

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Generator Exemption

Bill Number(s): HB803/SB1592

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Representative Roth/Senator Grimsley

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 12/20/2017

Section 1: Narrative

- a. Current Law:** There is no current statute exempting the Sales Tax on equipment used to generate electric energy for Assisted Living Facilities or Nursing Homes in an emergency.

Agency of Health Care Administration – Emergency Rule (59AER17-2) — Nursing Homes and Assisted Living Facilities are required within 45 days of the emergency rule going into effect on September 17, 2017, to submit, in writing, a plan detailing the acquisition of a generator sufficiently capable of running a minimum of 96 hours in the event of a loss of electrical power, and the services necessary to install, maintain, and test equipment and its functions. Furthermore, within 60 days of the acceptance of the compliance plan, every facility should have implemented the plan required under this rule. The Agency for Health Care Administration may revoke the nursing home or Assisted Living Facility's license for failure to comply with this rule. In addition to other remedies provided by law, violation of this rule shall result in a fine or sanction of \$1,000 per day.

Florida Administrative Code 12A-1.087 - Power Farm Equipment Exemption - (7)(a) Generators, motors, and similar types of equipment used exclusively as a power source on a farm or in a forest, as provided in paragraph (1)(a), are exempt from tax. For example: a diesel-powered generator used to supply power to an irrigation pump qualifies for the exemption. A generator used to power equipment used in agricultural production also qualifies for the exemption.

(b) Generators purchased, rented, or leased for use on a poultry farm are exempt from sales tax under Section 212.08(5)(a), F.S. The exemption will not be allowed unless the purchaser or lessee issues to the seller a signed certificate stating the generator is purchased or leased for exclusive use on a poultry farm.

212.08(3) F.S., EXEMPTIONS; CERTAIN FARM EQUIPMENT.— (a) The tax may not be imposed on the sale, rental, lease, use, consumption, repair, or storage for use in this state of power farm equipment or irrigation equipment, including replacement parts and accessories for power farm equipment or irrigation equipment, which are used exclusively on a farm or in a forest in the agricultural production of crops or products produced by those agricultural industries included in s. 570.02(1), or for fire prevention and suppression work with respect to such crops or products. Harvesting may not be construed to include processing activities. This exemption is not forfeited by moving farm equipment between farms or forests.

570.02 F.S., Definitions.—The following words and phrases as used in this chapter and in the agricultural laws of this state, unless the context otherwise requires, shall have the meanings respectively ascribed to them in this section:

- (1) "Agriculture" means the science and art of production of plants and animals useful to humans, including to a variable extent the preparation of these products for human use and their disposal by marketing or otherwise, and includes aquaculture, horticulture, floriculture, viticulture, forestry, dairy, livestock, poultry, bees, and any and all forms of farm products and farm production. For the purposes of marketing and promotional activities, seafood shall also be included in this definition.
- (2) "Agricultural business products" means nonconsumable products used in the producing, processing, distribution, and marketing of consumable farm products, including, but not limited to, machinery, equipment, and supplies.
- (3) "Agricultural marketing facilities" means state-owned wholesale and retail markets managed by the Bureau of State Farmers' Market.

768.137 F.S., Definition; limitation of civil liability for certain farmers; exception. — (1) For the purposes of this section, the term "farmer" means a person who is engaging in the growing or producing of farm produce, either part time or full time, for personal consumption or for sale and who is the owner or lessee of the land or a person designated in writing by the owner or lessee to act as her or his agent.

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b. Proposed Change:

212.08 (5) (a) F.S., is amended to read "...generators used on ~~poultry~~ farms; ..."

212.08 (5) (t) F.S., is added to read "Equipment used to generate emergency electric energy. — 1. The purchase of any equipment that uses natural gas or liquefied petroleum gas to generate emergency electric energy at nursing homes and assisted living facilities. The electric energy which is generated must be used at the facility and meet the fuel needs for emergency generation for that size and class of facility.

2. The purchaser of the emergency electric equipment must provide the dealer with an affidavit certifying that the equipment will only be used as set forth in subparagraph 1. A person furnishing a false affidavit to the dealer is subject to the penalty set forth in s. 212.085 and as otherwise provided by law.

3. The exemption is limited to a maximum of \$30,000 for the purchase of equipment for any one facility.

4. The department may adopt rules to implement this exemption."

Section 2: Description of Data and Sources

<http://wusfnews.wusf.usf.edu/post/nursing-home-generator-costs-estimated-186-million>

Agency of Health Care Administration – Status of Compliance for Nursing Homes and Assisted Living Facilities (as of Dec 1, 2017)

Agency of Health Care Administration – Nursing Home Emergency Rule (59AER17-2)

Agency of Health Care Administration – Assisted Living Facility Emergency Rule (59AER17-2)

Market Research for Generator pricing by size

Agency of Health Care Administration – Historic number of Beds

Section 3: Methodology (Include Assumptions and Attach Details)

Farm Generator Exemption—

Under current law, current administration, the sale of generators used exclusively on farms, as detailed in Florida Administrative Code 12A-1.087 and Florida Statute 212.08(3), are exempt from sales tax. A farmer must sign an affidavit indicating that the purchase and use of the generator is to be exclusively on a farm. There is no impact from striking out the word poultry from this section.

Nursing Homes & Assisted Living Facilities Generator Exemption –

A list of licensed nursing homes and assisted living facilities required by the emergency rule to obtain a generator was obtained from the Agency of Health Care Administration's website. It is assumed that the exemption is for a maximum of \$500,000 of taxable value and exempts \$30,000 of sales tax due on the purchase of a generator. The average emergency generator kW per bed was found through market research. The requirement that the generator use liquified petroleum gas or natural gas is not seen as a significant limitation on the number of generators that would qualify for the exemption. These fuels are preferred fuel sources for generators, and the existence of the exemption should nudge the purchasing decisions even further in that direction. This estimate is comprised of three calculated impacts based on: population growth, replacement rate, and emergency rule compliance status.

The facilities were broken down by number of beds to show any difference in generator price for a given kW demand. It was found that there is a general decline in per kW generator price up to the over 200kW size. The generator prices were found for the smallest and largest facilities in each bracket, and those numbers were averaged. The average generator price was used to find an average price per bed by facility bracket. Assisted living facilities have been broken down in to 5 brackets with the smallest facilities (1-10 beds) getting their own bracket. The remaining brackets have similar cut off points for both facility types. The highest bed group levels have the upper bound set to the largest facility in that group. The largest nursing home has 438 beds and the largest assisted living facility has 350 beds. The kW numbers we are using are only for an emergency generator. A generator capable of providing HVAC services would need to have additional capacity. This additional need is shown as the additional investment in generator for HVAC for each cohort.

The first cohort are the new facilities that will come online as the older population grows. The Agency of Health Care Administration (AHCA) provided historic bed levels for nursing home and assisted living facilities for the most recent 4 years. The 4-year growth rate was used to grow the number of beds, and the additional beds were allocated amongst the brackets based on the initial bracket shares. The new beds per bracket are multiplied by the emergency generator price per bed for that bracket.

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The second cohort is comprised of all facilities replacing generators over three service life schedules. The high assumes that the generator service life of all facilities is 20 years, and the middle assumes 25 years. The low assumes a 30-year service life. For assisted living facilities in group 1 it is assumed that they may buy a smaller, and less durable, generator. So, it is assumed that the effective service life for those generators is 10 years. The rationale for this is that portable generators might be able to be used and they would have a service life of somewhere around 5 years, and the smaller standby generators may have a service life of 15 years. The high assumes that those facilities that have a waiver granted will buy a generator before the effective date of the bill. The middle assumes that those facilities that either have a waiver granted or have a waiver under review will buy a generator before the effective date of the bill. The low assumes that all facilities that do not have a waiver or compliance plan today will either acquire a generator, or be exempt from acquiring a generator, before the effective date of the bill. The total population of facilities is not grown over this time as the service life puts any new facility outside of the replacement window.

The final cohort of nursing homes and assisted living facilities are those where it is unknown whether they have a compliant generator or not. From the data, this cohort is defined as the total number of assisted living facilities and nursing homes in the state that have either not responded, or have submitted a waiver. The high estimate assumes that only the facilities which have been granted a waiver will purchase a generator before the effective date of the bill, and the rest of the cohort of will buy one after. The middle assumes that those facilities where their waiver has either been granted or is still under review will buy a generator before the effective date of the bill. The low estimate assumes that all current facilities where they have either not responded, or have submitted a waiver, will purchase a generator before the effective date of the bill.

It is assumed that any facility looking to buy a generator in advance of the effective date will be able to delay the purchase for one month, so the first-year cash impacts are equal to the recurring.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$(11.7 M)	\$(11.7 M)	\$(9.7 M)	\$(9.7 M)	\$(5.9 M)	\$(5.9 M)
2019-20	\$(10.8 M)	\$(10.8 M)	\$(9.4 M)	\$(9.4 M)	\$(6.1 M)	\$(6.1 M)
2020-21	\$(11.0 M)	\$(11.0 M)	\$(9.6 M)	\$(9.6 M)	\$(6.3 M)	\$(6.3 M)
2021-22	\$(11.3 M)	\$(11.3 M)	\$(9.8 M)	\$(9.8 M)	\$(6.4 M)	\$(6.4 M)
2022-23	\$(11.6 M)	\$(11.6 M)	\$(10.1 M)	\$(10.1 M)	\$(6.6 M)	\$(6.6 M)

List of affected Trust Funds: Sales and Use Tax Group

Section 5: Consensus Estimate (Adopted: 01/12/2018): The Conference adopted the high impact for nursing homes and the middle impact for Assisted Living Facilities.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(9.9)	(9.9)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(1.0)	(1.0)
2019-20	(8.8)	(8.8)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.8)	(0.8)
2020-21	(8.9)	(8.9)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.9)	(0.9)
2021-22	(9.2)	(9.2)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.9)	(0.9)
2022-23	(9.4)	(9.4)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.9)	(0.9)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(1.3)	(1.3)	(2.6)	(2.6)	(12.5)	(12.5)
2019-20	(1.1)	(1.1)	(2.2)	(2.2)	(11.0)	(11.0)
2020-21	(1.1)	(1.1)	(2.3)	(2.3)	(11.2)	(11.2)
2021-22	(1.2)	(1.2)	(2.4)	(2.4)	(11.6)	(11.6)
2022-23	(1.2)	(1.2)	(2.4)	(2.4)	(11.8)	(11.8)

Summary

	A	B	C	D	E	F	G
1	Total New Facility Impact						
2		Nursing Homes		Assisted Living Facilities			
3		High		Middle		Low	
4	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
5	2018-19	\$ (4.2 M)	\$ (4.2 M)	\$ (5.3 M)	\$ (5.3 M)	\$ -	\$ -
6	2019-20	\$ (4.2 M)	\$ (4.2 M)	\$ (5.5 M)	\$ (5.5 M)	\$ -	\$ -
7	2020-21	\$ (4.2 M)	\$ (4.2 M)	\$ (5.7 M)	\$ (5.7 M)	\$ -	\$ -
8	2021-22	\$ (4.2 M)	\$ (4.2 M)	\$ (5.9 M)	\$ (5.9 M)	\$ -	\$ -
9	2022-23	\$ (4.2 M)	\$ (4.2 M)	\$ (6.2 M)	\$ (6.2 M)	\$ -	\$ -
10							
11	Replacement Impact						
12		Nursing Homes		Assisted Living Facilities			
13		High		Middle		Low	
14	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2018-19	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
16	2019-20	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
17	2020-21	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
18	2021-22	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
19	2022-23	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
20							
21	Currently Needs Generator						
22		Nursing Homes		Assisted Living Facilities			
23		High		Middle		Low	
24	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
25	2018-19	\$ (0.2 M)	\$ (0.2 M)	\$ (1.2 M)	\$ (1.2 M)	\$ -	\$ -
26	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30							
31	Total Impact*						
32		Nursing Homes		Assisted Living Facilities			
33		High		Middle		Low	
34	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
35	2018-19	\$ (4.5 M)	\$ (4.5 M)	\$ (6.7 M)	\$ (6.7 M)	\$ -	\$ -
36	2019-20	\$ (4.3 M)	\$ (4.3 M)	\$ (5.6 M)	\$ (5.6 M)	\$ -	\$ -
37	2020-21	\$ (4.3 M)	\$ (4.3 M)	\$ (5.9 M)	\$ (5.9 M)	\$ -	\$ -
38	2021-22	\$ (4.3 M)	\$ (4.3 M)	\$ (6.1 M)	\$ (6.1 M)	\$ -	\$ -
39	2022-23	\$ (4.3 M)	\$ (4.3 M)	\$ (6.3 M)	\$ (6.3 M)	\$ -	\$ -
40	*As Adopted - Nursing Homes for High Estimate + Middle Estimate for the Assisted Living Facilities						
41							
42						Cohort & Computational Correction	
43		As Presented		Computational Correction			
44		Combined Total Impact*		Combined Total Impact*		Combined Total Impact*	
45	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring

Summary

	A	B	C	D	E	F	G
46	2018-19	\$ (10.2 M)	\$ (10.2 M)	\$ (10.4 M)	\$ (10.4 M)	\$ (11.2 M)	\$ (11.2 M)
47	2019-20	\$ (9.9 M)	\$ (9.9 M)	\$ (9.9 M)	\$ (9.9 M)	\$ (9.9 M)	\$ (9.9 M)
48	2020-21	\$ (10.1 M)	\$ (10.1 M)	\$ (10.1 M)	\$ (10.1 M)	\$ (10.1 M)	\$ (10.1 M)
49	2021-22	\$ (10.4 M)	\$ (10.4 M)	\$ (10.4 M)	\$ (10.4 M)	\$ (10.4 M)	\$ (10.4 M)
50	2022-23	\$ (10.6 M)	\$ (10.6 M)	\$ (10.6 M)	\$ (10.6 M)	\$ (10.6 M)	\$ (10.6 M)

