: The prohibition on multiple licenses under s. 626.321 F.S. is removed.

The $5 fee for credit insurance license conversion is removed.

A limited license for preneed funeral agreement insurance coverage is created. A preneed sales agent is authorized to receive this type of license without examination if the agent has a valid license, has been appointed and has paid the applicable fees.

Section 2: Description of Data and Sources
LBA
House Final Bill Analysis
Phone and email correspondence with Austin Stowers-Director of Legislative Affairs at Department of Financial Services

Section 3: Methodology (Include Assumptions and Attach Details)
A limited license agent who wishes to hold a license as an agent for another kind of insurance will be subject to an additional $60 appointment and biennial renewal fee. In addition, the preneed sales agent who obtains a preneed funeral agreement insurance license will be subject to the $60 appointment and biennial renewal fee.

According to the Department of Financial Services, the $5 credit insurance license conversion fee has not been assessed for at least 10 years.

The number of limited license agents who will capitalize on the ability to hold multiple licenses is unknown. The number of preneed sales agents who will obtain a limited license for preneed funeral agreement insurance coverage is also unknown. The low assumes there will be less than 1667 new licenses issued as a result of the changes in the bill.

The high assumes there will be at least 1667 new licenses issued as a result of the changes in the bill.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Insurance License Fees
Bill Number(s): HB 487

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	**	**			*	*
2024-25	**	**			*	*
2025-26	**	**			*	*
2026-27	**	**			*	*
2027-28	**	**			*	*

Revenue Distribution: Insurance Regulatory Trust Fund

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted a positive indeterminate impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	**	**	**	**	0.0	0.0	**	**
2024-25	**	**	**	**	0.0	0.0	**	**
2025-26	**	**	**	**	0.0	0.0	**	**
2026-27	**	**	**	**	0.0	0.0	**	**
2027-28	**	**	**	**	0.0	0.0	**	**

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Special Assessments on Agricultural Lands
Bill Number(s): HB7063 Section 1

☐ **Entire Bill**
☑ **Partial Bill**: Section 1
Sponsor(s): Representative McClain
Month/Year Impact Begins: July 2023
Date(s) Conference Reviewed: June 23, 2023

Section 1: Narrative

a. Current Law: Section 125.01(1)(r), F.S., states:

"Notwithstanding any other provision of law, a county may not levy special assessments for the provision of fire protection services on lands classified as agricultural lands under s. 193.461 unless the land contains a residential dwelling or nonresidential farm building, with the exception of an agricultural pole barn, provided the nonresidential farm building exceeds a just value of $10,000. Such special assessments must be based solely on the special benefit accruing to that portion of the land consisting of the residential dwelling and curtilage, and qualifying nonresidential farm buildings. As used in this paragraph, the term 'agricultural pole barn' means a nonresidential farm building in which 70 percent or more of the perimeter wall are permanently open and allow free ingress and egress."

Special Assessments

Special assessments are a home rule revenue source used to construct and maintain capital facilities and to fund certain services. Section 125.01(1)(r), F.S., authorizes the levy of special assessments for county governments.

In order for an assessed property to derive a special benefit from the service provided, there should be a logical relationship between the provided service and the benefit to real property. This logical relationship to property legal test defines those services that can be funded by special assessments versus those that cannot. General government services, such as general law enforcement and indigent health care, fail to satisfy the logical relationship to property test and cannot be funded by special assessments. Many improvements and services have been upheld by the courts as providing a special benefit to assessed properties.

Once the service or capital facility satisfies the special benefit test, the assessment should be fairly apportioned among the benefited property in a manner consistent with the logical relationship embodied in the special benefit requirement. Whether imposed to fund capital projects or services, a special assessment is generally collected on the annual ad valorem tax bill. Under this collection procedure, the special assessment is characterized as a non-ad valorem assessment.

Lands Classified as Agricultural Lands

Section 193.461, F.S., provides that the county property appraiser shall, on an annual basis, classify for assessment purposes all lands within the county as either agricultural or nonagricultural. Subject to the restrictions of this section, only lands that are used for bona fide agricultural purposes shall be classified agricultural. The term "bona fide agricultural purposes" means good faith commercial agricultural use of the land.

In determining whether the use of the land for agricultural purposes is bona fide, the following factors, as specified in s. 193.461(3)(b), F.S., may be taken into consideration:

- The length of time the land has been so used.
- Whether the use has been continuous.
- The purchase price paid.
- Size, as it relates to specific agricultural use, but a minimum acreage may not be required for agricultural assessment.
- Whether an indicated effort has been made to care sufficiently and adequately for the land in accordance with accepted commercial agricultural practices, including, without limitation, fertilizing, liming, tilling, mowing, reforesting, and other accepted agricultural practices.
- Whether the land is under lease and, if so, the effective length, terms, and conditions of the lease.
- Such other factors as may become applicable.

Pursuant to s. 193.461(4), F.S., property appraisers must reclassify lands as nonagricultural when they are diverted from an agricultural to a nonagricultural use or the land is no longer being utilized for agricultural purposes.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Special Assessments on Agricultural Lands
Bill Number(s): HB7063 Section 1

For purposes of s. 193.461, F.S., the term “agricultural purposes” includes, but is not limited to: horticulture; floriculture; viticulture; forestry; dairy; livestock; poultry; bee; pisciculture, if the land is used principally for the production of tropical fish; aquaculture as defined in s. 597.0015, F.S; algaculture; sod farming; and all forms of farm products as defined in s. 823.14(3), F.S; and farm production.

b. **Proposed Change**: S. 125.01(1)(r), F.S., is amended as follows:

“1. Notwithstanding any other provision of law, a county may not levy special assessments ~~for the provision of fire protection services~~ on lands classified as agricultural lands under s. 193.461 unless the revenue from such assessments has been pledged for debt service and is necessary to meet obligations of bonds or certificates issued by the county which remain outstanding on July 1, 2023, including refundings thereof for debt service savings where the maturity of the debt is not extended. For bonds or certificates issued after July 1, 2023, special assessments securing such bonds may not be levied on lands classified as agricultural under s. 193.461.

