

## REVENUE ESTIMATING CONFERENCE

**Tax:** Corporate Filing Fees

**Issue:** Biennial Reports

**Bill Number(s):** SB1228

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Senator Hukill

**Month/Year Impact Begins:** 07/01/2018

**Date of Analysis:** 1/22/2018

### Section 1: Narrative

- a. Current Law:** Section 607.1622, F.S., requires each domestic and foreign profit corporation authorized to transact business in this state to file an annual report form with the Department of State. Pursuant to s. 607.0122, F.S., the current fee to file a profit or non-profit corporation annual report is \$61.25.

Section 605.0212, F.S., requires each domestic and foreign limited liability company authorized to transact business in this state to file an annual report form with the Department of State. Pursuant to s. 605.0213, F.S., the current fee to file an LLC annual report is \$50.00.

Section 620.1210, F.S., requires each limited partnership authorized to transact business in this state to file an annual report form with the Department of State. Pursuant to s. 620.1109, F.S., the current fee to file an LLP annual report is \$411.25.

Section 620.9003, F.S., requires each limited partner of a Limited Liability Partnership authorized to transact business in this state to file an annual report form with the Department of State. Pursuant to s. 620.81055, F.S., the current fee to file an annual report is \$25.00.

Pursuant to s. 607.193, F.S., an annual supplemental corporate fee of \$88.75 is also imposed on each domestic and foreign profit corporation, limited liability company, limited partnership and limited liability limited partnership business entity that is authorized to transact business in this state and required to file an annual report pursuant to s. 605.0212, 607.1622, or 620.1210, F.S. A \$400 late charge is required if the supplemental fee is submitted after May 1.

- b. Proposed Change:** The bill will allow domestic and foreign profit corporations, limited liability companies, limited partnerships and limited liability limited partnerships authorized to transact business in this state to file their reports on either an annual or biennial basis. The bill establishes a biennial report filing fee of:

Domestic and foreign profit corporations: \$122.50

Limited Liability Companies: \$100.00

Limited Partnerships: \$822.50

Non-Profit Corporations: \$122.50

Limited Liability Partnerships: \$50.00

The bill also establishes a supplemental corporate fee of \$177.50 for biennial filers.

### Section 2: Description of Data and Sources

Department of State, Division of Corporations data

FLAIR – State Accounts

General Revenue Revenue Estimating Conference – August 2017

FEEC – January 2018

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

See Attached. The impact to late/resinstate fees is most likely indeterminate with a maximum impact of \$37.2m. There are several factors that would encourage or discourage filing biennially. The large penalty of filing late or being reinstated after a dissolution may encourage a business to file biennially to avoid incurring those fees. Discouraging a biennial filing may be the turnover in corporate structures, an entity may have several reiterations of its corporate structure in the history of its filing, each change resulting in a new registration. In CY2016, 18% of the renewal notices were for new registrations, though the revenue base only grew by 1.7%. The current estimate uses the adopted assumptions from the 2017 analysis for HB1261 – Proposed Amendment;

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20% of all filers will switch to filing biennially and 15% of those filers would incur late fees. The recurring impact is the average impact of the loss of late/reinstate fees from biennial filers.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			47.0m	(2.1m)		
2018-19			(44.9m)	(2.1m)		
2019-20			45.4m	(2.1m)		
2020-21			(46.0m)	(2.1m)		
2021-22			46.4m	(2.1m)		

**List of affected Trust Funds:** General Revenue, TF, Service Charge

**Section 5: Consensus Estimate (Adopted: 01/26/2018): The Conference adopted the proposed estimate assuming the Department will transfer the biennial fees to escrow account.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	3.8	(2.1)	43.2	0.0	0.0	0.0	47.0	(2.1)
2018-19	(2.4)	(2.1)	(42.5)	0.0	0.0	0.0	(44.9)	(2.1)
2019-20	2.2	(2.1)	43.1	0.0	0.0	0.0	45.3	(2.1)
2020-21	(2.9)	(2.1)	(43.1)	0.0	0.0	0.0	(46.0)	(2.1)
2021-22	2.6	(2.1)	43.7	0.0	0.0	0.0	46.3	(2.1)