	A	B	C	D	E	F	G	H
1		NURSING HOMES	Bracket	Facilities	Beds	% Facilities Per Group	% Beds per Group	
2		Grp 1	1 - 50	30	1,098	4.39%	1.31%	
3		Grp 2	51 - 125	481	50,965	70.32%	60.84%	
4		Grp 3	126 - 175	71	10,627	10.38%	12.69%	
5		Grp 4	176 - 438	102	21,078	14.91%	25.16%	
6		Totals		684	83,768			
7								
8								
9		Historical Data For Nursing Homes						
10					Facility Growth	Bed Growth		
11		2013-14	681	83,270				
12		2014-15	682	83,395	0.15%	0.15%		
13		2015-16	682	83,428	0.00%	0.04%		
14		2016-17	682	83,449	0.00%	0.03%		
15		2017-18	684	83,768	0.29%	0.38%		
16				4 Yr Avg Growth rate	0.11%	0.15%		
17								
18								
19		NURSING HOME BEDS GROWN AT 4YR AVG GROWTH RATE						
20			1.3%	60.8%	12.7%	25.2%		
21			Grp 1	Grp 2	Grp 3	Grp 4	Total beds	Growth Rate
22		2017-18	1,098	50,965	10,627	21,078	83,768	0.15%
23		2018-19	1,100	51,041	10,643	21,109	83,893	0.15%
24		2019-20	1,101	51,117	10,659	21,141	84,018	0.15%
25		2020-21	1,103	51,194	10,675	21,173	84,144	0.15%
26		2021-22	1,105	51,270	10,691	21,204	84,269	0.15%
27		2022-23	1,106	51,347	10,707	21,236	84,395	0.15%
28								
29								
30		FY Price Per Bed Per Group (TAXABLE SALES)						
31			Average Emergency Generator Cost per Bed				Nursing Homes	
32			\$ 432.43	\$ 297.17	\$ 291.67	\$ 772.95	Taxable Sales	Tax
33		2018-19	\$ 475,520	\$ 15,167,868	\$ 3,104,169	\$ 16,316,495	\$ 35,064,052	\$ 2,103,843.11
34		2019-20	\$ 476,229	\$ 15,190,511	\$ 3,108,803	\$ 16,340,853	\$ 35,116,396	\$ 2,106,983.76
35		2020-21	\$ 476,940	\$ 15,213,188	\$ 3,113,444	\$ 16,365,246	\$ 35,168,818	\$ 2,110,129.10
36		2021-22	\$ 477,652	\$ 15,235,898	\$ 3,118,091	\$ 16,389,677	\$ 35,221,319	\$ 2,113,279.13
37		2022-23	\$ 478,365	\$ 15,258,643	\$ 3,122,746	\$ 16,414,143	\$ 35,273,898	\$ 2,116,433.86
38								
39								
40		Additional Investment in Generator for HVAC						
41			High	Middle	Low			
42			100%	75%	0%			
43		2018-19	\$ (4.21)	\$ (3.68)				
44		2019-20	\$ (4.21)	\$ (3.69)				
45		2020-21	\$ (4.22)	\$ (3.69)				
46		2021-22	\$ (4.23)	\$ (3.70)				
47		2022-23	\$ (4.23)	\$ (3.70)				
48								
49								
50								
51								
52								
53								
54								
55								
56								
57								

	I	J	K	L	M	N	O	P
1	ASSISTED LIVING FACILITY	Bracket	Facilities	Beds	% Facilities Per Group	% Beds per Group		
2	Grp 1	1-10	1,795	11,050	57.72%	11.07%		
3	Grp 2	11-50	613	15,505	19.7%	15.53%		
4	Grp 3	51-125	537	45,847	17.3%	45.93%		
5	Grp 4	126-175	121	17,696	3.9%	17.73%		
6	Grp 5	176-350	44	9,720	1.41%	9.74%		
7	Totals		3,110	99,818				
8								
9	Historical Data for Assisted Living Facilities							
10				Facility Growth	Bed Growth			
11	2013-14	3011	85135					
12	2014-15	3030	87405	0.63%	2.67%			
13	2015-16	3065	90716	1.16%	3.79%			
14	2016-17	3091	94423	0.85%	4.09%			
15	2017-18	3110	99818	0.61%	5.71%			
16			4 Yr Avg Growth rate	0.81%	4.06%			
17								
18								
19	ASSISTED LIVING FACILITY BEDS GROWN AT 4YR AVG GROWTH RATE							
20		11.1%	15.5%	45.9%	17.7%	9.7%		
21		Grp 1	Grp 2	Grp 3	Grp 4	Grp 5	Total beds	Growth Rate
22	2017-18	11,050	15,505	45,847	17,696	9,720	99,818	4.06%
23	2018-19	11,499	16,135	47,710	18,415	10,115	103,874	4.06%
24	2019-20	11,966	16,791	49,649	19,163	10,526	108,095	4.06%
25	2020-21	12,453	17,473	51,666	19,942	10,954	112,488	4.06%
26	2021-22	12,959	18,183	53,766	20,753	11,399	117,059	4.06%
27	2022-23	13,485	18,922	55,951	21,596	11,862	121,816	4.06%
28								
29								
30	FY Price Per Bed Per Group (TAXABLE SALES)							
31		Average Emergency Generator Cost per Bed					Assisted Living Facilities	
32		\$ 1,083.33	\$ 520.00	\$ 370.59	\$ 299.66	\$ 599.55	Taxable Sales	Tax
33	2018-19	\$ 12,457,283	\$ 8,390,234	\$ 17,680,783	\$ 5,518,223	\$ 6,064,414	\$ 50,110,937	\$ 3,006,656
34	2019-20	\$ 12,963,500	\$ 8,731,181	\$ 18,399,264	\$ 5,742,463	\$ 6,310,849	\$ 52,147,257	\$ 3,128,835
35	2020-21	\$ 13,490,288	\$ 9,085,984	\$ 19,146,941	\$ 5,975,815	\$ 6,567,298	\$ 54,266,325	\$ 3,255,980
36	2021-22	\$ 14,038,483	\$ 9,455,204	\$ 19,925,000	\$ 6,218,650	\$ 6,834,168	\$ 56,471,505	\$ 3,388,290
37	2022-23	\$ 14,608,954	\$ 9,839,428	\$ 20,734,677	\$ 6,471,352	\$ 7,111,883	\$ 58,766,294	\$ 3,525,978
38								
39								
40	Additional Investment in Generator for HVAC							
41		High	Middle	Low				
42		100%	75%	25%				
43	2018-19	\$ (6.01)	\$ (5.26)					
44	2019-20	\$ (6.26)	\$ (5.48)					
45	2020-21	\$ (6.51)	\$ (5.70)					
46	2021-22	\$ (6.78)	\$ (5.93)					
47	2022-23	\$ (7.05)	\$ (6.17)					
48								
49								
50	Total New Facility Impact							
51		High		Middle		Low		
52	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring	
53	2018-19	\$ (4.2 M)	\$ (4.2 M)	\$ (5.3 M)	\$ (5.3 M)	\$ -	\$ -	
54	2019-20	\$ (4.2 M)	\$ (4.2 M)	\$ (5.5 M)	\$ (5.5 M)	\$ -	\$ -	
55	2020-21	\$ (4.2 M)	\$ (4.2 M)	\$ (5.7 M)	\$ (5.7 M)	\$ -	\$ -	
56	2021-22	\$ (4.2 M)	\$ (4.2 M)	\$ (5.9 M)	\$ (5.9 M)	\$ -	\$ -	
57	2022-23	\$ (4.2 M)	\$ (4.2 M)	\$ (6.2 M)	\$ (6.2 M)	\$ -	\$ -	

Replacements

	A	B	C	D	E	F
1	NURSING HOME	Brackets	Beds	Facilities	\$/Bed*	
2	Grp 1	1 - 50	1,098	30	\$ 432.43	
3	Grp 2	51 - 125	50,965	481	\$ 297.17	
4	Grp 3	126 - 175	10,627	71	\$ 291.67	
5	Grp 4	176 - 438	21,078	102	\$ 772.95	
6	Total		83,768	684		
7	*Average Emergency Generator Cost per Bed					
8						
9						
10			High	Middle	Low	
11	Replacement Rate (Years)		20	25	30	
12						
13	Beds per Group / Replacement	High	Middle	Low		
14	Grp 1	21	12	10		
15	Grp 2	483	303	209		
16	Grp 3	75	47	29		
17	Grp 4	257	181	139		
18	*Bed numbers are adjusted by Assumptions					
19	made about current facilities with out Generators					
20						
21		Price per Bed	High	Middle	Low	
22	Grp 1	\$ 432.43	\$ 8,930	\$ 5,345	\$ 4,454	
23	Grp 2	\$ 297.17	\$ 143,637	\$ 90,031	\$ 62,198	
24	Grp 3	\$ 291.67	\$ 21,948	\$ 13,650	\$ 8,497	
25	Grp 4	\$ 772.95	\$ 198,763	\$ 140,027	\$ 107,491	
26		Total Taxable	\$ 373,278	\$ 249,052	\$ 182,640	
27		Tax	\$ 22,397	\$ 14,943	\$ 10,958	
28						
29	Additional Investment in Generator for HVAC					
30						
31		High	Middle	Low		
32		100%	75%	0%		
33		\$ (0.04)	\$ (0.03)	\$ (0.01)		
34						
35						
36	Sales Tax Total	High	Middle	Low		
37	Yearly	\$ (0.04)	\$ (0.17)			
38						
39						
40						
41						
42						
43						
44						
45						

Replacements

	G	H	I	J	K	L	M
1	ASSISTED LIVING FACILITY	Brackets	Beds	Facilities	\$/Bed*		
2	Grp 1	1-10	11,050	1,793	\$ 1,083.33		
3	Grp 2	11-50	15,505	613	\$ 520.00		
4	Grp 3	51-125	45,847	537	\$ 370.59		
5	Grp 4	126-175	17,696	121	\$ 299.66		
6	Grp 5	176-350	9,720	44	\$ 599.55		
7	Total		99,818	3,108			
8	*Average Emergency Generator Cost per Bed						
9							
10			High*	Middle	Low		
11	Replacement Rate (Years)		20	25	30		
12			* replacement rate for 1-10 == 10 yrs (portables)				
13	Beds per Group / Replacement	High	Middle	Low			
14	Grp 1	966	827	445			
15	Grp 2	515	357	178			
16	Grp 3	1,201	730	384			
17	Grp 4	419	289	136			
18	Grp 5	216	121	32			
19	*Bed numbers are adjusted by Assumption made about current facilities with out Generators						
20							
21		Price Per Bed	High	Middle	Low		
22	Grp 1	\$ 1,250.00	\$ 1,206,875	\$ 1,033,750	\$ 556,000		
23	Grp 2	\$ 520.00	\$ 267,852	\$ 185,806	\$ 92,595		
24	Grp 3	\$ 370.59	\$ 444,910	\$ 270,352	\$ 142,405		
25	Grp 4	\$ 299.66	\$ 125,437	\$ 86,613	\$ 40,843		
26	Grp 5	\$ 599.55	\$ 129,712	\$ 72,833	\$ 19,146		
27		Total Taxable	\$ 2,174,785	\$ 1,649,354	\$ 850,988		
28		Tax	\$ 130,487	\$ 98,961	\$ 51,059		
29							
30	Additional Investment in Generator for HVAC						
31							
32			High	Middle	Low		
33			100%	75%	25%		
34			\$ (0.26)	\$ (0.17)	\$ (0.06)		
35							
36							
37							
38							
39		High		Middle		Low	
40	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
41	2018-19	\$ (0.04)	\$ (0.04)	\$ (0.17)	\$ (0.17)	\$ -	\$ -
42	2019-20	\$ (0.04)	\$ (0.04)	\$ (0.17)	\$ (0.17)	\$ -	\$ -
43	2020-21	\$ (0.04)	\$ (0.04)	\$ (0.17)	\$ (0.17)	\$ -	\$ -
44	2021-22	\$ (0.04)	\$ (0.04)	\$ (0.17)	\$ (0.17)	\$ -	\$ -
45	2022-23	\$ (0.04)	\$ (0.04)	\$ (0.17)	\$ (0.17)	\$ -	\$ -

	A	B	C	D	E	F	G	H	I	J	K	L
1		High Estimate = Non Responses + waiver applied - waiver Granted										
2			NURSING HOME	Beds	Facilities				ASSISTED LIVING FACILITY	Beds	Facilities	
3		Grp 1	1 to 50	104	3	\$ 432		Grp 1	1 to 10	5,207	840	\$ 1,083
4		Grp 2	51 to 125	3,388	32	\$ 297		Grp 2	11 to 50	4,960	217	\$ 520
5		Grp 3	126 to 175	631	4	\$ 292		Grp 3	51 to 125	12,483	144	\$ 371
6		Grp 4	176 to 438	971	5	\$ 773		Grp 4	126 to 175	4,283	30	\$ 300
7			NURSING HOME Total	5,094	44			Grp 5	175 to 350	3,369	15	\$ 600
8									ASSISTED LIVING FACILITY Total	30,302	1246	
9												
10		Grp 1	1 to 50	\$ 44,973				Grp 1	1 to 10	\$ 5,640,917		
11		Grp 2	126 to 175	\$ 1,006,811				Grp 2	11 to 50	\$ 2,579,200		
12		Grp 3	176 to 438	\$ 184,042				Grp 3	51 to 125	\$ 4,626,053		
13		Grp 4	51 to 125	\$ 750,531				Grp 4	126 to 175	\$ 1,283,433		
14			Total Taxable	\$ 1,986,357				Grp 5	175 to 350	\$ 2,019,876		
15			Sales Tax	\$ 119,181					Total Taxable	\$ 16,149,478		
16									Sales Tax	\$ 968,969		
17												

	A	B	C	D	E	F	G	H	I	J	K	L
18		Middle Estimate = Non Responses + waiver applied - waiver Granted - Under Review										
19		NURSING HOME	Beds	Facilities					ASSISTED LIVING FACILITY	Beds	Facilities	
20	Grp 1	1 to 50	-	-	\$ 432		Grp 1	1 to 10	3,822	616	\$ 1,083	
21	Grp 2	51 to 125	1,295	11	\$ 297		Grp 2	11 to 50	3,591	155	\$ 520	
22	Grp 3	126 to 175	296	2	\$ 292		Grp 3	51 to 125	6,710	78	\$ 371	
23	Grp 4	176 to 438	357	2	\$ 773		Grp 4	126 to 175	3,137	22	\$ 300	
24		NURSING HOME Total	1,948	15			Grp 5	175 to 350	2,079	9	\$ 600	
25								ASSISTED LIVING FACILITY Total	19,339	880		
26												
27		Total Emergency Generator Price						Total Emergency Generator Price				
28	Grp 1	1 to 50	\$ -				Grp 1	1 to 10	\$ 4,140,500			
29	Grp 2	126 to 175	\$ 384,835				Grp 2	11 to 50	\$ 1,867,320			
30	Grp 3	176 to 438	\$ 86,333				Grp 3	51 to 125	\$ 1,162,535			
31	Grp 4	51 to 125	\$ 275,942				Grp 4	126 to 175	\$ 622,988			
32		Total Taxable	\$ 747,110				Grp 5	175 to 350	\$ 4,022,964			
33		Sales Tax	\$ 44,827					Total Taxable	\$ 11,816,307			
34								Sales Tax	\$ 708,978			
35												
36		Low Estimate = All Facilities have obtained and possess generators										
37												
38		Additional Investment in Generator for HVAC										
39		High	Middle	Low								
40		100%	75%	0%								
41		\$ (0.24)	\$ (1.24)	\$ -								
42												
43		Impact										
44		High		Middle		Low						
45	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring					
46	2018-19	\$ (0.24)	\$ (0.24)	\$ (1.24)	\$ (1.24)	\$ -	\$ -					
47	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
48	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
49	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
50	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					