2. The provisions of subparagraph 1. do not apply to residential structures and their curtilage ~~land contains a residential dwelling or nonresidential farm building, with the exception of an agricultural pole barn, provided the nonresidential farm building exceeds a just value of $10,000. Such special assessments must be based solely on the special benefit accruing to that portion of the land consisting of the residential dwelling and curtilage, and qualifying nonresidential farm buildings. As used in this paragraph, the term ‘agricultural pole barn’ means a nonresidential farm building in which 70 percent or more of the perimeter wall are permanently open and allow free ingress and egress.~~”

Section 2: Description of Data and Sources
Florida Department of Revenue, Property Tax Oversight

2022 Non-ad valorem tax rolls and summary report

- NAVN – summary of assessment by parcel
- NAVD – individual assessment detail by parcel
- DR-503 NA – summary of assessments by non-ad valorem function and

2022 Ad Valorem tax roll – NAL data (only parcels that have any land classified as agricultural included)

Parcels from the NAL were matched with NAVN and NAVD data to create the summary of non-ad valorem assessments against each parcel. There were some challenges in matching the information since, in many instances, the parcel identification data received on the non-ad valorem assessment rolls were in a slightly different format from the NAL. Consequently, extensive additional data management was needed to get a clean match. The data for two counties were not matched (Hendry and Pinellas). However, these two counties represent only a small number (less than 3,008) of the overall number of parcels (238,822) with lands classified as agricultural.

Section 3: Methodology (Include Assumptions and Attach Details)
Non-ad valorem assessments may be levied by counties, municipalities, or independent special districts. The basis of non-ad valorem assessments varies depending on the type and purpose, and they may be assessed as a flat rate per parcel, square foot of the improvement area, square foot of land area, per acre, or may vary based on property type and benefit. Based on research by Property Tax Oversight, several functional types were flagged as having some assessment revenue pledged to meet obligations of bonds or certificates.

The High scenario assumes 0% of assessments on non-residential property across all functional types are pledged. In 2022, the estimated value of such assessments in all functional types was $9.4 million.

The Middle scenario assumes 50% of assessments on non-residential property in flagged functional types are pledged. In 2022, the estimated value of such assessments in non-flagged functional types plus 50% of assessments in flagged functional types was $6.2 million.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Special Assessments on Agricultural Lands
Bill Number(s): HB7063 Section 1

The Low scenario assumes 100% of assessments on non-residential property in flagged functional types are pledged. In 2022, the estimated value of such assessments in non-flagged functional types was $3.0 million.

Using annual totals of county non-ad valorem assessments for the period of 2009-10 through 2022-23, as reported by county tax collectors to the Department via the Tax Collector Non-Ad Valorem Reports, a Compound Annual Growth Rate (CAGR) of 4.8% was calculated and used to project the fiscal impacts into the forecast period.

As noted in prior fiscal impact analyses prepared for similar proposed language, the actual impact could be higher by an indeterminate amount because the calculated impact does not include non-ad valorem assessments which are not collected by the uniform method.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	$(9.9 M)	$(9.9 M)	$(6.5 M)	$(6.5 M)	$(3.2 M)	$(3.2 M)
2024-25	$(10.3 M)	$(10.3 M)	$(6.8 M)	$(6.8 M)	$(3.3 M)	$(3.3 M)
2025-26	$(10.8 M)	$(10.8 M)	$(7.2 M)	$(7.2 M)	$(3.5 M)	$(3.5 M)
2026-27	$(11.4 M)	$(11.4 M)	$(7.5 M)	$(7.5 M)	$(3.7 M)	$(3.7 M)
2027-28	$(11.9 M)	$(11.9 M)	$(7.9 M)	$(7.9 M)	$(3.8 M)	$(3.8 M)

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the low estimates as a least as impact, but notes that the actual impact could be significantly higher. Uncertainty regarding how much higher is unclear because how many of these assessments are actually pledged is unknown. Further, the impact does not include the non-ad valorem assessments which are collected by uniform method.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	(3.2)	(3.2)	(3.2)	(3.2)
2024-25	0.0	0.0	0.0	0.0	(3.3)	(3.3)	(3.3)	(3.3)
2025-26	0.0	0.0	0.0	0.0	(3.5)	(3.5)	(3.5)	(3.5)
2026-27	0.0	0.0	0.0	0.0	(3.7)	(3.7)	(3.7)	(3.7)
2027-28	0.0	0.0	0.0	0.0	(3.8)	(3.8)	(3.8)	(3.8)

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(1.2)	(1.2)	(2.0)	(2.0)	(3.2)	(3.2)
2024-25	(1.2)	(1.2)	(2.1)	(2.1)	(3.3)	(3.3)
2025-26	(1.3)	(1.3)	(2.2)	(2.2)	(3.5)	(3.5)
2026-27	(1.3)	(1.3)	(2.4)	(2.4)	(3.7)	(3.7)
2027-28	(1.4)	(1.4)	(2.4)	(2.4)	(3.8)	(3.8)

	A	B	C	D	E	F
1	**Total Value of 2022 County Non-Ad Valorem Assessments by Property Type and Function Type**					
2	**Function Code**	**Assessment Function Type**	**Residential Property**	**Non-Residential Property**	**Total Assessments**	**Functional Type Flagged as Having Assessment Revenue Pledged**
3	1	Community Development or Redevelopment	$ 412,395	$ 1,596,043	$ 2,008,438	Yes
4	2	Drainage and Water Control / Management	$ 497,418	$ 1,318,944	$ 1,816,362	Yes
5	3	Fire Control	$ 4,766,210	$ 2,665,510	$ 7,431,720	No
6	4	Emergency Medical Services	$ 337,849	$ 214,524	$ 552,374	No
7	5	Lighting	$ 2,232	$ 91,071	$ 93,303	No
8	6	Mosquito Control	$ 4,935	$ 169	$ 5,103	No
9	7	Water and Sewer	$ 34,228	$ 437,794	$ 472,022	Yes
10	8	Solid Waste	$ 6,996,430	$ 2,796,128	$ 9,792,557	Yes
11	9	Road Improvements	$ 31,178	$ 64,819	$ 95,996	No
12	10	Other (includes County PACE assessments)	$ 84,312	$ 229,632	$ 313,944	Yes
13		**Total**	**$ 13,167,187**	**$ 9,414,633**	**$ 22,581,820**	
14	Source: Florida Department of Revenue, Property Tax Oversight (April 19, 2023)					
15						
16	**Sum of Non-Residential Assessments in Flagged Functional Types**			**$ 6,378,540**		
17	**Sum of Non-Residential Assessments in Non-Flagged Functional Types**			**$ 3,036,093**		