Annual Report Requirement	Current Fees	Total Fee	SB1228	Total Fee
For Profit Corporation (s.607.1622)	Annual Report - \$61.25 (s.607.0122)	\$150.00	Biennial Report - \$122.50 (s.607.0122)	\$300.00
	Supplemental corporate fee - \$88.75 (s.607.193)		Supplemental Biennial corporate fee - \$177.50 (s.607.193)	
	Supplemental corporate fee after May 1st - \$400 (s.607.193)	\$400.00	Supplemental corporate fee after May 1st year it is due - \$400 (s.607.193)	\$400.00
	Reinstatement following administrative dissolution - \$600.00 (s.607.0122)	\$600.00	Reinstatement following administrative dissolution - \$600.00 (s.607.0122)	\$600.00
LLC (s.605.0212)	Annual Report - \$50.00 (s.605.0213)	\$138.75	Biennial Report - \$100.00 (s.605.0213)	\$277.50
	Supplemental corporate fee - \$88.75 (s.607.193)		Supplemental Biennial corporate fee - \$177.50 (s.607.193)	
	Supplemental corporate fee after May 1st - \$400 (s.607.193)	\$400.00	Supplemental corporate fee after May 1st year it is due - \$400 (s.607.193)	\$400.00
	Reinstatement following administrative/judicial dissolution - \$100.00 (s.605.0213)	\$100.00	Reinstatement following administrative/judicial dissolution - \$100.00 (s.605.0213)	\$100.00
Limited Partnership (s.620.1210)	Annual Report - \$411.25 (s.620.1109)	\$500.00	Biennial Report - \$822.50 (s.620.1109)	\$1,000.00
	Supplemental corporate fee - \$88.75 (s.607.193)		Supplemental Biennial corporate fee - \$177.50 (s.607.193)	
	Supplemental corporate fee after May 1st - \$400 (s.607.193)	\$400.00	Supplemental corporate fee after May 1st year it is due - \$400 (s.607.193)	\$400.00
	Reinstatement following administrative dissolution - \$500 (s.620.1109)	\$500.00	Reinstatement following administrative dissolution - \$500 (s.620.1109)	\$500.00
Non-Profit Corporation (s.617.1622)	Annual Report - \$61.25 (s.617.0122)	\$61.25	Biennial Report - \$122.50 (s.617.0122)	\$122.50
	Reinstatement following administrative dissolution - \$175.00 (s.617.0122)	\$175.00	Reinstatement following administrative dissolution - \$175.00 (s.617.0122)	\$175.00
General Partnership (s.620.9003)	LLP Annual Report - \$25.00 (s.620.81055)	\$25.00	LLP Biennial Report - \$50.00 (s.620.81055)	\$50.00
	LLP Reinstatement following administrative dissolution - \$25.00 (s.620.81055)	\$25.00	LLP Reinstatement following administrative dissolution - \$25.00 (s.620.81055)	\$25.00

Source: Department of State, Division of Corporations

<b>Monthly Late/Reinstate Fees</b>		(In 2015, 45.5% of these fees were Reinstate Fees.)					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	
July	2.9	3.0	2.6	2.1	4.8	6.5	
August	3.7	2.7	2.1	2.3	3.5	3.8	
September	4.4	3.7	3.7	3.7	5.1	4.9	
October	4.9	5.8	4.9	5.1	8.9	7.0	
November	1.8	2.1	1.7	2.5	4.0	2.9	
December	1.3	1.5	1.4	1.9	2.5	2.2	
January	1.8	2.0	1.9	2.0	3.7		
February	1.7	1.9	1.9	2.2	2.7		
March	1.7	2.0	1.9	2.2	2.9		
April	2.0	2.2	2.1	2.0	2.3		
May	6.4	5.2	5.1	8.1	8.1		
June	6.6	4.7	4.9	3.3	3.5		
<b>TOTAL</b>	<b>39.2</b>	<b>36.8</b>	<b>34.2</b>	<b>37.2</b>	<b>52.0</b>	<b>41.5</b>	