High Estimate (excluded group) = Population that has Waiver Granted &/or a Plan

	NURSING HOME	Beds	Facilities	
Grp 1	1 to 50	994	27	\$ 432
Grp 2	51 to 125	47,577	449	\$ 297
Grp 3	126 to 175	9,996	67	\$ 292
Grp 4	176 to 438	20,107	97	\$ 773
NURSING HOME Total		78,674	640	

Middle Estimate (excluded group) = Submitted Waiver is Granted, Plan is in place, or curr

	ASSISTED LIVING FACILITY	Beds	Facilities	
Grp 1	1 to 10	7,228	1179	\$ 1,083
Grp 2	11 to 50	11,914	458	\$ 520
Grp 3	51 to 125	39,137	459	\$ 371
Grp 4	126 to 175	14,559	99	\$ 300
Grp 5	175 to 350	7,641	35	\$ 600
ASSISTED LIVING FACILITY		80,479	2228	

All facilities without Plans

	NURSING HOME	Beds	Facilities	
Grp 1	1 to 50	789	22	\$ 432.43
Grp 2	51 to 125	44,686	419	\$ 297.17
Grp 3	126 to 175	9,753	65	\$ 291.67
Grp 4	176 to 438	16,906	84	\$ 772.95
NURSING HOME Total		72,134	590	

Total Emergency Generator Price		Price x Beds
Grp 1	1 to 50	\$ 429,838
Grp 2	126 to 175	\$ 14,138,448
Grp 3	176 to 438	\$ 2,915,500
Grp 4	51 to 125	\$ 15,541,643
Total Taxable		\$ 17,483,786
Sales Tax		\$ 1,049,027

Currently Under Review

Total Emergency Generator Price		Price x Beds
Grp 1	1 to 10	\$ 7,830,333
Grp 2	11 to 50	\$ 6,195,280
Grp 3	51 to 125	\$ 14,503,712
Grp 4	126 to 175	\$ 4,362,714
Grp 5	175 to 350	\$ 4,581,143
Total Taxable		\$ 37,473,182
Sales Tax		\$ 2,248,391

ASSISTED LIVING Beds			Facilities
Grp 1	1 to 10	6,602	1070
Grp 2	11 to 50	10,163	385
Grp 3	51 to 125	34,319	400
Grp 4	126 to 175	13,607	93
Grp 5	175 to 350	8,762	40
ASSISTED LIVING		73,453	1988

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Screen Enclosed Structures

Bill Number(s): CS/SB740 and CS/HB553

☐ **Entire Bill**

☒ **Partial Bill:** Section 1

Sponsor(s): Senator Stargel

Month/Year Impact Begins: July 2018

Date of Analysis: January 12, 2018

Section 1: Narrative

a. Current Law:

Section 193.461 governs the classification and assessment of agricultural lands. Land classified as agricultural is assessed solely based on its agricultural use. The property appraiser shall consider only the factors listed in statute when appraising agricultural land, including size, condition, market value as agricultural land, productivity, income, and the “economic merchantability of the agricultural product.”

Beginning with s. 193.461(6)(b), F.S., the statute reads “(b) Notwithstanding any provision relating to annual assessment found in s. 192.042, the property appraiser shall rely on 5-year moving average data when utilizing the income methodology approach in an assessment of property used for agricultural purposes.

“(c)1. For purposes of the income methodology approach to assessment of property used for agricultural purposes, irrigation systems, including pumps and motors, physically attached to the land shall be considered a part of the average yields per acre and shall have no separately assessable contributory value.”

b. Proposed Change:

Section 193.461(6)(c) would be amended to begin “(c)1. For purposes of the income methodology approach to assessment of property used for agricultural purposes, irrigation systems, including pumps and motors, that are physically attached to the land and screen-enclosed structures that are used in citrus production for pest exclusion are shall be considered a part of the average yields per acre and do not shall have any no separately assessable contributory value.” The remaining paragraphs replace “shall” with “must” in statute.

SB 740’s effective date is July 1, 2018.

Section 2: Description of Data and Sources

2017 Final Real Property Assessment Rolls

2017 Agricultural Schedules, submitted by Property Appraisers to DOR

“Protected Fresh Grapefruit Cultivation Systems: Antipsyllid Screen Effects on Environmental Variables inside Enclosures,” Ferrarezi, Rhuanito S. et al. *HortTechnology*, October 2017 27(5)

“Protected Fresh Grapefruit Cultivation Systems: Antipsyllid Screen Effects on Plant Growth and Leaf Transpiration, Vapor Pressure Deficit, and Nutrition,” Ferrarezi, Rhuanito S. et al. *HortTechnology*, October 2017 27(5)

“Citrus Under Protective Screen (CUPS) Production Systems,” Shumann, A.W. et al. UF/IFAS EDIS publication #HS1304, <http://edis.ifas.ufl.edu/hs1304>

“Life After Citrus,” Vogel, Mike. *Florida Trend*, December 2016, <http://www.floridatrend.com/article/21051/life-after-citrus>

“Florida Citrus Nurseries Seeking to Make It in the Shade,” Chaires, Peter. *Growing Produce*, June 2016, <http://www.growingproduce.com/citrus/florida-citrus-nurseries-seeking-to-make-it-in-the-shade/>

“Interest Continues to Grow in Protected Citriculture,” Chaires, Peter. *Growing Produce*, May 2015, <http://www.growingproduce.com/citrus/varieties-rootstocks/interest-continues-to-grow-in-protected-citriculture/>

Plant Pathology: Greening/HLB, University of Florida Institute of Food and Agricultural Sciences’ Citrus Research & Education Center, <http://www.crec.ifas.ufl.edu/extension/greening/index.shtml>

Section 3: Methodology (Include Assumptions and Attach Details)

Citrus Under Protective Screen (CUPS) is a production system meant to protect a citrus grove against huanglongbing (HLB), commonly known as citrus greening. The screen acts as a barrier against the flying insect that carries the bacteria, the Asian citrus psyllid (ACP, *Diaphorina citri*). A CUPS system mainly consists of a grid of vertical poles embedded into the ground (like telephone poles, though both wood and metal are used) and cable strung between poles and outward to the ground, surrounded by a screen that completely separates the grove from the open air.

In 2017 there were three citrus groves using CUPS, along with small experimental test sites at UF’s Citrus Research & Education Center in Lake Alfred and their Indian River Research & Education Center in Fort Pierce. Of the three commercial farms using CUPS, two are in Polk County and one in Hardee County. One of the Polk County groves was destroyed by Hurricane

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Screen Enclosed Structures

Bill Number(s): CS/SB740 and CS/HB553

Irma (and is not expected to be rebuilt). A co-op farm with 120-acres using CUPS is under construction in Polk County (with planting to start in 2018).

Currently, CUPS systems are recorded on the real property rolls as extra features. The two counties with commercial farms assess them per square foot, Polk's 2017 valuation was \$0.55/ft² and Hardee's was \$0.20/ft². (UF's groves are already exempt under s. 196.199, F.S., and are not included in the impact estimate.) Statewide, the 2017 taxable value of CUPS systems was \$838,041 with ad valorem taxes calculated at \$12,295.

The bill would remove the CUPS materials from extra features and incorporate them into the land's assessed value. Even if CUPS is as successful at increasing productivity as expected, the decrease in special features value will outweigh any eventual increased land value within the forecast period.

The impact estimate calculations begin with the 2017 valuation of the CUPS systems and the size of the known groves. From this, a statewide weighted value is calculated to be \$0.52 per foot², or \$22,849 per acre². Using that as the basis for future projections, the CUPS systems are assumed to depreciate at 1% annually. Only 29 acres are expected to be recorded on the 2018 assessment rolls. The 2019 acreage will include the new Polk County co-op, totaling 149 acres statewide. From there, the high, middle, and low estimates vary based on the estimated annual growth in acreage. The low estimate assumes no growth (either no new acreage or that any new acres will be offset by CUPS groves being removed from the rolls, e.g., after another destructive hurricane). The middle estimate assumes 10% annual growth, and the high assumes 20% growth.

As the bill goes into effect on July 1, 2018, and the roll is based on assessments as of January 1, 2018, there is no cash impact estimate for the 2018-19 fiscal year. In subsequent years, the cash and corresponding recurring impacts are equal.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19		\$ (0.01 M)		\$ (0.1 M)		\$ (0.01 M)
2019-20	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)
2020-21	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)
2021-22	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)
2022-23	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 01/12/2018): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	(0.1)
2019-20	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)
2020-21	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)
2021-22	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)
2022-23	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)

	A	B	C	D	E	F
1	Background Information					
2						
3		HLB (Huanglongbing), or citrus greening, was found in south Florida in August, 2005.				
4		Thought to be a bacterium, it is spread by the Asian Citrus Psyllid.				
5		It is the primary culprit behind the decline of Florida's citrus production.				
6						
7			Statewide Citrus Acreage	Production (85-lb boxes)	Boxes per Acre	Boxes per Acre Decline
8		2004	748,555	291,800,000	390	
9		2016	480,121	94,205,000	196	50%
10						
11		Counties with Highest Acreage	Citrus Acreage			
12		Polk	76,455			
13		DeSoto	66,672			
14		Hendry	64,575			
15		Highlands	57,921			
16		Hardee	44,476			
17						
18		Counties with Highest Abandoned Acreage	Abandoned Citrus Acreage			
19		Saint Lucie	32,605			
20		Indian River	16,599			
21		Martin	14,737			
22						
23		Sources: <i>Florida Trend</i> , December 2016; UF IFAS HS1304;				
24		http://www.crec.ifas.ufl.edu/extension/greening/index.shtml				

	A	B	C	D	E	F	G
1	Citrus Under Protective Screen (CUPS)						
2							
3	Test Sites: Density/Production						
4							
5		UF CREC & IRREC Test Sites					
6		Crop	Trees per Acre	Boxes per Year (Year 2)			
7		"Ray Ruby" Grapefruit (CREC)	871	380			
8		"Ray Ruby" Grapefruit (IRREC)	792	n/a*			
9		Murcott Tangor (CREC)	1,361	680			
10		* The two enclosures at IRREC were part of a study comparing in-ground and potted systems.					
11		The research was published based on one-year of growth and did not contain yield information.					
12							
13		UF CREC/Polk Ag. Schedule Comparisons					
14		Crop	Murcott (Tangerine/Sweet Orange Hybrid)				
15		Site	Trees per Acre	Boxes per Year	Box per Tree	Box Comparison	
16		UF CREC (Year 2)	1,361	680	0.4996		
17		Polk 2017 Ag Schedule (Year 3)	120	88	0.7333	13%	=D17/D16
18							
19		Crop	"Ray Ruby" & Colored Seedless Grapefruit				
20		Site	Trees per Acre	Boxes per Year	Box per Tree	Box Comparison	
21		UF CREC (Year 2)	871	380	0.4363		
22		Polk 2017 Ag Schedule (Year 3)	100	77	0.77	20%	=D22/D21
23							
24							
25	Polk County Farms						
26							
27		Polk County Examples	Trees per Acre				
28		Farm 1 (early tangerines)	363				
29		Farm 3* (early/mid oranges)	340				
30		Highest Density on Ag. Sched.	120				
31		*Polk Farm 3 was destroyed by Hurricane Irma and is not part of the impact estimate.					

	A	B	C	D	E	F	G	H	I
1	Impact Estimate								
2									
3	Current CUPS Valuation								
4									
5	CUPS structures are currently recorded on the rolls as extra or special features.								
6									
7			Square Feet per Acre	CUPS per Ft²	CUPS per Acre	Acres (2018)			
8		Polk	43,560	\$ 0.55	\$ 23,958	138			
9		Hardee	43,560	\$ 0.20	\$ 8,712	11			
10		Weighted Statewide Valuation	43,560	\$ 0.52	\$ 22,850	149			
11									
12									
13	CUPS Groves Calculated Taxes								
14									
15		Farms	Valuation on PRC	Approx. Acres² under CUPS	Value per Square Acre	2017 Millage	Calculated Taxes	Crop	
16		Polk Farm 1	\$ 347,684	18	\$ 23,958	14.4814	\$ 5,035	Early Tangerines	
17		Polk Farm 2*	\$ 2,874,960	120	\$ 23,958	14.4814	\$ 41,633	Mixed, 12-acre plots	
18		Hardee Farm 1	\$ 94,324	11	\$ 8,712	16.1754	\$ 1,526	Murcott Tangors	
19									
20		Total (2018)	\$ 442,008	29			\$ 6,561		
21		Total (2019, no depreciation)	\$ 3,316,968	149			\$ 48,194		
22	* Under construction, expected to be planted by end of 2018. First included in the impact projection for FY 2019-20.								
23									
24									
25	Projection								
26									
27		CUPS Annual Depreciation:	1%						
28									
29		Impact Estimates based on Annual Growth of Acreage under CUPS							
30		Estimate	Acreage Growth						
31		Low	0%						
32		Middle	10%						
33		High	20%						
34									
35				LOW		MIDDLE		HIGH	
36		Year	Value per Acre²	Statewide Acres	Special Features Value	Statewide Acres	Special Features Value	Statewide Acres	Special Features Value
37		2018	\$ 22,621.13	29	\$ 656,013	29	\$ 656,013	29	\$ 656,013
38		2019	\$ 22,394.92	149	\$ 3,336,843	149	\$ 3,336,843	149	\$ 3,336,843
39		2020	\$ 22,170.97	149	\$ 3,303,474	164	\$ 3,633,822	179	\$ 3,964,169
40		2021	\$ 21,949.26	149	\$ 3,270,440	180	\$ 3,957,232	215	\$ 4,709,433
41		2022	\$ 21,729.77	149	\$ 3,237,735	198	\$ 4,309,425	257	\$ 5,594,806
42									
43									
44	2016 Millage Rates								
45									
46		2016 Statewide Millage Rates							
47		Taxing Authority	Rate						
48		School	6.9550						
49		Non-School	10.8240						
50		Total	17.7790						
51	Non-School includes municipal millages. Citrus groves are more likely to be located in unincorporated areas.								
52									