	A	B	C	D	E	F
18						
19	**History of County Government Non-Ad Valorem Assessments**					
20	**Fiscal Year**	**Non-Ad Valorem Assessments (millions)**	**Growth Rate**			
21	2009-10	$ 1,010.0				
22	2010-11	$ 1,105.9	9.50%			
23	2011-12	$ 1,121.4	1.40%			
24	2012-13	$ 1,115.2	-0.55%			
25	2013-14	$ 1,211.6	8.64%			
26	2014-15	$ 1,177.2	-2.84%			
27	2015-16	$ 1,223.2	3.91%			
28	2016-17	$ 1,255.8	2.67%			
29	2017-18	$ 1,350.3	7.53%			
30	2018-19	$ 1,403.7	3.95%			
31	2019-20	$ 1,491.6	6.26%			
32	2020-21	$ 1,568.4	5.15%			
33	2021-22	$ 1,689.5	7.72%			
34	2022-23	$ 1,864.4	10.35%			
35	Source: Florida Department of Revenue, Tax Collector Non-Ad Valorem Reports					
36	Cumulative Annual Growth Rate	**4.83%**				

	A	B	C	D	E	F	G
1	**Consensus Estimate (Adopted: 04/07/2023): The Conference adopted the high estimate but notes that the actual impact is higher by an indeterminate amount because the impact does not include the non-ad valorem assessments which are not collected by uniform method.**						
2	2023-24	$ 23,672,124					
3	2024-25	$ 24,815,071					
4	2025-26	$ 26,013,201					
5	2026-27	$ 27,269,181					
6	2027-28	$ 28,585,802					
7							
8	**Bill Changes Since Last Impact**	**Adjustment**					
9	Exemption does not apply to residential structures and their curtilage	Use Non-Residential Total instead of the Total Assessment					
10	Revenues for assessments pledge for debt service issued prior to July 1, 2023 are not exempt	Identify potential sources of pledged revenue and estimate share pledged					
11							
12	Assumption	High	Middle	Low			
13	Percent of assessments on non-residential properties that are pledged	0%	50%	100%			
14	Growth Rate (use adopted - cumulative annual growth rate from 2010-2023)	4.83%	4.83%	4.83%			
15							
16	2022 Resulting Base Value	$ (9,414,633)	$ (6,225,363)	$ (3,036,093)			
17							
18	**Total Impact**						
19		High		Middle		Low	
20		Cash	Recurring	Cash	Recurring	Cash	Recurring
21	2023-24	$(9.9 M)	$(9.9 M)	$(6.5 M)	$(6.5 M)	$(3.2 M)	$(3.2 M)
22	2024-25	$(10.3 M)	$(10.3 M)	$(6.8 M)	$(6.8 M)	$(3.3 M)	$(3.3 M)
23	2025-26	$(10.8 M)	$(10.8 M)	$(7.2 M)	$(7.2 M)	$(3.5 M)	$(3.5 M)
24	2026-27	$(11.4 M)	$(11.4 M)	$(7.5 M)	$(7.5 M)	$(3.7 M)	$(3.7 M)
25	2027-28	$(11.9 M)	$(11.9 M)	$(7.9 M)	$(7.9 M)	$(3.8 M)	$(3.8 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Beverage Taxes and Fees
Issue: Registration Fees for Malt Beverage Brands and Labels
Bill Number(s): HB 1459

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Yeager
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: June 23, 2023

Section 1: Narrative

a. Current Law:

Before doing business in Florida, manufacturers, brewers, bottlers, distributors, and importers of malt beverages must register with the Division of Alcoholic Beverages and Tobacco (ABT) in the Department of Business and Professional Regulation (DBPR) the brands or labels under which the malt beverages are to be sold or moved.[1] Current law requires the ABT to charge a $30 fee per brand or label.[2]

b. Proposed Change:

The bill provides that the annual registration fee of $30 for each malt beverage brand and label only applies to a brand or label that is sold to a distributor, not to a brand or label that is kept in-house.

Section 2: Description of Data and Sources

HB 1459 Staff Analysis
DBPR Agency Bill Analysis
Communications with DBPR
Communication with Industry Representatives

Section 3: Methodology (Include Assumptions and Attach Details)

Over the last three years, DBPR has collected an average annual total of between $300,000 and $400,000 in initial and renewal brand and label fees for malt beverages. Based on the growth rates in the three years of provided data from DBPR, the estimate for the forecast window increases the initial malt beverage license fee revenue by the average growth (11%) over the years provided. The growth of renewal fees was less stable, so a 5% general annual increase in renewal fees collected over the forecast period was chosen.

It is unknown what percentage of the initial and renewal fees will fall under the new exemption for in-house labels. DBPR noted that roughly half of the gallons sold by craft breweries were sold in-house. Industry representatives indicated probably 30-50% of craft labels would stay in-house, but that larger brewers would be almost exclusively sold through distributors (and therefore would have no change in fees under the bill). Based on these discussions with DBPR and industry representatives, the low assumes 5% of the total label fees are attributable to in-house labels that will now be exempt, the middle assumes 15%, and the high assume 30%.

Both the low and the middle are well below the threshold for significance. The high is ($127,729) in the first year, growing to ($201,032) in FY 2027-28, assuming an 11% annual increase in initial labels and a 5% annual increase in renewal labels.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(0.1)	(0.1)	(*)	(*)	(*)	(*)
2024-25	(0.2)	(0.2)	(*)	(*)	(*)	(*)
2025-26	(0.2)	(0.2)	(*)	(*)	(*)	(*)
2026-27	(0.2)	(0.2)	(*)	(*)	(*)	(*)
2027-28	(0.2)	(0.2)	(*)	(*)	(*)	(*)

Revenue Distribution: Alcoholic Beverage and Tobacco Trust Fund

[1] S. 563.045(1), F.S.
[2] S. 563.045(2), F.S.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Beverage Taxes and Fees
Issue: Registration Fees for Malt Beverage Brands and Labels
Bill Number(s): HB 1459

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2024-25	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2025-26	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2026-27	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2027-28	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)

Fiscal Year Ending	2020	2021	2022	2023	2024	2025	2026	2027	2028
Initial Malt Beverage Licenses	$ 206,280	$ 239,730	$ 255,930	$ 285,328	$ 318,103	$ 354,642	$ 395,379	$ 440,795	$ 491,428
Renewal Malt Beverage Licenses	$ 98,580	$ 130,020	$ 131,820	$ 138,411	$ 145,332	$ 152,598	$ 160,228	$ 168,239	$ 176,651
Total Fees Collected	$ 306,880	$ 371,771	$ 389,772	$ 425,762	$ 465,458	$ 509,265	$ 557,633	$ 611,062	$ 670,107
Growth of Initial		16%	7%	11%	Average over 2 years				
Growth of Renewal		32%	1%	5%	Staff Choice				
	% licenses exempt								
Low	5%			$ (14,266)	$ (15,905)	$ (17,732)	$ (19,769)	$ (22,040)	$ (24,571)
Medium	15%			$ (20,762)	$ (21,800)	$ (22,890)	$ (24,034)	$ (25,236)	$ (26,498)
High	30%			$ (127,729)	$ (139,637)	$ (152,780)	$ (167,290)	$ (183,318)	$ (201,032)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Asbestos Consultant and Contractor Licenses
Bill Number(s): CS/CS/HB 869