Most likely supplemental corporate fees after May 1st

Most likely reinstatement fees for administrative dissolutions (third or fourth Friday of September)

Source: FLAIR Deposits Less Late/Reinstate Fees (DOS)

<b>All Other Fees</b>							
	2012/13	2013/14	2014/15	2015/16	2016/17	2017-18	
July	4.4	5.4	5.7	5.3	5.8	7.2	
August	4.7	4.8	4.8	5.3	6.4	7.1	
September	5.6	5.3	6.2	5.9	7.2	5.8	
October	5.3	5.9	5.4	3.9	4.9	5.9	
November	4.0	4.3	3.5	6.5	6.1	5.6	
December	4.2	2.8	5.3	4.9	5.3	5.0	
January	13.5	43.0	42.9	20.7	40.9		
February	44.3	29.6	38.6	45.7	52.1		
March	27.0	43.1	37.6	55.6	48.6		
April	72.5	57.1	62.0	70.8	57.2		
May	50.9	53.1	55.6	48.6	58.0		
June	8.7	7.3	7.9	6.9	8.4		
<b>TOTAL</b>	<b>244.9</b>	<b>261.8</b>	<b>275.6</b>	<b>280.3</b>	<b>300.9</b>	<b>310.2</b>	

Mostly likely annual report and supplemental corporate fees 85.4%

**Actuals**

Source: Department of State, Division of Corporations

Fiscal Year	Annual Report Fees	Supplemental Corporate Fees	Total Annual Report/Supplemental Fees	Late / Reinstate Fees
2016-17	\$ 92.2	\$ 131.9	\$ 224.1	\$ 51.1
2015-16	\$ 88.0	\$ 123.5	\$ 211.5	\$ 36.9
2014-15	\$ 87.8	\$ 122.2	\$ 210.0	\$ 34.0
2013-14	\$ 83.7	\$ 115.3	\$ 199.0	\$ 37.3
2012-13	\$ 79.4	\$ 108.3	\$ 187.7	\$ 38.4
2011-12	\$ 76.0	\$ 102.3	\$ 178.3	\$ 41.5
2010-11	\$ 72.3	\$ 96.3	\$ 168.6	\$ 50.6
2009-10	\$ 70.0	\$ 92.5	\$ 162.5	\$ 24.0
2008-09	\$ 72.4	\$ 96.5	\$ 168.9	\$ 12.8

**Forecast**

	Total Annual Report/Supplemental Fees (grow by FEEC Non-Farm Employment)	Late / Reinstate Fees (GR 08/17)	% Late/Reinstate Fees	FEEC Non-Farm Employment (01/18)
2016-17	\$ 224.1	\$ 51.9	23.2%	3.0%
2017-18	\$ 229.7	\$ 41.5	18.1%	2.5%
2018-19	\$ 235.0	\$ 37.2	15.8%	2.3%
2019-20	\$ 239.0	\$ 37.2	15.6%	1.7%
2020-21	\$ 242.3	\$ 37.2	15.4%	1.4%
2021-22	\$ 242.3	\$ 37.2	15.4%	1.4%
2022-23	\$ 245.5	\$ 37.2	15.2%	1.3%

**Methodology:**

GR will receive 100% of annual filers and 50% of biennial filers the first fiscal year, then 50% of biennial filers the 2nd fiscal year.

New annual filers will also participate and that is calculated using the growth in annual filers \* participation rate.