	A	B	C	D	E	F	G	H	I
53									
54	Impact Calculations								
55									
56		School Millage	6.9550						
57									
58		Fiscal Year	Low	Middle	High				
59		2018-2019	\$ 4,563	\$ 4,563	\$ 4,563				
60		2019-2020	\$ 23,208	\$ 23,208	\$ 23,208				
61		2020-2021	\$ 22,976	\$ 25,273	\$ 27,571				
62		2021-2022	\$ 22,746	\$ 27,523	\$ 32,754				
63		2022-2023	\$ 22,518	\$ 29,972	\$ 38,912				
64									
65									
66		Non-School Millage	10.8240						
67									
68		Fiscal Year	Low	Middle	High				
69		2018-2019	\$ 7,101	\$ 7,101	\$ 7,101				
70		2019-2020	\$ 36,118	\$ 36,118	\$ 36,118				
71		2020-2021	\$ 35,757	\$ 39,332	\$ 42,908				
72		2021-2022	\$ 35,399	\$ 42,833	\$ 50,975				
73		2022-2023	\$ 35,045	\$ 46,645	\$ 60,558				
74									
75									
76		Total Millage	17.7790						
77									
78		Fiscal Year	Low	Middle	High				
79		2018-2019	\$ 11,663	\$ 11,663	\$ 11,663				
80		2019-2020	\$ 59,326	\$ 59,326	\$ 59,326				
81		2020-2021	\$ 58,732	\$ 64,606	\$ 70,479				
82		2021-2022	\$ 58,145	\$ 70,356	\$ 83,729				
83		2022-2023	\$ 57,564	\$ 76,617	\$ 99,470				
84									
85									
86	Final Estimate								
87									
88			LOW		MIDDLE		HIGH		
89		Fiscal Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	
90		2018-2019		\$ (0.01 M)	\$ -	\$ (0.1 M)		\$ (0.01 M)	
91		2019-2020	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	
92		2020-2021	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	
93		2021-2022	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	
94		2022-2023	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.1 M)	

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax, Corporate Income tax

Issue: Various Tax Credit Scholarship Issue

Bill Number(s): Draft Language

☐ **Entire Bill**

☒ **Partial Bill:** Sections 4 and 5

Sponsor(s): N/A

Month/Year Impact Begins: Upon becoming a law, and applying to tax years beginning on or after January 1, 2018

Date of Analysis: 1/11/2018

Section 1: Narrative

a. Current Law:

Section 213.21 reads (in part): 3)(a) A taxpayer's liability for any tax or interest specified in s. [72.011](#)(1) may be compromised by the department upon the grounds of doubt as to liability for or collectability of such tax or interest. A taxpayer's liability for interest under any of the chapters specified in s. [72.011](#)(1) shall be settled or compromised in whole or in part whenever or to the extent that the department determines that the delay in the determination of the amount due is attributable to the action or inaction of the department. A taxpayer's liability for penalties under any of the chapters specified in s. [72.011](#)(1) may be settled or compromised if it is determined by the department that the noncompliance is due to reasonable cause and not to willful negligence, willful neglect, or fraud. The facts and circumstances are subject to de novo review to determine the existence of reasonable cause in any administrative proceeding or judicial action challenging an assessment of penalty under any of the chapters specified in s. [72.011](#)(1). A taxpayer who establishes reasonable reliance on the written advice issued by the department to the taxpayer will be deemed to have shown reasonable cause for the noncompliance. In addition, a taxpayer's liability for penalties under any of the chapters specified in s. [72.011](#)(1) in excess of 25 percent of the tax shall be settled or compromised if the department determines that the noncompliance is due to reasonable cause and not to willful negligence, willful neglect, or fraud. The department shall maintain records of all compromises, and the records shall state the basis for the compromise. The records of compromise under this paragraph shall not be subject to disclosure pursuant to s. [119.07](#)(1) and shall be considered confidential information governed by the provisions of s. [213.053](#).

Section 220.1875(1), F.S., provides that there is allowed a credit of 100% of an eligible nonprofit scholarship funding organization against any tax due for a taxable year under this chapter after the application of any other allowable credits by the taxpayer. The credit granted by this section shall be reduced by the difference between the amount of federal corporate income tax taking into account the credit granted by this section and the amount of federal corporate income tax without application of the credit granted by this section.

Section 220.222(2)(c) provides that the taxpayer is not in compliance with s. 220.32 if the taxpayer underpays the required payment by more than the greater of \$2,000 or 30% of the tax shown on the return when filed.

Section 220.32 (3) provides that interest on any amount of tax due and unpaid during the period of any extension shall be payable as provided in S.220.809. The taxpayer shall also be liable for a penalty in an amount determined at the rate of 12 percent per year upon any underpayment of the tax due.

Section 220.801 (1) provides: Penalties; failure to timely file returns. -

(1) In case of failure to file any tax return required under this chapter on the date prescribed therefor, including any extensions thereof, there shall be added as a penalty to the amount of tax due with such return 10 percent of the amount of such tax, if the failure is not for more than 1 month, plus an additional 10 percent for each additional month or fraction thereof during which such failure continues, not exceeding 50 percent in the aggregate. The department may settle or compromise such penalties pursuant to s. 213.21. For purposes of this section, the amount of tax due with any return shall be reduced by any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which was properly allowable on the date the return was required to be filed.

Section 1002.395, (5)(q), F.S., provides that for purposes of determining if a penalty or interest shall be imposed for underpayment of estimated corporate income tax pursuant to s. 220.34(2)(d)1., after earning a credit under s. 220.1875, reduce the following estimated payment in that taxable year by the amount of the credit.

b. Proposed Change:

Amends section 220.1875, F.S., to provide that an eligible contribution must be made to an eligible nonprofit scholarship-funding organization on or before the date the taxpayer is required to file a return pursuant to s. 220.222, F.S. Also amends section 220.1875, F.S., to provide that if a taxpayer applies and is approved for a credit under s. 1002.395 after timely requesting an extension to file under 220.222 that any such credit shall not reduce the amount of tax due for purposes of the department's determination whether the taxpayer was in compliance with the requirement to pay tentative taxes under ss. 220.222 and 220.32, and that the taxpayers noncompliance with the requirement to pay tentative taxes shall result in

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax, Corporate Income tax

Issue: Various Tax Credit Scholarship Issue

Bill Number(s): Draft Language

revocation and rescindment of any such credits, and the taxpayer shall be assessed for any taxes, penalties, or interest due from the taxpayer's noncompliance with the requirement to pay tentative taxes.

Amends section 1002.395 to provide that for the purposes of s, 220.1875, a taxpayer may apply for a credit to be used for a previous taxable year before the date the taxpayer is required to file a return for such year pursuant to s. 220.222.

Section 2: Description of Data and Sources

2012 to 2015 CIT annual file

Adopted Scholarship Credits – August 2017

Section 3: Methodology (Include Assumptions and Attach Details)

The amount of penalty and interest associated with underpayments of estimated payments was identified from the 2012 through 2015 CIT calendar Year files. The average amount from 2012 to 2014 was used as those years were comparable and 2015 was not. Those amounts of penalty and associated interest were also identified where the penalties were greater than \$10,000 and greater than \$25,000. Also identified was the amount of additional tax due beyond the amount paid in estimated and tentative payments. The proposed language is interpreted to allow a taxpayer who realizes they face a penalty for underpayment of estimated payments that is based on the tax due to reduce or eliminate such penalty and interest by making a scholarship contribution.

For the impact, three-year averages were computed. It was assumed that some number of taxpayers facing a penalty and interest would make a contribution to a Scholarship Funding Organization of the outstanding tax amount rather than pay the tax and potentially face penalties and interest. For the high, it was assumed 80% of all taxpayers facing a penalty or interest would instead make a contribution in the amount of the outstanding tax due. For the middle, it was assumed that 40% of the taxpayers facing penalties greater than \$10,000 would instead make a contribution in the amount of the outstanding tax due. For the low, it was assumed that 20% of the taxpayers facing penalties greater than \$25,000 would instead make a contribution in the amount of the outstanding tax due. It was assumed there would be no growth over the forecast period.

For purposes of the additional scholarship contributions, it was assumed that there would be room under the caps to make these contributions.

For purposes of this analysis, it was assumed that the language under 220.1875 that requires the credit amount to be reduced by the difference between the amount of federal corporate income tax taking into account the credit granted by this section and the amount of federal corporate income tax without application of the credit granted by this section does not affect the impact. However, it is important to recognize that the federal return without a credit would include a deduction for interest, while the federal return with a credit would not include such deduction. As of the date of this analysis, the department has not had an instance where the above language has resulted in the reduction of a credit.

Note – the analysis of these sections and for the bill overall does not include impact (other than that associated with elimination of penalty and interest related to underpayment of estimated payments) associated with additional contributions that may occur by allowing the contribution after the end of the fiscal year as opposed to the current requirement that the contribution be made during the entity's tax year.

In regard to the forecast for the adopted scholarship credits, the ability to look back to a prior fiscal year for the purpose of making a contribution to an eligible nonprofit scholarship-funding organization may have an indeterminate negative impact on the state. This would only happen if the cap were raised retroactively through the application of the contribution to a prior fiscal year, and the baseline forecast were such that: (1) the 90% determination failed in one year, and (2) the credits for the subsequent year were constrained by the retained cap from the prior year. This is not the case in the current forecast.

Section 4: Proposed Fiscal Impact

(Sections 4 and 5)

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(\$43.8 M)	(\$43.8 M)	(\$10.0 M)	(\$10.0 M)	(\$3.7 M)	(\$3.7 M)
2019-20	(\$43.8 M)	(\$43.8 M)	(\$10.0 M)	(\$10.0 M)	(\$3.7 M)	(\$3.7 M)
2020-21	(\$43.8 M)	(\$43.8 M)	(\$10.0 M)	(\$10.0 M)	(\$3.7 M)	(\$3.7 M)
2021-22	(\$43.8 M)	(\$43.8 M)	(\$10.0 M)	(\$10.0 M)	(\$3.7 M)	(\$3.7 M)
2022-23	(\$43.8 M)	(\$43.8 M)	(\$10.0 M)	(\$10.0 M)	(\$3.7 M)	(\$3.7 M)

List of affected Trust Funds: Corporate Income Tax Group

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax, Corporate Income tax

Issue: Various Tax Credit Scholarship Issue

Bill Number(s): Draft Language

Section 5: Consensus Estimate (Adopted: 01/12/2018): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)
2019-20	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)
2020-21	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)
2021-22	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)
2022-23	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)

Tax Credit Scholarship Issues - Penalties and Interest

	Total				Greater than \$10,000 in Penalty				Greater than \$25,000 in Penalty			
	Penalty/Interest	Count	Tax Due over Estimated and tentative Payment		Penalty/Interest	Count	Tax Due over Estimated and tentative Payment		Penalty/Interest	Count	Tax Due over Estimated and tentative Payment	
2012												
Penalty - Form 2220	\$4,641,345	3,281	53,377,743		\$2,433,842	85	29,290,415		\$1,455,565	22	20,249,116	
Interest - Form 2220	\$2,703,194	3,281	53,377,743		\$1,417,910	85	29,290,415		\$697,390	22	20,249,116	
Total	\$7,344,539				\$3,851,752				\$2,152,955			
Total Tax Over Estimated Payments and Tentative Payments			46,033,204				25,438,663				18,096,161	
2013												
Penalty - Form 2220	\$5,279,532	3,302	\$60,526,159		\$2,822,797	74	\$25,378,141		\$1,973,260	20	\$21,505,335	
Interest - Form 2220	\$3,079,272	3,302	\$60,526,159		\$1,646,344	74	\$25,378,141		\$1,150,886	20	\$21,505,335	
Total	\$8,358,804				\$4,469,141				\$3,124,146			
Total Tax Over Estimated Payments and Tentative Payments			52,167,355				20,909,000				18,381,189	
2014												
Penalty - Form 2220	\$5,816,504	3,136	\$50,498,057		\$3,144,273	98	\$19,965,955		\$2,175,341	36	\$13,995,412	
Interest - Form 2220	\$3,392,961	3,136	\$50,498,057		\$1,834,161	98	\$19,965,955		\$1,268,950	36	\$13,995,412	
Total	\$9,209,465				\$4,978,434				\$3,444,291			
Total Tax Over Estimated Payments and Tentative Payments			41,288,592				14,987,521				10,551,121	
Three year Average - total	\$8,304,269				\$4,433,109				\$2,907,131			
Three Year Average - Total Tax Over Estimated Payments and Tentative Payments			\$46,496,384				\$20,445,061				\$15,676,157	

Tax Credit Scholarship Issues - Penalties and Interest

	High	Middle	Low
Assumed rate taxpayer making contribution to avoid penalty and interest		80%	40% 20%
Impact - Penalty and Interest	High	Middle	Low
Total	-\$6,643,415	-\$3,321,708	-\$1,660,854
Greater than \$10,000 Penalties	-\$3,546,487	-\$1,773,244	-\$1,162,852
Greater than \$25,000 Penalties	-\$2,325,705	-\$1,162,852	-\$581,426
Implied additional CIT Scholarship Contributions	High	Middle	Low
Total	\$37,197,107	\$14,878,843	\$7,439,421
Greater than \$10,000 Penalties	\$20,445,061	\$8,178,025	\$4,089,012
Greater than \$25,000 Penalties	\$15,676,157	\$6,270,463	\$3,135,231
Total Impact to CIT	High	Middle	Low
Total	-\$43,840,522	-\$18,200,551	-\$9,100,275
Greater than \$10,000 Penalties	-\$23,991,549	-\$9,951,268	-\$5,251,865
Greater than \$25,000 Penalties	-\$18,001,862	-\$7,433,315	-\$3,716,658

REVENUE ESTIMATING CONFERENCE

Tax: Documentary Stamp Tax

Issue: Disaster Loan DocStamp Exemption

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: Upon Becoming a Law

Date of Analysis: January 12, 2018

Section 1: Narrative

a. **Current Law:** Under current law, any entity obtaining a loan from the Small Business Emergency Bridge Loan Program or from the Agricultural Economic Development Program must pay the documentary stamp tax of \$0.35 cents on every \$100 of the loan.

b. **Proposed Change:** 201.25 F.S.. —There shall be exempt from all taxes imposed by this chapter:

- (1) Any loan made by the Florida Small Business Emergency Bridge Loan Program in response to a disaster that results in a state of emergency, as declared by executive order or proclamation of the Governor pursuant to s. 252.36.
- (2) Any loan made by the Agricultural Economic Development Program pursuant to s. 570.82

Section 2: Description of Data and Sources

Department of Economic Opportunity – Historic Bridge Loan Participation Summaries (1995-2017)

Section 3: Methodology (Include Assumptions and Attach Details)

The Department of Economic Opportunity provided us with historical data for the Florida Small Business Emergency Bridge Loan Program. The data contains the total number of loans and amount loaned out for each recorded state of emergency triggered disaster going back to 1995. With the total amount loaned out, we calculated the total Documentary Stamp Tax on the loans for each period and produced our estimates. The high estimate assumes the largest valued disaster occurs every year. The middle estimate is the average of all the events where money was loaned out and assumes this to occur every year in the forecast period. The low estimate assumes that no events will occur in the forecast period.