☐ **Entire Bill**
☒ **Partial Bill**: Section 2
Sponsor(s): Representative McClain
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: June 23, 2023

Section 1: Narrative

a. Current Law:

Asbestos consultants and contractors are regulated by ch. 469, F.S., and licensed by the Asbestos Licensing Unit in DBPR. Florida licensing standards must also comply with the U.S. Environmental Protection Agency's Asbestos Model Accreditation Plan for States (MAP), which includes mandatory nationwide standards for testing and education.[1]

In order to be eligible to be licensed as an asbestos consultant, an applicant must meet one of the following criteria:[2]

- hold a current, valid, active Florida license as an architect, a professional engineer, or a professional geologist;
- be a diplomat of the American Board of Industrial Hygiene; or
- have been awarded designation as a Certified Safety Professional by the Board of Certified Safety Professionals.

An applicant for licensure as either an asbestos consultant or contractor also must:[3]

- if applying for an asbestos **consultant** license, complete DBPR-approved courses in 4 specified topics.
- if applying for an asbestos **contractor** license, complete courses in 2 specified topics.
- provide evidence of satisfactory work on ten asbestos projects within the last five years,
- provide evidence of financial stability, and
- pass the DBPR-approved examination.

There is no provision which specifically allows or addresses licenses by endorsement for asbestos licensees of other states.

Applicants for an asbestos license pay an initial licensure fee of $555, and an examination fee of $316. There are currently 136 licensed asbestos contractors and 111 licensed asbestos consultants in the state. DBPR has received an average of 33 asbestos applications per year over the last three fiscal years. For FY 2021-22, 39 individuals requested to take the exam, and 17 individuals ultimately applied for licensure.[4] While not the same program, roughly 0.39% of mold remediator licenses are issued through an existing endorsement process that requires active licensure in another state.[5] The renewal fee for asbestos licenses is $155.

b. Proposed Change:

The bill allows applicants who hold an asbestos license in another state license to obtain a license by endorsement in Florida if they have:

- passed a written examination in any state that meets the requirements of MAP,
- held a license as an asbestos consultant or asbestos contractor issued by another state or territory of the United States for at least ten years,
- demonstrated financial stability, and
- completed the required DBPR-approved courses.

Such applicants must apply while they hold an active license in another state or territory or within 2 years after such license was last active.

[1] 40 C.F.R. § 763 Appendix C to Subpart E.
[2] S. 469.004(1), F.S.
[3] S. 469.005, F.S.
[4] Communication from DBPR June 20, 2023.
[5] Id.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: Asbestos Consultant and Contractor Licenses
Bill Number(s): CS/CS/HB 869

Section 2: Description of Data and Sources
HB 869 Staff Analysis
HB 869 and SB 782 Agency Analysis from Department of Business and Professional Regulation
Communications with DBPR staff

Section 3: Methodology (Include Assumptions and Attach Details)
For asbestos consultants and contractors, the total number of individuals holding a license is 247, and DBPR received an average on 33 license applications per year over the last three years. Assuming an additional 33 licensees are added in each of the next five years under existing law, and that 5% of existing licensees will apply under the new program, and assuming that none of those licensees under the new program would have applied under existing law, the high is a potential increase in recurring revenues to the Professional Regulation Trust Fund of $6,854 in FY 2023-24. This number is grown in subsequent years to account for new recurring renewal fees paid by the new licensees from prior year's impacts, which increases the high impact to $22,115 in FY 2027-28. 5% was chosen as a reasonable high estimate of the participation rate for the program, given that 0.39% of licensees participate in a similar program related to licensure by endorsement for mold remediation. Given that the total projected impact is less than $100,000 throughout the forecast period, the suggested high is positive insignificant.

If any applicant under the new program would otherwise have applied under the existing law, the impact to the state would actually be negative for such applicant. In that case, the state would no longer receive the $316 examination fee, and the $555 licensure fee would have been received in either case and would not be considered an impact. It is not possible to estimate the attrition rate of applicants who would have applied under exsiting law, but if all of the applicants under the new program assumed in the high scenario would have applied under the existing statutory framework, then the low is a recurring negative impact to the Trust Fund of ($3,902.60) in FY 2023-24, growing to ($6,990.93) in FY 2027-28. Given that the total projected low impact is less than $100,000 throughout the forecast period, the suggested low is negative insignificant.

Given the likely mix of applicants who would have applied under the old law and will now opt out of the exam, compared to applicants who would not have applied but for this option, the middle is a +/- to reflect that the mix in any given year would influence the impact.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	*	*	+/-	+/-	(*)	(*)
2024-25	*	*	+/-	+/-	(*)	(*)
2025-26	*	*	+/-	+/-	(*)	(*)
2026-27	*	*	+/-	+/-	(*)	(*)
2027-28	*	*	+/-	+/-	(*)	(*)

Revenue Distribution: Professional Regulation Trust Fund

Section 5: Consensus Estimate (Adopted: 06/23/2023): The Conference adopted +/- insignificant.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	+/- ins.	+/- ins.	+/- ins.	+/- ins.	0.0	0.0	+/- ins.	+/- ins.
2024-25	+/- ins.	+/- ins.	+/- ins.	+/- ins.	0.0	0.0	+/- ins.	+/- ins.
2025-26	+/- ins.	+/- ins.	+/- ins.	+/- ins.	0.0	0.0	+/- ins.	+/- ins.
2026-27	+/- ins.	+/- ins.	+/- ins.	+/- ins.	0.0	0.0	+/- ins.	+/- ins.
2027-28	+/- ins.	+/- ins.	+/- ins.	+/- ins.	0.0	0.0	+/- ins.	+/- ins.