Loss of late biennial Filers Second Year

Impact	Annual Report and Supplemental Fees						Late Fees				
	Current Estimate	Growth Rate	Biennial Participation Rate	Estimated Annual Filers	Estimated Biennial Filers	Current Estimate	% Late/Reinstate Fees to annual filers	54.5% Late Fees (seen May-June of current FY)	45.5% Reinstate Fees (seen Sep-Oct of next FY)		
last year's assumptions	2018-19	\$ 235.0		20.0%	\$ 188.0	\$ 94.0	\$ 37.2	15.8%	\$ 20.3	\$ 16.9	Prior FY Filers (2017-18)
	2019-20	\$ 239.0	1.7%	20.0%	\$ 191.2	\$ 1.6	\$ 37.2	15.6%	\$ 20.3	\$ 16.9	Prior FY Filers (2018-19)
20% biennially 15% late	2020-21	\$ 242.3	1.4%	20.0%	\$ 193.8	\$ 96.9	\$ 37.2	15.4%	\$ 20.3	\$ 16.9	Prior FY Filers (2019-20)
	2021-22	\$ 242.3	0.0%	20.0%	\$ 193.8	\$ -	\$ 37.2	15.4%	\$ 20.3	\$ 16.9	Prior FY Filers (2020-21)
	2022-23	\$ 245.5	1.3%	20.0%	\$ 196.4	\$ 98.2	\$ 37.2	15.2%	\$ 20.3	\$ 16.9	Prior FY Filers (2021-22)

	annual	biennial	GR	TF	Annual Filers Late/Reins Fees	Biennial Late/Reinstate	Late	Reinstate		
1st year filers (2018-19)										
2018-19 1-May-19	188.0	94.0	47.0	47.0	15.8%	\$ 31.6	\$ 5.58	\$ 3.04	\$ 2.54	Prior FY Filers (2017-18)
2019-20 1-May-20	188.0		47.0	(47.0)	15.6%	\$ 31.6	\$ -	\$ -	\$ 2.54	Prior FY Filers (2018-19)
2020-21 1-May-21	188.0	94.0	47.0	47.0	15.4%	\$ 31.6	\$ 5.6	\$ 3.0	\$ -	Prior FY Filers (2019-20)
2021-22 1-May-22	188.0		47.0	(47.0)	15.4%	\$ 31.6	\$ -	\$ -	\$ 2.5	Prior FY Filers (2020-21)
2022-23 1-May-23	188.0	94.0	47.0	47.0	15.2%	\$ 31.6	\$ 5.6	\$ 3.0	\$ -	Prior FY Filers (2021-22)

	annual	biennial	Biennial GR Impact	TF	Annual Filers Late/Reins Fees	Biennial Late/Reinstate	Late	Reinstate		
2nd year new filers										
2019-20 1-May-20	3.2	1.6	0.8	0.8	15.6%	\$ 0.5	\$ 0.093	\$ 0.051	\$ -	Prior FY Filers (2018-19)
2020-21 1-May-21	3.2		0.8	(0.8)	15.4%	\$ 0.4	\$ -	\$ -	\$ 0.042	Prior FY Filers (2019-20)
2021-22 1-May-22	3.2	1.6	0.8	0.8	15.4%	\$ -	\$ -	\$ -	\$ -	Prior FY Filers (2020-21)
2022-23 1-May-23	3.2		0.8	(0.8)	15.2%	\$ 0.4	\$ 0.072	\$ 0.039	\$ -	Prior FY Filers (2021-22)

	annual	biennial	Biennial GR Impact	TF	Annual Filers Late/Reins Fees	Biennial Late/Reinstate	Late	Reinstate		
3rd year new filers										
2020-21 1-May-21	2.7	1.3	0.7	0.7	15.4%	\$ 0.4	\$ 0.077	\$ 0.042	\$ -	Prior FY Filers (2019-20)
2021-22 1-May-22	2.7		0.7	(0.7)	15.4%	\$ -	\$ -	\$ -	\$ 0.035	Prior FY Filers (2020-21)
2022-23 1-May-23	2.7	1.3	0.7	0.7	15.2%	\$ 0.4	\$ 0.072	\$ 0.039	\$ -	Prior FY Filers (2021-22)

	annual	biennial	Biennial GR Impact	TF	Annual Filers Late/Reins Fees	Biennial Late/Reinstate	Late	Reinstate		
4th year new filers										
2021-22 1-May-22	-	-	-	-	15.4%	\$ -	\$ -	\$ -	\$ -	Prior FY Filers (2020-21)
2022-23 1-May-23	-	-	-	-	15.2%	\$ -	\$ -	\$ -	\$ -	Prior FY Filers (2021-22)

	annual	biennial	Biennial GR Impact	TF	Annual Filers Late/Reins Fees	Biennial Late/Reinstate	Late	Reinstate		
5th year new filers										
2022-23 1-May-23	2.5	1.3	0.6	0.6	15.2%	\$ 0.4	\$ 0.072	\$ 0.039	\$ -	Prior FY Filers (2021-22)