The Agricultural Economic Development Program has not loaned money out to date. The Department of Agriculture and Consumer Services staff indicated that funds for the program require appropriation and no appropriation has been made to date. As such, we assume a negative/indeterminate for the forecast.

Section 4: Proposed Fiscal Impact

Florida Small Business Emergency Development Bridge Loan Program

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$(0.1 M)	\$(0.1 M)	\$(0.01 M)	\$(0.01 M)	\$-	\$-
2019-20	\$(0.1 M)	\$(0.1 M)	\$(0.01 M)	\$(0.01 M)	\$-	\$-
2020-21	\$(0.1 M)	\$(0.1 M)	\$(0.01 M)	\$(0.01 M)	\$-	\$-
2021-22	\$(0.1 M)	\$(0.1 M)	\$(0.01 M)	\$(0.01 M)	\$-	\$-
2022-23	\$(0.1 M)	\$(0.1 M)	\$(0.01 M)	\$(0.01 M)	\$-	\$-

Agricultural Economic Development Program

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(indeterminate)	(indeterminate)		
2019-20			(indeterminate)	(indeterminate)		
2020-21			(indeterminate)	(indeterminate)		
2021-22			(indeterminate)	(indeterminate)		
2022-23			(indeterminate)	(indeterminate)		

List of affected Trust Funds:

REVENUE ESTIMATING CONFERENCE

Tax: Documentary Stamp Tax

Issue: Disaster Loan DocStamp Exemption

Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 01/12/2018): The Conference adopted a negative indeterminate impact. Based on the average annual loan amount for events that have occurred since 2004, if an event were to occur in the future, the impact on doc stamp would be negative insignificant.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2019-20	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2020-21	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2021-22	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2022-23	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)

Proposed Language -
Documentary Stamp Tax Exemption on Disaster Bridge Loans

	A	B	C	D	E	F	G
1							
2	PROGRAM NAME	YEAR OF ACTIVATION	# LOANS (TOTAL)	\$ LOANS (TOTAL)	\$0.35 per \$100		
3	Hurricane Opal	1995	98	\$2,205,336	\$7,718.68		
4	No Event Occurred	1996	0	\$0			
5	No Event Occurred	1997	0	\$0			
6	No Event Occurred	1998	0	\$0			
7	No Event Occurred	1999	0	\$0			
8	No Event Occurred	2000	0	\$0			
9	No Event Occurred	2001	0	\$0			
10	No Event Occurred	2002	0	\$0			
11	No Event Occurred	2003	0	\$0			
12	Hurricane Charley (Osceola County)*	2004	69	\$1,458,750	\$5,105.63		
13	Hurricanes Charley, Jeanne & Frances (Tri-County (Orange, Seminole & Volusia))*	2004	98	\$1,968,500	\$6,889.75		
14	Hurricanes Charley & Jeanne (Polk County)*	2004	56	\$1,235,700	\$4,324.95		
15	Hurricane Frances (Lake County)*	2004	4	\$59,000	\$206.50		
16	Hurricane Ivan*	2004	416	\$9,094,330	\$31,830.16		
17	Hurricane Dennis	2005	64	\$1,423,180	\$4,981.13		
18	No Event Occurred	2006	0	\$0			
19	Volusia County Tornadoes	2007	6	\$140,000	\$490.00		
20	No Event Occurred	2008	0	\$0			
21	No Event Occurred	2009	0	\$0			
22	Deepwater Horizon Oil Spill	2010	184	\$4,356,500	\$15,247.75		
23	No Event Occurred	2011	0	\$0			
24	Tropical Storm Debby	2012	7	\$154,400	\$540.40		
25	No Event Occurred	2013	0	\$0			
26	Spring North Florida Severe Storms & Flooding	2014	7	\$175,000	\$612.50		
27	West Central Florida Flooding Event	2015	2	\$35,470	\$124.15		
28	Lake Okeechobee Discharge	2016	1	\$25,000	\$87.50		
29	Orlando Emergency Event	2016	3	\$47,500	\$166.25		
30	Lake Okeechobee Discharge - Algal Blooms	2016	0	\$0			
31	Hurricane Hermine	2016	17	\$349,610	\$1,223.63		
32	Hurricane Matthew	2016	64	\$1,375,275	\$4,813.46		
33	Hurricane Irma**	2017	829	\$27,719,793	\$97,019.28		
34	Hurricane Irma (Florida Citrus)**	2017	49	\$5,728,000	\$20,048.00		
35					\$11,190.54	Average DocStamp Total	
36					\$6,149,556	Average Annual Loan since 2004	
37	*Separate contracts were established regarding Hurricane Charley, each designating specific areas of eligibility				\$ 21,523	Average Annual doc since 2004	
38	and individual monetary appropriations, with amendments to include other named storms as specified						
39	** As of 1/8/2018; numbers are not final						

Proposed Language -
Documentary Stamp Tax Exemption on Disaster Bridge Loans

	A	B	C	D	E	F	G
40							
41	Total Impact						
42		High		Middle		Low	
43	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
44	2018-19	\$ (0.1 M)	\$ (0.1 M)	\$ (0.01 M)	\$ (0.01 M)	\$ -	\$ -
45	2019-20	\$ (0.1 M)	\$ (0.1 M)	\$ (0.01 M)	\$ (0.01 M)	\$ -	\$ -
46	2020-21	\$ (0.1 M)	\$ (0.1 M)	\$ (0.01 M)	\$ (0.01 M)	\$ -	\$ -
47	2021-22	\$ (0.1 M)	\$ (0.1 M)	\$ (0.01 M)	\$ (0.01 M)	\$ -	\$ -
48	2022-23	\$ (0.1 M)	\$ (0.1 M)	\$ (0.01 M)	\$ (0.01 M)	\$ -	\$ -

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Agriculture Restricted Truck Licenses

Bill Number(s): HB 819 and SB 672

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Representative Williamson and Senator Stargel

Month/Year Impact Begins: July 1, 2018

Date of Analysis: January 12, 2018

Section 1: Narrative

a. Current Law: Section 320.08 (4) (n), F.S. allows for truck tractors or heavy trucks not operated as for-hire vehicles and used exclusively to transport unmanufactured agricultural products within 150 miles of their home address to be eligible for a restricted license plate. If the vehicle's weight is less than 44,000 pounds, the annual registration fee is \$87.75, to be deposited \$22.75 into the General Revenue Fund and \$65 into the State Transportation Trust Fund. If the vehicle's weight is 44,000 pounds or greater, the annual registration fee is \$324, to be deposited \$84 into the General Revenue Fund and \$240 into the State Transportation Trust Fund. For the heavier class of restricted farm-use trucks, travel is restricted to transporting from the point of production to the primary point of manufacture or shipping. In FY 2016-17, there were 1,608 restricted farm-use trucks registered in the state generating \$340,430. Approximately 60% of these trucks were above 44,000 pounds.

b. Proposed Change: Revises section 320.08 (4) (n), F.S. so that trucks registered with restricted farm-use license plates may travel anywhere within the state instead of 150 miles from their home address.

Section 2: Description of Data and Sources

July 2017 Highway Safety REC

Section 3: Methodology (Include Assumptions and Attach Details)

The bill extends the area which restricted farm-use trucks are able to travel; however, the heavier class of these trucks (which represents approximately 60% of the total) will still be restricted to travel from the point of production to the primary point of manufacture or shipping. The greater travel flexibility could encourage more heavy truck owners to register their vehicle as a restricted farm-use truck – moving these vehicles out of the heavy truck category (which pays an annual registration fee ranging from \$60.75 to \$1,322 depending upon weight) into the restricted farm-use category.

For the middle estimate, it is assumed that the greater flexibility will encourage more truck owners to register their vehicle as a restricted farm-use truck. The impact is negative to General Revenue and the State Transportation Trust Fund because (with the exception of the smallest weight class of heavy trucks) trucks which shift from the heavy truck category to the restricted farm-use category will be paying a lower registration fee. The middle estimate increases restricted farm-use registrations by 5%, resulting in a negative insignificant impact to both GR and Trust.

Section 4: Proposed Fiscal Impact

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(insignificant)	(insignificant)		
2019-20			(insignificant)	(insignificant)		
2020-21			(insignificant)	(insignificant)		
2021-22			(insignificant)	(insignificant)		
2022-23			(insignificant)	(insignificant)		

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Agriculture Restricted Truck Licenses

Bill Number(s): HB 819 and SB 672

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(insignificant)	(insignificant)		
2019-20			(insignificant)	(insignificant)		
2020-21			(insignificant)	(insignificant)		
2021-22			(insignificant)	(insignificant)		
2022-23			(insignificant)	(insignificant)		

List of affected Trust Funds:

General Revenue Fund

State Transportation Trust Fund

Section 5: Consensus Estimate (Adopted: 01/12/2018): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2019-20	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2020-21	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2021-22	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2022-23	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)

HB819 & SB672 Farm-Use Trucks		Current Law				Middle (5% Shift)			
		#	Total \$	GR \$	STTF \$	#	Total \$	GR \$	STTF \$
FY 2018-19	Ag Trucks < 44,000 lbs	622	\$ 54,056	\$ 13,999	\$ 40,057	653	56,758	14,699	42,059
	Ag Trucks = or > 44,000 lbs	1,040	\$ 307,418	\$ 79,701	\$ 227,717	1,092	322,789	83,686	239,103
	Trucks < 44,000 lbs	1,246,200	\$ 114,504,515	\$ 29,785,245	\$ 84,719,270	1,246,169	114,501,657	29,784,502	84,717,155
	Trucks = or > 44,000 lbs	91,933	\$ 76,122,950	\$ 19,752,382	\$ 56,370,568	91,881	76,079,884	19,741,207	56,338,677
	Total		\$ 190,988,939	\$ 49,631,327	\$ 141,357,612		190,961,089	49,624,094	141,336,995
	Difference							(7,233)	(20,617)
FY 2019-20	Ag Trucks < 44,000 lbs	608	\$ 52,827	\$ 13,681	\$ 39,146	639	55,469	14,365	41,104
	Ag Trucks = or > 44,000 lbs	1,055	\$ 311,918	\$ 80,867	\$ 231,050	1,108	327,513	84,911	242,603
	Trucks < 44,000 lbs	1,268,632	\$ 116,565,597	\$ 30,321,380	\$ 86,244,217	1,268,601	116,562,803	30,320,653	86,242,150
	Trucks = or > 44,000 lbs	93,587	\$ 77,493,163	\$ 20,107,924	\$ 57,385,238	93,535	77,449,467	20,096,586	57,352,881
	Total		\$ 194,423,504	\$ 50,523,853	\$ 143,899,652		194,395,252	50,516,515	143,878,737
	Difference							(7,337)	(20,915)
FY 2020-21	Ag Trucks < 44,000 lbs	594	\$ 51,614	\$ 13,367	\$ 38,247	624	54,194	14,035	40,159
	Ag Trucks = or > 44,000 lbs	1,070	\$ 316,363	\$ 82,020	\$ 234,343	1,124	332,182	86,121	246,061
	Trucks < 44,000 lbs	1,290,199	\$ 118,547,212	\$ 30,836,843	\$ 87,710,369	1,290,169	118,544,482	30,836,133	87,708,349
	Trucks = or > 44,000 lbs	95,178	\$ 78,810,546	\$ 20,449,759	\$ 58,360,787	95,125	78,766,228	20,438,259	58,327,969
	Total		\$ 197,725,736	\$ 51,381,989	\$ 146,343,746		197,697,087	51,374,549	146,322,538
	Difference							(7,440)	(21,209)
FY 2021-22	Ag Trucks < 44,000 lbs	580	\$ 50,420	\$ 13,058	\$ 37,363	609	52,941	13,710	39,231
	Ag Trucks = or > 44,000 lbs	1,085	\$ 320,736	\$ 83,154	\$ 237,582	1,140	336,772	87,311	249,461
	Trucks < 44,000 lbs	1,310,842	\$ 120,443,967	\$ 31,330,233	\$ 89,113,735	1,310,813	120,441,301	31,329,539	89,111,762
	Trucks = or > 44,000 lbs	96,701	\$ 80,071,515	\$ 20,776,955	\$ 59,294,560	96,647	80,026,585	20,765,297	59,261,288
	Total		\$ 200,886,638	\$ 52,203,399	\$ 148,683,239		200,857,599	52,195,858	148,661,741
	Difference							(7,542)	(21,498)
FY 2022-23	Ag Trucks < 44,000 lbs	567	\$ 49,249	\$ 12,754	\$ 36,495	595	51,712	13,392	38,320
	Ag Trucks = or > 44,000 lbs	1,100	\$ 325,025	\$ 84,266	\$ 240,759	1,155	341,276	88,479	252,797
	Trucks < 44,000 lbs	1,330,504	\$ 122,250,627	\$ 31,800,186	\$ 90,450,441	1,330,476	122,248,022	31,799,509	90,448,513
	Trucks = or > 44,000 lbs	98,152	\$ 81,272,588	\$ 21,088,610	\$ 60,183,978	98,097	81,227,056	21,076,795	60,150,261
	Total		\$ 203,897,489	\$ 52,985,816	\$ 150,911,673		203,868,066	52,978,175	150,889,892
	Difference							(7,641)	(21,781)

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees

Issue: Requires an impact fee adopted by ordinance of a county or municipal government or by resolution of a special district to specify that the collection of impact fees shall be no earlier than the issuance of the building permit for the property that is subject to the fee.

Bill Number(s): CS/SB 324 (identical to CS/HB 697)

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Senator Young (Representative M. Miller)

Month/Year Impact Begins: July 1, 2018

Date of Analysis: January 12, 2018

Section 1: Narrative

a. Current Law: The Florida Constitution grants local governments broad home rule authority. Specifically, non-charter county governments may exercise those powers of self-government that are provided by general or special law. Those counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by the vote of the electors. Likewise, municipalities have those governmental, corporate, and proprietary powers that enable them to conduct municipal government, perform their functions and provide services, and exercise any power for municipal purposes, except as otherwise provided by law.