High Impact for New Asbestos-Related Licensing

	Existing Licensees	New licensees per year under existing law	Estimated New Licensees under s. 2 of HB 869	License Fee	Impact of New License Fee	Percentage of New Licensees compare to base
2023-24	247	33	12	$ 555	$ 6,854	5%
2024-25	292	33	15	$ 555	$ 8,113	
2025-26	340	33	17	$ 555	$ 9,434	
2026-27	390	33	19	$ 555	$ 10,822	
2027-28	442	33	22	$ 555	$ 12,278	

High Impact for Renewal Asbestos-Related Licensing

	NEW licensees needing renewal	License Fee	Impact of New License Fee
2023-24		$ 155	$ -
2024-25	12	$ 155	$ 1,914
2025-26	27	$ 155	$ 4,180
2026-27	44	$ 155	$ 6,815
2027-28	63	$ 155	$ 9,837

High Total Impact for Asbestos-Related Licensing

	New Licensee Fee	Renewal License Fee	Total Impact
2023-24	$ 6,854	$ -	$ 6,854
2024-25	$ 8,113	$ 1,914	$ 10,027
2025-26	$ 9,434	$ 4,180	$ 13,614
2026-27	$ 10,822	$ 6,815	$ 17,636
2027-28	$ 12,278	$ 9,837	$ 22,115

Low Impact for New Asbestos-Related Licensing

	Existing Licensees	New licensees per year under existing law	Estimated New Licensees under s. 2 of HB 869	Loss of Exam Fee	Impact of New License Fee*	
2023-24	247	33	12	$ (316)	$ (3,903)	5%
2024-25	292	33	15	$ (316)	$ (4,619)	
2025-26	340	33	17	$ (316)	$ (5,371)	
2026-27	390	33	19	$ (316)	$ (6,161)	
2027-28	442	33	22	$ (316)	$ (6,991)	

*No renewal impact, as this scenario assumes these applicants would have applied under existing law and would have paid renewal fees under existing law

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: DBPR License Fees - Two Year Waiver
Bill Number(s): HB 1091

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Alvarez
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: June 23, 2023

Section 1: Narrative

a. Current Law:

The Department of Business and Professional Regulation (DBPR) licenses and regulates businesses and professioals in Florida under the Divisions of Professions, Regulation, Real Estate, and Certified Public Accounting, pursuant to Chapter 455, F.S. Those divisions house dozens of boards and programs that in turn license hundreds of thousands of professionals.

For each professional license issued by DBPR, there is an initial license fee and a license renewal fee set by statute and the applicable board, or by DBPR if there is no board for the profession. The licensing fees range significantly, from $5 to $600.[1]

b. Proposed Change:

The bill requires DBPR to waive, for licenses subject to ch. 455, F.S., during the 2023-2024 and 2024-2025 fiscal years:

- 50% of the initial licensing fee for an applicant applying for an initial license, with such waiver limited to a maximum of $200 per year per license.
- 50% of a licensee's license renewal fee, with such waiver limited to a maximum of $200 per year per license.

The waivers do not apply to any background check fees or penalty fees for unlicensed activity.

Section 2: Description of Data and Sources

HB 1091 Staff Analysis
HB 1091 Department of Business and Professional Regulation Agency Analysis
Communications with DBPR Staff

Section 3: Methodology (Include Assumptions and Attach Details)

<u>Impact to Professional Regulation Trust Fund</u>

Using data provided by DBPR, the total amount expected to be collected under current law is compared to estimated collections factoring in the two-year reduction in fees. Only one category of license fees will be capped by the $200 waiver limit (the fee for Employee Leasing Company Controlling Persons is $600). The impact assumes half of the revenue from all applicable fees (other than Employee Leasing Company Controlling Persons) is lost in each of the years affected by the waiver, plus 1/3 of the revenue from Employee Leasing Company Controlling Persons (as $200 of the $600) will be waived. The cash impact for the first year is 11/12 of the FY 2023-24 waiver estimate, with the last month shifting into FY 2024-25. The impact for the second year is the last month of FY 2023-24 and 11/12 of the FY 2024-25 waiver estimate. The impact for the third year is the last month of the FY 2024-25 waiver estimate. There is no recurring impact.

<u>Impact to General Revenue</u>

The Professional Regulation Trust Fund pays an 8% service charge to GR.[2] The amounts that are not collected and deposited in the trust fund due to the fee waiver will also not generate a service charge to GR. The impact to GR is 8% of the impact to the Trust Fund.

[1] See, e.g., Rule 61G19-10.001(a), F.A.C., setting initial and renewal license fees for building code inspectors at $5, and Rule 61G7-5.001, F.A.C., setting initial and renewal license fees for employee leasing company controlling persons at $600.
[2] S. 215.20(1), F.S.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Taxes and Fees
Issue: DBPR License Fees - Two Year Waiver
Bill Number(s): HB 1091

Section 4: Proposed Fiscal Impact

Impact to Professional Regulation Trust Fund

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(14.1)	0		
2024-25			(30.3)	0		
2025-26			(2.6)	0		
2026-27			0	0		
2027-28			0	0		

Impact to General Revenue

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(1.1)	0		
2024-25			(2.4)	0		
2025-26			(0.2)	0		
2026-27			0	0		
2027-28			0	0		

Revenue Distribution: Professional Regulation Trust Fund; General Revenue

Section 5: Consensus Estimate (Adopted: 06/23/2023) The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(1.1)	0.0	(14.1)	0.0	0.0	0.0	(15.2)	0.0
2024-25	(2.4)	0.0	(30.3)	0.0	0.0	0.0	(32.7)	0.0
2025-26	(0.2)	0.0	(2.6)	0.0	0.0	0.0	(2.8)	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

License Fees

Show Revenue Decreases as a negative (put number of licenses or applications in as a negative number) and revenue increases as a positive

					Number of Licenses or Applications *			Fee Per License			
DESCRIPTION	FY 23-24	FY 24-25	FY 25-26	Revenue After Discount	FY 23-24	FY 24-25	FY 25-26	FY 23-24	FY 24-25	FY 25-26	Comment
INITIAL LICENSE											
Architect	23,640	23,640	23,640		788	788	788	30.00	30.00	30.00	
Asbestos Consultant	1,500	1,500	1,500		6	6	6	250.00	250.00	250.00	
Asbestos Contractor	1,500	1,500	1,500		6	6	6	250.00	250.00	250.00	
Asbestos Business	1,250	1,250	1,250		5	5	5	250.00	250.00	250.00	
Athlete Agent	51,000	51,000	51,000		136	136	136	375.00	375.00	375.00	
Auctioneer Apprentice	1,350	1,350	1,350		9	9	9	150.00	150.00	150.00	DEFICIT
Auctioneer	13,500	13,500	13,500		90	90	90	150.00	150.00	150.00	
Auctioneer - Business	5,250	5,250	5,250		35	35	35	150.00	150.00	150.00	
Barber	124,800	124,800	124,800		1,248	1,248	1,248	100.00	100.00	100.00	
Restricted Barber	95,200	95,200	95,200		952	952	952	100.00	100.00	100.00	
Barbershop	25,500	25,500	25,500		510	510	510	50.00	50.00	50.00	
Building Code Inspector/Administrator/Examiner	22,450	22,450	22,450		898	898	898	25.00	25.00	25.00	
Community Association Manager	193,100	193,100	193,100		1,931	1,931	1,931	100.00	100.00	100.00	
Certified Contractor	1,121,600	1,121,600	1,121,600		5,608	5,608	5,608	200.00	200.00	200.00	
Registered Contractors	43,000	43,000	43,000		215	215	215	200.00	200.00	200.00	
Cosmetologist	254,760	254,760	254,760		6,369	6,369	6,369	40.00	40.00	40.00	
Cosmetology Specialists -Nail Specialist	301,800	301,800	301,800		7,545	7,545	7,545	40.00	40.00	40.00	
Cosmetology Specialists -Facial Specialist	317,520	317,520	317,520		7,938	7,938	7,938	40.00	40.00	40.00	
Cosmetology Specialists -Full Specialist	226,360	226,360	226,360		5,659	5,659	5,659	40.00	40.00	40.00	
Cosmetology Salon	124,000	124,000	124,000		3,100	3,100	3,100	40.00	40.00	40.00	
Certified Electrical Contractor	299,439	299,439	299,439		1,029	1,029	1,029	291.00	291.00	291.00	
Certified Alarm System Contractor I	29,973	29,973	29,973		103	103	103	291.00	291.00	291.00	
Certified Alarm System Contractor II	11,931	11,931	11,931		41	41	41	291.00	291.00	291.00	
Certified Specialty Contractor	38,994	38,994	38,994		134	134	134	291.00	291.00	291.00	
Registered Alarm Contractor I	1,168	1,168	1,168		8	8	8	146.00	146.00	146.00	
Registered Electrical Contractor	23,506	23,506	23,506		161	161	161	146.00	146.00	146.00	
Registered Specialty Contractor	1,606	1,606	1,606		11	11	11	146.00	146.00	146.00	
Employee Leasing Company Controlling Person	18,000	18,000	18,000	12,000	30	30	30	600.00	600.00	600.00	DEFICIT
Professional Engineer	352,800	352,800	352,800		3,528	3,528	3,528	100.00	100.00	100.00	
Professional Geologist	5,200	5,200	5,200		52	52	52	100.00	100.00	100.00	DEFICIT
Home Inspector	131,000	131,000	131,000		1,310	1,310	1,310	100.00	100.00	100.00	
Interior Design	3,075	3,075	3,075		123	123	123	25.00	25.00	25.00	
Landscape Architect	6,638	6,638	6,638		59	59	59	112.50	112.50	112.50	
Mold Assessor	37,500	37,500	37,500		375	375	375	100.00	100.00	100.00	
Mold Remediator	31,500	31,500	31,500		315	315	315	100.00	100.00	100.00	
Harbor Pilot - State	975	975	975		5	5	5	195.00	195.00	195.00	DEFICIT
Deputy Harbor Pilot	760	760	760		8	8	8	95.00	95.00	95.00	DEFICIT
Talent Agents	22,000	22,000	22,000		55	55	55	400.00	400.00	400.00	DEFICIT
Veterinarian	67,000	67,000	67,000		670	670	670	100.00	100.00	100.00	
REAL ESTATE COMMISSION											
Initial License Sales Associate/Broker	1,579,986	1,579,986	1,579,986		29,259	29,259	29,259	54.00	54.00	54.00	
Initial License Broker Corp or Temp	432	432	432		8	8	8	54.00	54.00	54.00	
Initial License for School Instructor	3,927	3,927	3,927		84	84	84	46.75	46.75	46.75	
REAL ESTATE APPRAISAL BOARD											
Registered Trainee Appraiser License	54,950	54,950	54,950		314	314	314	175.00	175.00	175.00	
Certified Residential Appraiser License	21,350	21,350	21,350		122	122	122	175.00	175.00	175.00	
Certified General Appraiser License	11,200	11,200	11,200		64	64	64	175.00	175.00	175.00	
Appraisal Management Company License	0	0	0					300.00	300.00	300.00	
ACCOUNTANCY											
Individual	8,750	8,750	8,750		175	175	175	50.00	50.00	50.00	
Individual Endorsement	275,700	275,700	275,700		919	919	919	300.00	300.00	300.00	
PartnerShips, Corps, LLC CPA Firms	17,400	17,400	17,400		120	120	120	145.00	145.00	145.00	
INITIAL LICENSE FEES	**6,005,839.50**	**6,005,839.50**	**6,005,839.50**		82,130						

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

License Fees

Show Revenue Decreases as a negative (put number of licenses or applications in as a negative number) and revenue increases as a positive