Given these constitutional and statutory powers, local governments may use a variety of revenue sources to fund services and improvements without express statutory authorization. Impact fees, special assessments, franchise fees, and user fees or service charges are examples of these home rule revenue sources.

Impact fees are enacted by local ordinance. These fees are tailored to pay the cost of additional infrastructure necessitated by new development. As a result, impact fee calculations vary from jurisdiction to jurisdiction and from fee to fee. Impact fees also vary extensively depending on local costs, capacity needs, resources, and the local government's determination to charge the full cost or only part of the cost of the infrastructure improvement through utilization of the impact fee.

Impact fees have their roots in the common law. A number of court decisions have addressed challenges to the legality of impact fees. As developed under case law, an impact fee must have the following characteristics to be legal:¹

- The fee is levied on new development, the expansion of existing development, or a change in land use that requires additional capacity for public facilities;
- The fee represents a proportionate share of the cost of public facilities needed to serve new development;
- The fee is earmarked and expended for the benefit of those in the new development who have paid the fee;
- The fee is a one-time charge, although collection may be spread over a period of time;
- The fee is earmarked for capital outlay only and is not expended for operating costs; and
- The fee-payers receive credit for the contributions toward the cost of the increased capacity for public facilities

Current law does not specify when a local government must collect impact fees. As a result, the applicable local government makes this decision, and the time of collection varies and may differ, depending on the type of impact fee.

Section 163.31801, F.S., is known as the "Florida Impact Fee Act" and states that an impact fee adopted by ordinance of a county or municipality or by resolution of a special district must, at minimum:

- Require that the calculation of the impact fee be based on the most recent and localized data.
- Provide for accounting and reporting of impact fee collections and expenditures. If a local governmental entity imposes an impact fee to address its infrastructure needs, the entity shall account for the revenues and expenditures of such impact fee in a separate accounting fund.
- Limit administrative charges for the collection of impact fees to actual costs.
- Require that notice be provided no less than 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee. A county or municipality is not required to wait 90 days to decrease, suspend, or eliminate an impact fee.

¹ The Florida Senate, Issue Brief 2010-310, 4 (Sept. 2009), available at http://archive.flsenate.gov/data/Publications/2010/Senate/reports/interim_reports/pdf/2010-310ca.pdf

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees

Issue: Requires an impact fee adopted by ordinance of a county or municipal government or by resolution of a special district to specify that the collection of impact fees shall be no earlier than the issuance of the building permit for the property that is subject to the fee.

Bill Number(s): CS/SB 324 (identical to CS/HB 697)

- b. Proposed Change:** The CS amends s. 163.31801(1), F.S., to require an impact fee adopted by ordinance of a county or municipal government or by resolution of a special district to specify that the collection of impact fees shall be no earlier than the issuance of the building permit for the property that is subject to the fee. The originally-filed bill required the ordinance or resolution to specify that the collection of impact fees could be no earlier than the issuance of the certificate of occupancy.

The CS also codifies the dual rational nexus test. Specifically, the bill requires that an impact fee be reasonably connected to, or have a rational nexus with the need for additional capital facilities and the increased impact generated by the new residential or commercial construction; and the expenditures of the funds collected and the benefits accruing to the new residential or commercial construction. Additionally, the local government must specifically earmark funds collected by the impact fees for use in acquiring capital facilities to benefit the new residents. Finally, the CS prohibits the use of impact fee revenues to pay existing debt or for prior approved projects unless the expenditure is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential or commercial construction.

Section 2: Description of Data and Sources

Impact Fee Revenue Collections Reported in Local Governments' Annual Financial Reports (AFRs)

Local FY	Counties	Municipalities	Special Districts	Totals
2002-03	\$479,479,595	\$183,843,818	\$21,711,285	\$685,034,698
2003-04	\$560,496,789	\$232,910,041	\$20,337,344	\$813,744,174
2004-05	\$812,732,909	\$308,009,057	\$31,681,665	\$1,152,423,631
2005-06	\$1,060,597,975	\$342,267,200	\$25,405,434	\$1,428,270,609
2006-07	\$736,339,197	\$312,321,512	\$23,433,726	\$1,072,094,435
2007-08	\$484,141,722	\$222,508,702	\$20,311,517	\$726,961,941
2008-09	\$206,819,386	\$139,307,822	\$8,552,553	\$354,679,761
2009-10	\$212,423,990	\$123,304,422	\$7,420,750	\$343,149,162
2010-11	\$185,664,703	\$107,753,843	\$8,213,352	\$301,631,898
2011-12	\$246,882,772	\$113,956,207	\$8,773,028	\$369,612,007
2012-13	\$305,043,650	\$146,917,768	\$11,288,627	\$463,250,045
2013-14	\$422,384,294	\$167,987,620	\$16,218,908	\$606,590,822
2014-15	\$503,921,835	\$225,293,910	\$14,362,563	\$743,578,308

Section 3: Methodology (Include Assumptions and Attach Details)

Enactment of this proposed legislation could result in the delay of a local government's ability to collect impact fees, if such fees are required to be paid prior to the issuance of a building permit. Based on testimony given by local government representatives in recent Senate and House committee hearings, the vast majority of local governments require impact fees to be paid at the time of the building permit issuance or thereafter, until the issuance of the certificate of occupancy. Additionally, many local governments that require payment at building permit issuance allow persons to make application for deferment of impact fees payments until the issuance of certificate of occupancy.

EDR staff found several examples of local government impact fee policies online, which specified when impact fees are to be paid.

- Orange County: Residential and commercial impact fees are paid when the building permit is issued. However, with application, some fees may be deferred until certificate of occupancy.
- Miami-Dade County: Impact fees are required to be paid prior to the issuance of any building permit for development activity within Miami-Dade County. No building permit may be issued until all required impact fees are paid in full.
- Palm Beach County: Impact fees must be paid prior to the issuance of the building permit. When the development does not require a building permit, the impact fees must be paid prior to receipt of a development order that will have an impact on public facilities.

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees

Issue: Requires an impact fee adopted by ordinance of a county or municipal government or by resolution of a special district to specify that the collection of impact fees shall be no earlier than the issuance of the building permit for the property that is subject to the fee.

Bill Number(s): CS/SB 324 (identical to CS/HB 697)

- Collier County: Impact fees are paid prior to issuance of a Certificate of Occupancy. Fire impact fees, which are collected on behalf of the independent fire districts, are due at permit issuance. Impact fees assessed on permits submitted to the City of Naples, City of Marco, or City of Everglades are due at permit issuance.
- Hillsborough County: Payment is required before issuance of certificate of occupancy.
- Sarasota County: Fire and EMS impact fees – payment is required at issuance of building permit. All other impact fees (mobility, general government, justice, and law enforcement) – payment is required at issuance of certificate of occupancy.
- Manatee County: Payment is required before issuance of certificate of occupancy.
- Pasco County: Payment is required before issuance of certificate of occupancy.
- Broward County: If a project generates impact/concurrency fees, they must be paid before plans are approved.
- Miami: Payment of applicable impact fees is required prior to issuance of a building permit.
- Boca Raton: Payment is required prior to issuance of a building permit.

At present, it is unclear how many local governments require payment of impact fees prior to issuance of the building permit. Consequently, EDR staff is recommending a negative indeterminate revenue impact to Cash and \$0 to Recurring.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(**)	\$0		
2019-20			(**)	\$0		
2020-21			(**)	\$0		
2021-22			(**)	\$0		
2022-23			(**)	\$0		

List of Affected Trust Funds:

Local funds only.

Section 5: Consensus Estimate (Adopted: 01/12/2018): The Conference adopted a negative indeterminate cash and recurring impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2019-20	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2020-21	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2021-22	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2022-23	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Clerk of Court Related Suspensions

Bill Number(s): HB 1095

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Plakon

Month/Year Impact Begins: October 1, 2018

Date of Analysis: January 12, 2018

Section 1: Narrative

a. Current Law:

Non-Driving Related Driver License Suspensions and Revocations (Sections: 7 - 10, 12, 15 - 22)

- School Attendance Requirements (sections 9, 10)
 - Section 322.091, F.S., provides the attendance requirements for eligibility for driving privileges.
 - Section 322.09 (3), F.S., provides the department may not issue a driver license or learner's driver license to any applicant under the age of 18 years who is not in compliance with the requirements of s. 322.091.
- Worthless Checks (Sections 12 and 21)
 - Section 322.251(7), F.S., provides that a person whose driving privilege is suspended or revoked in a worthless check case is required to be notified.
 - Section 832.09, F.S., provides that the court may order the suspension or revocation of the driver license of a person who is being prosecuted for passing a worthless check.
- Adjudication of Guilt for Theft (Section 20)
 - Section 812.0155, F.S., the court may order the suspension of the driver license of each person adjudicated guilty of any misdemeanor theft.
- Providing Alcohol to Person Under 21 (sections 8 and 15)
 - Section 322.057, F.S., provides discretionary revocation or suspension of driver license for certain persons who provide alcohol to persons under 21 years of age.
 - Section 562.11 (1)(a)2, F.S., provides the court may order the Department of Highway Safety and Motor Vehicles to withhold the issuance of, or suspend or revoke, the driver license or driving privilege, as provided in s. 322.057, of any person who sells, gives, serves, or permits to be served alcoholic beverages to a person under 21 years of age or permits a person under 21 years of age to consume such beverages on the licensed premises.
- Minor Guilty of Certain Alcohol, Drug, or Tobacco Offenses (sections 7, 16, 17, and 22)
 - Section 322.056, F.S., provides mandatory revocation or suspension of, or delay of eligibility for, driver license for persons under age 18 found guilty of certain alcohol, drug, or tobacco offenses.
 - Section 562.111 (3), F.S., provides the court shall direct the Department of Highway Safety and Motor Vehicles to withhold issuance of, or suspend or revoke, the violator's driver license or driving privilege, as provided in s. 322.056.
 - Section 569.11 (1), (2), F.S., provides the court must direct the Department of Highway Safety and Motor Vehicles to withhold issuance of or suspend or revoke the person's driver license or driving privilege, as provided in s. 322.056, for the third subsequent violation of either underage possession of tobacco products or misrepresentation of ages to purchase tobacco products. Subsection (5) provides the court must direct the Department of Highway Safety and Motor Vehicles to withhold issuance of or suspend the driver license or driving privilege of a person under 18 years of age is found by the court to have committed a noncriminal violation under 569.11, F.S.
 - Section 877.112 (6), (7) , F.S. provide for a third or subsequent violation within 12 weeks of the first violation, the court must direct the Department of Highway Safety and Motor Vehicles to withhold issuance of or suspend or revoke the person's driver license or driving privilege, as provided in s. 322.056. Subsection 8 provides the court must direct the Department of Highway Safety and Motor Vehicles to withhold issuance of or suspend the driver license or driving privilege of a person under 18 years of age is found by the court to have committed a noncriminal violation under 877.112, F.S.
- Minor Guilty of Unlawful Possession of Firearms (section 18)
 - Section 790.22, F.S., prohibits a minor from possessing certain weapons and firearms. Subsection (5) and (8) provide court shall direct the Department of Highway Safety and Motor Vehicles to withhold issuance, suspend or revoke (or extended) the minor's driver license or driving privilege.
- Graffiti by a Minor (section 19)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Clerk of Court Related Suspensions

Bill Number(s): HB 1095

- Section 806.13 (7) and (8), F.S., provides if a minor is found to have committed a delinquent act under this section for placing graffiti on any public property or private property the court shall direct the Department of Highway Safety and Motor Vehicles to withhold issuance, suspend or revoke the minor's driver license or driving privilege.

Clerk of Court Related Suspensions (Sections 4 and 11)

- Failure to Comply with Civil Penalties or to Appear (section 4)
 - Section 318.15, F.S., If a person fails to comply with the civil penalties provided in s. 318.18 within the time period specified in s. 318.14(4), fails to enter into or comply with the terms of a penalty payment plan with the clerk of the court in accordance with ss. 318.14 and 28.246, fails to attend driver improvement school, or fails to appear at a scheduled hearing, the clerk of the court shall notify the Department of Highway Safety and Motor Vehicles who shall immediately issue an order suspending the driver license and privilege to drive.
- Failure to Pay Court Financial Obligations (section 11)
 - Section 322.245, F.S., provides for the suspension of license upon failure of person charged with specified offense under chapter 316, chapter 320, or this chapter to comply with directives ordered by traffic court or upon failure to pay child support in non-IV-D cases as provided in chapter 61 or failure to pay any financial obligation in any other criminal case.

Payment Plans and Collection Agents (section 2)

- Section 28.246 (4), F.S., provides that the clerk of the circuit court shall accept partial payments for court-related fees, service charges, costs, and fines in accordance with the terms of an established payment plan. An individual seeking to defer payment of fees, service charges, costs, or fines imposed by operation of law or order of the court under any provision of general law shall apply to the clerk for enrollment in a payment plan. The clerk shall enter into a payment plan with an individual who the court determines is indigent for costs. A monthly payment amount, calculated based upon all fees and all anticipated costs, is presumed to correspond to the person's ability to pay if the amount does not exceed 2 percent of the person's annual net income, as defined in s. 27.52(1), divided by 12. The court may review the reasonableness of the payment plan.
- Section 28.246 (6), F.S., provides that a clerk of court shall pursue the collection of any fees, service charges, fines, court costs, and liens for the payment of attorney fees and costs pursuant to s. 938.29 which remain unpaid after 90 days by referring the account to a private attorney who is a member in good standing of The Florida Bar or collection agent who is registered and in good standing pursuant to chapter 559. In pursuing the collection of such unpaid financial obligations through a private attorney or collection agent, the clerk of the court must have attempted to collect the unpaid amount through a collection court, collections docket, or other collections process, if any, established by the court, find this to be cost-effective and follow any applicable procurement practices. The collection fee, including any reasonable attorney's fee, paid to any attorney or collection agent retained by the clerk may be added to the balance owed in an amount not to exceed 40 percent of the amount owed at the time the account is referred to the attorney or agent for collection. The clerk shall give the private attorney or collection agent the application for the appointment of court-appointed counsel regardless of whether the court file is otherwise confidential from disclosure.