					Number of Licenses or Applications *			Fee Per License					
DESCRIPTION	FY 23-24	FY 24-25	FY 25-26	Revenue After Discount	FY 23-24	FY 24-25	FY 25-26	FY 23-24	FY 24-25	FY 25-26	Comment		
LICENSE RENEWAL:													
Architect	0	1,248,205	0			13,139		95.00	95.00	95.00	February odd ye	Odd	
Asbestos Consultant	0	12,600	0			84		150.00	150.00	150.00	November even	Even	
Asbestos Contractor	0	20,400	0			136		150.00	150.00	150.00	November even	Even	
Asbestos Business	0	60,000				240		250.00	250.00	250.00			
Athlete Agent	127,380	0	187,220		579		851	220.00	220.00	220.00	May even year	Even	
Auctioneer Apprentice	9,450	0	12,150		63		81	150.00	150.00	150.00	November odd y	Odd	
Auctioneer	260,100	0	287,100		1,734		1,914	150.00	150.00	150.00	November odd y	Odd	
Barber	0	1,125,740	0			16,082		70.00	70.00	70.00	July even year	Even	
Restricted Barber	0	569,730	0			8,139		70.00	70.00	70.00	July even year	Even	
Barbershop		43,050				410		105.00	105.00	105.00			
Building Code Inspector/Administrator/Examiner	46,930	0	46,930		9,386		9,386	5.00	5.00	5.00	November odd y	Odd	
Community Association Manager	0	2,410,200	0			24,102		100.00	100.00	100.00	September even	Even	
Certified Contractor	0	15,987,600	0			79,938		200.00	200.00	200.00	August even yea	Even	
Registered Contractors	0	847,000	0			4,235		200.00	200.00	200.00	August even yea	Even	
Cosmetologist	2,654,040	2,654,040	2,654,040		66,351	66,351	66,351	40.00	40.00	40.00	Biennial: Half ea	Biennial	
Cosmetology Specialists -Nail Specialist	1,196,960	1,196,960	1,196,960		29,924	29,924	29,924	40.00	40.00	40.00	Biennial: Half ea	Biennial	
Cosmetology Specialists -Facial Specialist	962,400	962,400	962,400		24,060	24,060	24,060	40.00	40.00	40.00	Biennial: Half ea	Biennial	
Cosmetology Specialists -Full Specialist	944,760	944,760	944,760		23,619	23,619	23,619	40.00	40.00	40.00	Biennial: Half ea	Biennial	
Cosmetology Salon	764,000	764,000	764,000		19,100	19,100	19,100	40.00	40.00	40.00			
Certified Electrical Contractor	0	3,064,812	0			10,532		291.00	291.00	291.00	August even yea	Even	
Certified Alarm System Contractor I	0	476,949	0			1,639		291.00	291.00	291.00			
Certified Alarm System Contractor II	0	169,362	0			582		291.00	291.00	291.00			
Certified Specialty Contractor	0	533,112	0			1,832		291.00	291.00	291.00			
Registered Alarm Contractor I	0	9,512	0			82		116.00	116.00	116.00			
Registered Alarm Contractor II	0	3,712	0			32		116.00	116.00	116.00			
Registered Electrical Contractor	0	237,452	0			2,047		116.00	116.00	116.00			
Registered Specialty Contractor	0	23,548	0			203		116.00	116.00	116.00			
Employee Leasing Company Controlling Person	211,800	0	211,800	141,200	353		353	600.00	600.00	600.00	April even year	Even	
Professional Engineer	0	4,196,438	0			44,762		93.75	93.75	93.75	November even	Even	
Professional Geologist	0	240,480	0			2,004		120.00	120.00	120.00	July even year	Even	
Home Inspector	0	1,104,700	0			11,047		100.00	100.00	100.00	July even year	Even	
Interior Design	0	223,510	0			3,193		70.00	70.00	70.00	February odd ye	Odd	
Landscape Architect	326,025	0	326,025		1,449		1,449	225.00	225.00	225.00	November odd y	Odd	
Mold Assessor	0	350,900	0			3,509		100.00	100.00	100.00	July even year	Even	
Mold Remediator	0	346,700	0			3,467		100.00	100.00	100.00	July even year	Even	
Harbor Pilot - State	0	17,550	0			90		195.00	195.00	195.00	January odd yea	Odd	
Deputy Harbor Pilot	0	3,800	0			40		95.00	95.00	95.00	January odd yea	Odd	
Talent Agents	197,200	0	197,200		493		493	400.00	400.00	400.00	May even year	Even	
Veterinarian	2,637,700	0	2,637,700		10,145		10,145	260.00	260.00	260.00	May even year	Even	
Veterinarian Limited Service Medical Practice	750	750	750		3	3	3	250.00	250.00	250.00			
REAL ESTATE COMMISSION													
Renewal License Sales Associate	11,055,616	11,055,616	11,055,616		172,744	172,744	172,744	64.00	64.00	64.00	Biennial: Half each year		
Renewal License Broker	2,832,840	2,832,840	2,832,840		39,345	39,345	39,345	72.00	72.00	72.00	Biennial: Half each year		
Real Estate Instructor	97,792	0	97,792		1,528		1,528	64.00	64.00	64.00	September odd year		
REAL ESTATE APPRAISAL BOARD													
Renewal Registered Trainee Appraiser License	0	289,975	0			1,657		175.00	175.00	175.00	November even	Even	
Renewal Licensed Appraiser License	0	2,275	0			13		175.00	175.00	175.00	November even	Even	
Renewal Certified Residential Appraiser License	0	784,525	0			4,483		175.00	175.00	175.00	November even	Even	
Renewal Certified General Appraiser License	0	464,100	0			2,652		175.00	175.00	175.00	November even	Even	
ACCOUNTANCY													
Individual	1,944,500	1,944,500	1,944,500		19,445	19,445	19,445	100.00	100.00	100.00	Biennial Decemb	Group 2: odd	Group 1: even
Firm	0	0	0					145.00	145.00	145.00	December odd y	Odd	5,892
RENEWAL LICENSE FEES	**26,270,243.00**	**57,223,802.50**	**26,359,783.00**										
	32,276,082.50	**63,229,642.00**	**32,365,622.50**										

6/23/2023

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

License Fees

Show Revenue Decreases as a negative (put number of licenses or applications in as a negative number) and revenue increases as a positive

DESCRIPTION	FY 23-24	FY 24-25	FY 25-26	Revenue After Discount
Total Revenue	**32,276,082.50**	**63,229,642.00**	**32,365,622.50**	
Professions	14,371,639.50	43,882,116.00	14,461,179.50	
Real Estate	15,658,093.00	17,101,176.00	15,658,093.00	
Accountancy	2,246,350.00	2,246,350.00	2,246,350.00	
Total	32,276,082.50	63,229,642.00	32,365,622.50	
Service Charge to General Revenue (8%)	**2,582,087.00**	**5,058,371.00**	**2,589,250.00**	
Professions SC to GR	1,149,731	3,510,569	1,156,894	
Real Estate	1,252,647	1,368,094	1,252,647	
Accountancy	179,708	179,708	179,708	
Total	2,582,087	5,058,371	2,589,250	
	2,582,087	5,058,371	2,589,250	
Total Revenue after 50% discount	**16,934,468.00**	**31,614,821.00**	**16,934,468.00**	
Professions	7,982,246.50	21,941,058.00	7,982,246.50	
Real Estate	7,829,046.50	8,550,588.00	7,829,046.50	
Accountancy	1,123,175.00	1,123,175.00	1,123,175.00	
Total	16,934,468.00	31,614,821.00	16,934,468.00	
Service Charge to General Revenue (8%) after 50% discount	**1,354,757.00**	**2,529,186.00**	**1,354,757.00**	
Professions SC to GR	638,580	1,755,285	638,580	
Real Estate	626,324	684,047	626,324	
Accountancy	89,854	89,854	89,854	
Total	1,354,757	2,529,186	1,354,757	
	1,354,757	2,529,186	1,354,757	