Community Service Option in Lieu of Payment (sections 1, 3, 5, and 23)

- Section 27.52(1), F.S., provides that a person seeking appointment of a public defender under s. 27.51 based upon an inability to pay must apply to the clerk of the court for a determination of indigent status using an application form developed by the Florida Clerks of Court Operations Corporation with final approval by the Supreme Court.
- Section 316.650(1)(a), F.S., provides the department shall prepare and supply to every traffic enforcement agency in this state an appropriate form traffic citation that contains a notice to appear, is issued in prenumbered books, meets the requirements of this chapter or any laws of this state regulating traffic, and is consistent with the state traffic court rules and the procedures established by the department.
- Section 318.18(8)(b), F.S., provides that if a person has been ordered to pay a civil penalty for a noncriminal traffic infraction and the person is unable to comply with the court's order due to demonstrable financial hardship, the court is required to allow the person to satisfy the civil penalty by participating in community service until the civil penalty is paid.

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Clerk of Court Related Suspensions

Bill Number(s): HB 1095

- Section 938.30 (2), F.S., provides the court may require a person liable for payment of an obligation to appear and be examined under oath concerning the person's financial ability to pay the obligation. The judge may convert the statutory financial obligation into a court-ordered obligation to perform community service, subject to the provisions of s. 318.18(8), after examining a person under oath and determining the person's inability to pay. Any person who fails to attend a hearing may be arrested on warrant or capias issued by the clerk upon order of the court.

b. Proposed Change:

Non-Driving Related Driver License Suspensions and Revocations (Sections: 7 - 10, 12, 15 - 22)

- The bill removes suspension or revocation of a driver license from the potential penalties that may be applied to the above mentioned offenses (School attendance, worthless checks, theft, providing alcohol to a minor, minor in possession or attempting to purchase alcohol or tobacco, minor unlawful possession of a firearm, and graffiti).
- The bill reduces the suspension period for drug convictions from one year to six months for person over 18, and reduces suspension period to 6 months for minors.

Clerk of Court Related Suspensions (Sections 4 and 11)

- Sections 318.15 and 322.245, F.S., are amended to provide that a person's DL may not be suspended solely for failure to pay a penalty or court financial obligation (except for non-payment of child support) if the person demonstrates to the court that he or she is unable to pay.
- The bill also allows a person whose DL or privilege to drive has been suspended under either of these sections, with the exception of suspensions related to non-payment of child support, to apply to the DHSMV to have his or her DL reinstated on a restricted basis.

Payment Plans and Collection Agents (section 2)

- Section. 28.246(4), F.S., is amended to provide that a monthly payment plan with the clerk of court may not exceed two percent of the person's annual net income, divided by 12, without the consent of the applicant.
- The bill amends s. 28.246(6), F.S., regarding referring accounts to private attorneys or collection agents. In retaining a private attorney or collection agent, the clerk shall solicit competitive bids from private attorneys or collection agents for a contract which may be in effect for no longer than three years with a maximum of two one-year extensions. The clerk may not assess any surcharge to refer an account to a collecting agent or attorney, who also may not impose any additional fees other than those agreed to by contract.

Community Service Option in Lieu of Payment (sections 1, 3, 5, and 23)

- The bill amends s. 27.52, F.S., with regards to the application a person claiming indigent status makes to the clerk in order to receive a public defender. The bill provides that the person must make an election of or refusal of the option to fulfill any court-ordered financial obligation associated with his or her case by completion of community service if offered by the court. For financial obligations in criminal cases, the judge may rely on this information as a factor in determining the person's inability to pay court financial obligations when converting statutory financial obligations into court-ordered community service.
- The bill adds that the uniform traffic citation form must include language indicating that a person ordered to pay a noncriminal traffic infraction penalty who is unable to comply due to demonstrable hardship will be allowed by the court to satisfy payment by participating in community service. Additionally, if a person is ordered to pay a civil penalty for a noncriminal infraction in court, the court shall inquire regarding the person's ability to pay at the time the civil penalty is ordered.

Section 2: Description of Data and Sources

July 28, 2017 HSMV REC revenue and transactions forecast through FY 2022-23

HSMV Driver's License Suspensions and Revocations FY 2015, FY 2016, and FY 2017

Section 3: Methodology (Include Assumptions and Attach Details)

Driver license suspension and revocations translate into revenue through reinstatement fees. Section 322.21(8), F.S., requires a person who applies for reinstatement following a DL suspension or revocation to pay a service fee of \$45 following a suspension and \$75 following a revocation, in addition to the \$25 fee to replace their license if necessary. "Failure to comply" suspensions require a

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Tax: Other Taxes and Fees

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\$60 reinstatement fee. Additionally, the county tax collectors are required to charge a service fee of \$6.25, when providing services in ch. 322, F.S., including DL reinstatements.

Non-Driving Related Driver License Suspensions and Revocations (Sections: 7 - 10, 12, 15 - 22)

To estimate the revenue impact of this bill's removal or repeal of certain driver license suspensions or revocations, a three year average of the proportion of these suspensions and revocations to be removed or repealed by the proposed language (approximately 10.5% and 29.2% respectively) was applied to all other suspensions and revocations (not including D-6, Failure to pay Court Obligations or Child Support) to the most recent HSMV REC forecast (7/28/2017). To account for the impact to local tax collectors, the reinstatement transactions were multiplied by their base fee, \$6.25. To account for the outstanding suspension that will be able to reinstate upon this bill being effective (10/1/2018), the first fiscal year recurring impact was reduced by approximately 71% (on average 29% of these suspension and revocation are reinstated within a year) and further reduced for the partial year and half-month distribution lag. (See attached)

Clerk of Court Related Suspensions (Sections 4 and 11)

The proposed language allows the courts discretion regarding these suspensions and a person's ability to pay. This language will slow the number of future suspensions. With the language containing elements of discretion and the ambiguity, the impact is negative indeterminate.

Payment Plans and Collection Agents (sections 2)

While the bill aims to strengthen the language associated with court related payment plans, with lack of data regarding the current status of various payments plans (i.e. amount being paid, length of the plan, original fine amount, etc....) the impact is indeterminate. Further, it is unknown how the competitive bidding process by each clerk would affect the surcharges.

Community Service Option in Lieu of Payment (sections 1, 3, 5, and 23)

The bill would increase the awareness and access to the option of community services in lieu of paying fines, fees, court costs, etc.; however, the language contains elements of discretion on part of the courts (the judge may rely on election of community service in determining person's inability to pay) and the individuals involved (person must make an election of or refusal of the option). The impact is indeterminate.

Section 4: Proposed Fiscal Impact

Non-Driving Related Driver License Suspensions and Revocations (Sections: 7 - 10, 12, 15 - 22)

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(0.1)	(0.6)		
2019-20			(0.6)	(0.6)		
2020-21			(0.6)	(0.6)		
2021-22			(0.6)	(0.6)		
2022-23			(0.6)	(0.6)		

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(0.1)	(0.8)		
2019-20			(0.8)	(0.8)		
2020-21			(0.8)	(0.8)		
2021-22			(0.8)	(0.8)		
2022-23			(0.8)	(0.8)		

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Clerk of Court Related Suspensions

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Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(insignificant)	(0.1)		
2019-20			(0.1)	(0.1)		
2020-21			(0.1)	(0.1)		
2021-22			(0.1)	(0.1)		
2022-23			(0.1)	(0.1)		

Clerk of Court Related Suspensions (Sections 4 and 11)

GR, Trust and Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(Indeterminate)	(Indeterminate)		
2019-20			(Indeterminate)	(Indeterminate)		
2020-21			(Indeterminate)	(Indeterminate)		
2021-22			(Indeterminate)	(Indeterminate)		
2022-23			(Indeterminate)	(Indeterminate)		

Community Service Option in Lieu of Payment (sections 1, 3, 5, and 23)

GR, Trust and Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(Indeterminate)	(Indeterminate)		
2019-20			(Indeterminate)	(Indeterminate)		
2020-21			(Indeterminate)	(Indeterminate)		
2021-22			(Indeterminate)	(Indeterminate)		
2022-23			(Indeterminate)	(Indeterminate)		

Payment Plans and Collection Agents (sections 2)

GR, Trust and Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			Indeterminate	Indeterminate		
2019-20			Indeterminate	Indeterminate		
2020-21			Indeterminate	Indeterminate		
2021-22			Indeterminate	Indeterminate		
2022-23			Indeterminate	Indeterminate		

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Clerk of Court Related Suspensions

Bill Number(s): HB 1095

List of affected Trust Funds:

General Revenue Funds

Highway Safety Operating Trust Fund

Local Tax Collectors

Clerk of Court Fines, Fees and Surcharge Trust Fund

Section 5: Consensus Estimate (Adopted: 01/12/2018): The Conference adopted the following estimates:

Non-Driving Related Driver License Suspensions and Revocations (Sections: 7 - 10, 12, 15 - 22): The Conference adopted the proposed estimate; however, the limitation of driver license suspensions as an enforcement tool may limit the Clerk of Courts' ability to collect on outstanding fines, fees, and charges, and result in a higher impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.1)	(0.7)	(0.1)	(0.7)	(Insignificant)	(0.1)	(0.2)	(1.5)
2019-20	(0.7)	(0.7)	(0.7)	(0.7)	(0.1)	(0.1)	(1.5)	(1.5)
2020-21	(0.7)	(0.7)	(0.7)	(0.7)	(0.1)	(0.1)	(1.5)	(1.5)
2021-22	(0.7)	(0.7)	(0.7)	(0.7)	(0.1)	(0.1)	(1.5)	(1.5)
2022-23	(0.7)	(0.7)	(0.7)	(0.7)	(0.1)	(0.1)	(1.5)	(1.5)

Clerk of Court Related Suspensions (Sections 4 and 11), Community Service Option in Lieu of Payment (sections 1, 3, 5, and 23), and Payment Plans and Collection Agents (sections 2): The Conference adopted the proposed estimate; however, judicial discretion may make the indeterminate impact material. For example, if the discretion granted to judges by Sections 4 & 11 affected 20% of the cases, the impact in Fiscal Year 2018-19 would be \$3.6 million.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2019-20	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2020-21	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2021-22	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2022-23	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)

Non-Driving Related Driver License Suspensions and Revocations (Sections: 7 - 10, 12, 15 - 22)

	FY1718	FY1819	FY1920	FY2021	FY2022
General Suspensions	2,004,311	2,034,696	2,064,728	2,094,275	2,123,238
General Revocations	3,797,535	3,855,105	3,912,006	3,967,987	4,022,865
Worthless Checks	63,757	61,336	58,943	56,590	54,282

3 year
proportional
average

Suspensions	10.5%
Revocations	29.2%

REVENUE IMPACT (Gross of GR Service Charge)

General Suspensions	(210,585)	(213,778)	(216,933)	(220,038)	(223,081)
General Revocations	(1,107,350)	(1,124,138)	(1,140,730)	(1,157,054)	(1,173,056)
Worthless Checks	(63,757)	(61,336)	(58,943)	(56,590)	(54,282)
GR	(608,389)	(615,726)	(622,979)	(630,115)	(637,109)
HSOTF	(773,304)	(783,525)	(793,627)	(803,566)	(813,309)
LOCAL	(130,382)	(131,888)	(133,377)	(134,842)	(136,277)
Total	(1,512,075)	(1,531,140)	(1,549,983)	(1,568,523)	(1,586,696)

Percent NOT
reinstated within
1 year

Suspension/Revocations	71%
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GR	(146,531)
HSOTF	(192,586)
LOCAL	(42,983)
Total	(382,100)

Clerk of Court Related Suspensions (Sections 4 and 11)*

	FY1718	FY1819	FY1920	FY2021	FY2022
D-6 Suspensions	9,580,073	9,725,307	9,868,852	10,010,076	10,148,515
Other Failure Suspensions	2,448,984	2,538,262	2,626,482	2,713,241	2,798,348
GR	3,889,243	3,980,798	4,071,277	4,160,270	4,247,546
HSOTF	8,139,814	8,282,771	8,424,057	8,563,046	8,699,317
Local Tax Collector (\$6.25)	1,253,027	1,277,455	1,301,597	1,325,345	1,348,632
Clerk (\$25)	5,012,107	5,109,820	5,206,389	5,301,382	5,394,526
Total	18,294,191	18,650,845	19,003,321	19,350,043	19,690,021

* Number reported are not the revenue impact. These are the total amounts associated with Clerk related DL Suspensions.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday

Bill Number(s): Proposed Amendment to CS/SB 620

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): N/A

Month/Year Impact Begins: The bill is effective upon becoming law/ impact begins June 1, 2018 (affecting the 2018-19 fiscal year because of the one-month collection lag).

Date of Analysis: January 12, 2018

Section 1: Narrative

- a. Current Law:** Under current law in Ch. 212, all of the items listed in the bill are subject to the 6% Sales and Use Tax when purchased.
- b. Proposed Change:** The bill provides an exemption from sales tax for the items listed below that are purchased during the following time periods: June 1 – 7, 2018 (seven days, first day on a Friday) and July 6 – 12, 2018 (seven days, first day on a Friday):

Portable self-powered light source	\$ 20 or less
Portable self-powered radio, two-way radio or weather band radio	\$ 75 or less
Tarpaulin or other flexible waterproof sheeting	\$ 50 or less
Ground anchor system or tie-down kit	\$ 50 or less
Gas or diesel fuel tank	\$ 25 or less
Package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	\$ 30 or less
Portable power bank	\$ 75 or less
Cellular telephone charger	\$ 40 or less
Non-electric food storage cooler	\$ 30 or less
Reusable ice	\$ 10 or less
Carbon monoxide detector	\$ 75 or less
Portable generator	\$ 1,000 or less
Standby generator	\$ 5,000 or less
Single product consisting of two or more of the items listed above	\$ 75 or less
Personal locator beacon	\$ 600 or less
Emergency position-indicating radio beacon	\$ 1,500 or less

The tax exemption does not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport.

Section 2: Description of Data and Sources

- Final Report on Hurricane Claims from Florida Office of Insurance Regulation (August 2006) for reported claims and total loss claims from 2004 Hurricanes Charley, Frances, Ivan, and Jeanne and 2005 Hurricanes Dennis, Katrina, Rita, and Wilma and October 20, 2008 Tropical Storm Fay Report at <http://www.flor.com/office/hurricane/season/seasoninfo.aspx>.
- Submitted claims as of November 2017 for 2016 Hurricanes Hermine and Matthew and 2017 Hurricane Irma at <https://www.flor.com/Sections/PandC/ProductReview/CatastropheReporting.aspx>
- Various websites for price comparisons: www.lowes.com; www.walmart.com; www.target.com; www.homedepot.com; www.amazon.com; www.basspro.com; www.rei.com; www.bestbuy.com.
- U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2016.
- U.S. Census Bureau, American Community Survey, 2016.
- Florida Demographic Estimating Conference, July 2017.
- Florida and National Economic Estimating Conferences, July 2017.
- Various news articles on the 2016 and 2017 hurricanes impact.
- Various news articles and websites relating to standby generators.
- Various county and municipal regulations relating to generators.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday

Bill Number(s): Proposed Amendment to CS/SB 620

Section 3: Methodology (Include Assumptions and Attach Details) See attached.

A ten-day holiday impact is calculated using the following assumptions:

Household Purchases: Based on the consensus estimate for CS/SB 620, it is assumed that 6.7% of Florida households will make exempt purchases during the tax-free holiday. Additionally, an amount of tax-free expenditures is assumed for each household: High = \$145; Middle = \$144 and Low = \$143. The low estimate assumes that an amount equivalent to 26 days of expenditures would be spent during the holiday period and that there is no impact associated with changing the list of exempt items (i.e., eliminating cell phone chargers and adding portable power banks). The middle and high estimates assume \$144 and \$145 of expenditures, respectively – small increases based on the higher price point allowed for the exempt portable data banks.

Portable Generators: Based on the consensus estimate for CS/SB 620, it is assumed that 89,678 exempt portable generators will be purchased during the tax-free holiday. This is equivalent to 1.1% of Florida households. The assumed purchase price per portable generator is \$750.

Beacons: Based on the consensus estimate for CS/SB 620, it is assumed that 652 exempt personal locator beacons and emergency position-indicating radio beacons will be purchased during the tax-free holiday. This is equivalent to 0.008% of households. The assumed purchase price per beacon is \$1,050.

Standby Generators: Based on the consensus estimate for the standby generator amendment to CS/SB 620, it is assumed that 4,076 exempt standby generators will be purchased during the tax-free holiday. This is equivalent to 0.05% of households. The assumed price per standby generator is \$5,000. An advantage buying factor of 19.6% is also assumed for construction.

Two-Week Adjustment: Once the 10-day holiday impact is calculated, the Day-by-Day Matrix is used to adjust the 10-day holiday to a 7-day holiday (33.5% downward adjustment). Based on the consensus estimate for the Governor's proposed sales tax holiday, the matrix is again used to adjust the 7-day holiday to a 14-day holiday (58.1% upward adjustment). However, because the matrix assumes the 14-day holiday period to be consecutive days, a further adjustment is made to account for the effect of additional advertising that will occur in the time period before the next 7-day holiday. Therefore, the difference between the 7-day impact and the 14-day impact is increased by an additional 10% advertising behavioral factor.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19						
Household Purchases	(5.18)		(5.15)		(5.11)	
Portable Generators	(4.41)		(4.41)		(4.41)	
Storm Shutters	---		---		---	
Beacons	(0.05)		(0.05)		(0.05)	
Hard Drives/Inverters	---		---		---	
Standby Generators	(1.59)		(1.59)		(1.59)	
TOTAL	(11.23)		(11.20)		(11.16)	
2019-20						
2020-21						
2021-22						
2022-23						

List of affected Trust Funds: Sales and Use Tax Grouping

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday

Bill Number(s): Proposed Amendment to CS/SB 620

Section 5: Consensus Estimate (Adopted: 01/12/2018) : The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(9.9)	0.0	(Insignificant)	0.0	(0.3)	0.0	(1.0)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	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
2018-19	(1.3)	0.0	(2.6)	0.0	(12.5)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Amendment to CS/SB 620
2018 Sales Tax Holiday - Disaster Preparedness

7 Days (x2)
Friday, June 1 - Thursday, June 7
Friday, July 6 - Thursday, July 12

1. # HOUSEHOLD PURCHASING ASSUMPTIONS:	
2004 Indices based on FINAL REPORT (4 hurricanes)	
Reported Loss % HHs	3.2%
Total Loss % HHs	2.3%
2005 Indices based on FINAL REPORT (4 hurricanes)	
Reported Loss % HHs	8.5%
Total Loss % HHs	5.8%
2008 Index based on Oct 20 2008 Report for Fay (1 storm)	
Reported Loss % HHs	2.7%
2016 Index based on Claims Data as of Nov 2017 (2 hurricanes)	
Reported Loss % HHs	2.9%
2017 Index based on Claims Data as of Nov 2017 (1 hurricane)	
Reported Loss % HHs	4.7%
Average Reported Loss %	4.4%

2. AVAILABLE CASH FOR PURCHASES ASSUMPTIONS:					Methodology for HH Income
Using Florida After-Tax Income per Household		2016	2017	2018	Florida Median HH income is based on the 2015 American Community Survey reported Florida median HH income in the last 12 months (\$61,289). This value is grown by the Jul 2017 Florida Economic Estimating Conference growth in Personal Income. The growth rates are: 2017 4.6% 2018 4.4%
(2016 American Community Survey: Florida)		FY 2015-16	FY 2016-17	FY 2017-18	
Median Florida Household After-Tax Income		\$47,045	\$49,208	\$51,374	
Using average annual expenditures from the 2016 Consumer Expenditure Survey, all consumer units:		Fla \$ per HH	Fla \$ per HH	Fla \$ per HH	
<u>Shares of expenditures:</u>					
Food & alcoholic beverage	13.70%	\$6,445	\$6,741	\$7,038	
Housing (includes * below)	33.30%	\$15,666	\$16,386	\$17,108	
Apparel & services	3.10%	\$1,458	\$1,525	\$1,593	
Transportation	17.60%	\$8,280	\$8,661	\$9,042	
Health care	8.60%	\$4,046	\$4,232	\$4,418	
Entertainment	5.30%	\$2,493	\$2,608	\$2,723	
All others	18.40%	\$8,656	\$9,054	\$9,453	
*Maintenance, repairs, insurance & other expenses	2.40%	\$1,129	\$1,181	\$1,233	
*Miscellaneous household equipment	1.50%	\$706	\$738	\$771	
HIGH = Assume 6.7% of households purchase exempt items totaling \$145. MIDDLE = Assume 6.7% of households purchase exempt items totaling \$144. LOW = Assume 6.7% of households purchase exempt items equivalent to approximately 26 days of spending = \$143.					

3. PORTABLE GENERATOR ASSUMPTIONS:
Approximately 12% of households in the U.S. own a portable generator and 3% own a standby generator.
Various news articles reported surges in generator sales before Hurricanes Matthew and Irma.
Assume 1.1% of Florida households purchase a tax-exempt generator at a purchase price of \$750.

4. BEACONS ASSUMPTIONS:
Personal Locator Beacons price range \$150-\$650. Average approx \$400.
Emergency Position-Indicating Radio Beacons price range \$350-\$1,200. Average approx \$650.
Assume .008% of households purchase a tax-exempt beacon at a price of \$1,050/beacon.

5. STANDBY GENERATOR ASSUMPTIONS:
Standby generators range in price from approximately \$2,000 to more than \$30,000 depending on the wattage. Generators priced at \$5,000 or less generally provide 20,000 or fewer watts. Running wattage for an average home is less than 20,000 watts, but use of appliances would need to be monitored. Requires professional installation and subject to permitting, setback, and noise ordinances.
Assume advantage buying of 19.6% for construction.
Assume .05% of households purchase a standby generator at a price of \$5,000 per generator.

Proposed Amendment to CS/SB 620
2018 Sales Tax Holiday - Disaster Preparedness

7 Days (x2)
Friday, June 1 - Thursday, June 7
Friday, July 6 - Thursday, July 12

Estimate for 7-Day Holiday			
	Household Purchases		
	<u>High</u>	<u>Middle</u>	<u>Low</u>
TOTAL Amount Purchased/HH	\$145.00	\$144.00	\$143.00
TOTAL Fla Households	8,152,543	8,152,543	8,152,543
TOTAL HHs Purchasing	546,221	546,221	546,221
TOTAL Expenditures (\$M)	\$ 79.2	\$ 78.7	\$ 78.1
Sales Tax for 10-Day Holiday	\$ (4.75)	\$ (4.72)	\$ (4.69)
Sales Tax for 7-Day Holiday	\$ (3.16)	\$ (3.14)	\$ (3.12)
	Portable Generators		
	<u>High</u>	<u>Middle</u>	<u>Low</u>
TOTAL Amount Purchased	\$ 750	\$ 750	\$ 750
TOTAL Portable Generators Purchased	89,678	89,678	89,678
TOTAL Expenditures (\$M)	\$ 67.3	\$ 67.3	\$ 67.3
Sales Tax for 10-Day Holiday	\$ (4.04)	\$ (4.04)	\$ (4.04)
Sales Tax for 7-Day Holiday	\$ (2.69)	\$ (2.69)	\$ (2.69)
	Beacons		
	<u>High</u>	<u>Middle</u>	<u>Low</u>
TOTAL Amount Purchased	\$ 1,050	\$ 1,050	\$ 1,050
TOTAL Beacons Purchased	652	652	652
TOTAL Expenditures (\$M)	\$ 0.7	\$ 0.7	\$ 0.7
Sales Tax for 10-Day Holiday	\$ (0.04)	\$ (0.04)	\$ (0.04)
Sales Tax for 7-Day Holiday	\$ (0.03)	\$ (0.03)	\$ (0.03)
	Standby Generators		
	<u>High</u>	<u>Middle</u>	<u>Low</u>
TOTAL Amount Purchased	\$ 5,000	\$ 5,000	\$ 5,000
TOTAL Standby Generators Purchased	4,076	4,076	4,076
TOTAL Expenditures (\$M)	\$ 20.4	\$ 20.4	\$ 20.4
TOTAL Advantage Buying for Construction (\$M)	\$ 4.0	\$ 4.0	\$ 4.0
Sales Tax for 10-Day Holiday	\$ (1.46)	\$ (1.46)	\$ (1.46)
Sales Tax for 7-Day Holiday	\$ (0.97)	\$ (0.97)	\$ (0.97)
Total Estimated Impact (7-day)	\$ (6.85)	\$ (6.83)	\$ (6.81)
Adjustments for 14-Day Holiday			
Adjust 7-Day to 14-Day Holiday	<u>High</u>	<u>Middle</u>	<u>Low</u>
Household Purchases	\$ (5.00)	\$ (4.97)	\$ (4.93)
Portable Generators	\$ (4.25)	\$ (4.25)	\$ (4.25)
Beacons	\$ (0.05)	\$ (0.05)	\$ (0.05)
Standby Generators	\$ (1.53)	\$ (1.53)	\$ (1.53)
Total Estimated Impact (14-Day)	\$ (10.83)	\$ (10.80)	\$ (10.76)
Adjust for Advertising Behavioral Factor (10%)	<u>High</u>	<u>Middle</u>	<u>Low</u>
Household Purchases	\$ (5.18)	\$ (5.15)	\$ (5.11)
Portable Generators	\$ (4.41)	\$ (4.41)	\$ (4.41)
Beacons	\$ (0.05)	\$ (0.05)	\$ (0.05)
Standby Generators	\$ (1.59)	\$ (1.59)	\$ (1.59)
Total Estimated Impact (14-Day with Behavioral Factor)	\$ (11.23)	\$ (11.20)	\$ (11.16)
Total Estimated Impact (14-Day)	\$ (11.23)	\$ (11.20)	\$ (11.16)

Comparison of Exempt Items -- Disaster Preparedness Holiday Proposals

<u>Item/Issue</u>	<u>CS/SB 620 with Amendment</u>	<u>Governor Recs</u>	<u>Proposed Amendment to CS/SB 620</u>
Timing	10 Days Fri - Sun	3 7-Day Periods April (Sun - Sat) May (Tue - Mon) June (Fri - Thu)	2 7-Day Periods June (Fri - Thu) July (Fri - Thu)
Household Purchases			
Portable self-powered light source	\$20 or less	\$20 or less	\$20 or less
Portable self-powered radio, two-way radio or weather band radio	\$75 or less	\$50 or less	\$75 or less
Tarpaulin or other flexible waterproof sheeting	\$50 or less	\$50 or less	\$50 or less
Self-contained first-aid kit	--	--	--
Ground anchor system or tie-down kit	\$50 or less	\$50 or less	\$50 or less
Gas or diesel fuel tank	\$25 or less	\$25 or less	\$25 or less
Package of AA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	--	\$30 or less	--
Package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	\$30 or less	--	\$30 or less
Cellular telephone battery	\$60 or less	--	--
Portable power bank	--	--	\$75 or less
Cellular telephone charger	\$40 or less	--	\$40 or less
Non-electric food storage cooler	\$30 or less	\$30 or less	\$30 or less
Reusable ice	\$10 or less	\$10 or less	\$10 or less
Carbon monoxide alarm/detector	\$75 or less	--	\$75 or less
Portable Generators	\$1,000 or less	\$750 or less	\$1,000 or less
Storm Shutters	\$200 or less	--	--
Single product consisting of two or more listed items	\$75 or less	--	\$75 or less
Beacons			
Personal locator beacon	\$600 or less	--	\$600 or less
Emergency position-indicating radio beacon	\$1,500 or less	--	\$1,500 or less
Hard Drives/Inverters			
External Portable Computer Hard Drive	\$200 or less	--	--
Inverter Charger/Power Inverter/Uninterruptable Power Supply	\$200 or less	--	--
Standby Generators	\$5,000 or less	--	\$5,000 or less

Daily Factors - Hurricane Preparedness Sales Tax Holiday Analysis

Assume:

Depending upon what SET OF DAYS are included, the most impact will come from the weekend.

As long as an ENTIRE WEEKEND is included, the most impact will occur on Friday, Saturday, and Sunday.

Weekdays add less to the impact.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Calibrate to 12-day holiday	Calibrate to 10-day holiday	
Example:	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE			
15-Day Holiday	2.0%	2.0%	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	103.8%	107.0%	
14-Day Holiday	X	2.0%	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	102.0%	105.2%	58.14%
13-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	101.0%	104.1%	
12-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	X	100.0%	103.1%	
11-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	99.0%	102.1%	
10-Day Holiday	X	X	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	97.0%	100.0%	
9-Day Holiday	X	X	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	91.5%	94.3%	
8-Day Holiday	X	X	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	X	81.5%	84.0%	
7-Day Holiday	X	X	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	X	X	X	X	X	64.5%	66.5%	
6-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	X	64.5%	66.5%	
5-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	X	X	X	X	X	X	X	X	63.5%	65.5%	
4-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	62.5%	64.4%	
3-Day Holiday	X	X	X	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	60.5%	62.4%	
2-Day Holiday	X	X	X	X	35.0%	20.0%	X	X	X	X	X	X	X	X	X	55.0%	56.7%	
1-Day Holiday	X	X	X	X	35.0%	X	X	X	X	X	X	X	X	X	X	35.0%	36.1%	