Number of Licenses or Applications *		
FY 23-24	FY 24-25	FY 25-26

Fee Per License			
FY 23-24	FY 24-25	FY 25-26	Comment

Total Revenue	**32,276,083**	**63,229,642**
Total Revenue after 50% discount	**16,934,468**	**31,614,821**
Difference	**15,341,615**	**31,614,821**
	Total Difference	**46,956,436**

Service Charge to General Revenue (8%)	**2,582,087**	**5,058,371**
Service Charge to General Revenue (8%) after 50% discount	**1,354,757**	**2,529,186**
Difference	**1,227,330**	**2,529,185**
	Total Difference	**3,756,515**

				Total
Gross Impact to Trust Fund	**$ (14,063,147)**	**$ (30,258,720)**	**$ (2,634,568)**	**$ (46,956,436)**
Impact to GR	**$ (1,125,053)**	**$ (2,420,697)**	**$ (210,765)**	**$ (3,756,515)**
Impact to Trust Fund if GR Service Charge Deducted	$ (12,938,094)	$ (27,838,023)	$ (2,423,803)	$ (43,199,921)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Fees and Taxes
Issue: Background Screening Fees
Bill Number(s): CS/HB 391
☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Rep. Tramont
Month/Year Impact Begins: June 2, 2023
Date(s) Conference Reviewed: 6/23/2023.

Section 1: Narrative
Current Law:
The Agency for Health Care Administration (AHCA) is the single state agency responsible for the administration of the Florida Medicaid program, authorized under Title XIX of the Social Security Act. The Medicaid state plan is an agreement between a state and the federal government describing how that state administers its Medicaid programs. The state plan establishes groups of individuals covered under the Medicaid program, services that are provided, payment methodologies and other administrative and organizational requirements. The State of Florida has over 5.5 million individuals enrolled in the Medicaid program. In Florida, most Medicaid recipients receive their services through a managed care plan contracted with the Agency under the Statewide Medicaid Managed Care (SMMC) program.

The SMMC program has three components: the integrated Managed Medical Assistance (MMA) program, the Long-Term Care (LTC) component and the Dental component. The SMMC benefits are a robust health care package covering both acute and long-term care services. The services provided are delivered to recipients by either managed care or fee-for-service through the Medicaid managed care plan.

AHCA is also responsible for the licensure and certification and exemption applications for about 37 provider types. Regulatory oversight is provided to hospitals, ambulatory surgery centers, assisted living facilities and nursing homes. There are over 50,000 providers that the agency regulates, which includes 23,326 licensed and certified providers and 27,063 federally certified laboratories.

A home health service agency (HHA) falls under the purview of AHCA requiring a license or registration issued to operate. HHAs provides home health services comprised of health and medical services and supplies furnished to an individual in their home or place of residence. The SMMC program covers home health services that are medically necessary and can be provided via home health visits (skilled nursing and home health aide services), private duty nursing (PDN) services, and personal care services. Medicaid only covers up to four hours per day in home health aide visits for enrollees under the age of 21 who have a medical condition that limits their daily living. A home health aide provides basic health related services to the disabled, elderly, or ill by traveling to the nursing care facility or a person’s home.

Proposed Change::
The bill creates the Home Health Aide for Medically Fragile Children Program for family caregivers to receive training and gainful employment. The bill allows a family caregiver to be reimbursed by Medicaid, as a home health aide for medically fragile children (HHAMFC), for care provided to a relative who is 21 years old or younger with an underlying physical, mental, or cognitive impairment, and is eligible to receive skilled care or respite care services under the Medicaid program.
The bill requires AHCA to establish a fee schedule with a family caregiver reimbursement rate of $25 per hour for up to 8 hours per day.
The bill authorizes a HHAMFC to perform certain tasks if delegated by a registered nurse, such as medication administration, tasks associated with activities of daily living, maintaining mobility, nutrition and hydration, and safety and cleanliness.
The bill requires services provided by a HHAMFC to result in a reduction in the number of private duty nursing service hours provided to an eligible recipient.
Further, the bill prohibits services provided by a HHAMFC from duplicating private duty nursing services provided to an eligible recipient.
The bill requires AHCA, in consultation with the Board of Nursing, to approve HHAMFC training programs developed by home health agencies which meet certain criteria.
The bill provides civil liability protections for a home health agency that terminates or denies employment to a home health aide for medically fragile children for failure to comply with HHAMFC regulations or whose name appears on a criminal screening report of the Department of Law Enforcement.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Other Fees and Taxes
Issue: Background Screening Fees
Bill Number(s): CS/HB 391
Section 2: Description of Data and Sources
Correspondence with AHCA
2023 FDLE Legislative Bill Analysis
2023 AHCA Agency Analysis

Section 3: Methodology (Include Assumptions and Attach Details)
The changes made to these statutes and the creation of the Home Health Aide for Medically Fragile Children Program will have an impact on revenue due to the increase in background checks for potential new home health aides. The total fiscal revenue for the state portion of a state and national criminal history record check with five (5) years of fingerprint retention within Care Provider Background Screening Clearinghouse generates $48 of fiscal revenue, which will go into the FDLE's Operating Trust Fund. According to research by AHCA, there are 5,072 potential participants suited for this program. Implementation delays from program development at the state level and its subsequent federal approval could take up to a year. Hence, for FY 23-24 the proposed impact is positive insignificant/0. From FY 24-25 onwards, the low impact is based on assuming 10 percent of the eligible participants will apply to be a home health aide (507 home health aides, yearly collections of $24,336), and the high impact is based on 25 percent of the eligible participants will apply (1,268 home health aides, yearly collections of $60,864).

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0/*	0/*	0/*	0/*	0/*	0/*
2024-25	**	**			*	*
2025-26	**	**			*	*
2026-27	**	**			*	*
2027-28	**	**			*	*

Revenue Distribution: FDLE Operating Trust Fund

Section 5: Consensus Estimate (Adopted: 06/23/23) The Conference adopted the low estimate with a positive insignificant recurring the first year.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0/*	*	0/*	*	0.0	0.0	0/*	*
2024-25	*	*	*	*	0.0	0.0	*	*
2025-26	*	*	*	*	0.0	0.0	*	*
2026-27	*	*	*	*	0.0	0.0	*	*
2027-28	*	*	*	*	0.0	0.0	*	*