	Report Fees	Forecast	Difference		Late/Rein. Fees	Forecast	Difference
2018-19	235.0	\$ 235.0	-	2018-19	37.2	\$ 37.2	-
2019-20	239.0	\$ 239.0	-	2019-20	34.7	\$ 37.2	(2.5)
2020-21	242.3	\$ 242.3	-	2020-21	35.6	\$ 37.2	(1.6)
2021-22	242.3	\$ 242.3	-	2021-22	34.2	\$ 37.2	(3.0)
2022-23	245.5	\$ 245.5	-	2022-23	36.0	\$ 37.2	(1.2)
							(2.1) (average used for recurring)

**TOTAL CASH IMPACT**

	GR Fees	TF (less ser charge)	GR Ser. Charge	Total GR	Total
2018-19	-	43.2	3.8	3.8	47.0
2019-20	(2.5)	(42.5)	0.1	(2.4)	(44.9)
2020-21	(1.6)	43.1	3.8	2.2	45.3
2021-22	(3.0)	(43.1)	0.1	(2.9)	(46.0)
2022-23	(1.2)	43.7	3.9	2.6	46.3

Section 5: Consensus Estimate (Adopted: 03/31/2017): The Conference adopted an adjusted middle impact that assumes one cohort of filers equal to 20% of annual filers will file biennial, of which 15% will be late or late and need to be reinstated. The recurring impact for the annual fees is zero, while the recurring impact for late/reinstate fees is an average of the cash impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	3.5	(3.3)	40.8	0.0	0.0	0.0	44.4	(3.3)
2018-19	(3.6)	(3.3)	(40.1)	0.0	0.0	0.0	(43.7)	(3.3)
2019-20	0.7	(3.3)	42.3	0.0	0.0	0.0	43.0	(3.3)
2020-21	(3.6)	(3.3)	(42.3)	0.0	0.0	0.0	(45.9)	(3.3)
2021-22	0.8	(3.3)	43.5	0.0	0.0	0.0	44.4	(3.3)

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Insurance Premium Tax  
**Issue:** Surplus Lines Tax  
**Bill Number(s):** PCS for HB 465

- Entire Bill**  
 **Partial Bill:** Section 7

**Sponsor(s):**  
**Month/Year Impact Begins:** Upon becoming Law  
**Date of Analysis:** January 26, 2018

**Section 1: Narrative**

**a. Current Law:**

626.932 (1) F.S.,: The premiums charged for surplus lines coverages are subject to a premium receipts tax of 5 percent of all gross premiums charged for such insurance. The surplus lines agent shall collect from the insured the amount of the tax at the time of the delivery of the cover note, certificate of insurance, policy, or other initial confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance. The surplus lines agent is prohibited from absorbing such tax or, as an inducement for insurance or for any other reason, rebating all or any part of such tax or of his or her commission.

626.932 (3) F.S., If a surplus lines policy covers risks or exposures only partially in this state and the state is the home state as defined in the federal Nonadmitted and Reinsurance Reform Act of 2010 (NRRA), the tax payable shall be computed on the gross premium. The tax must not exceed the tax rate where the risk or exposure is located.

**b. Proposed Change:**

626.932 F.S.,: Surplus lines tax.— (1) The premiums charged for surplus lines coverages are subject to a premium receipts tax of 4.936 percent ~~5 percent~~ of all gross premiums charged for such insurance. The surplus lines agent shall collect from the insured the amount of the tax at the time of the delivery of the cover note, certificate of insurance, policy, or other initial confirmation of insurance, in addition to the full amount of the gross premium charged by the insurer for the insurance. The surplus lines agent is prohibited from absorbing such tax or, as an inducement for insurance or for any other reason, rebating all or any part of such tax or of his or her commission.

(3) If a surplus lines policy covers risks or exposures only partially in this state and the state is the home state as defined in the federal Nonadmitted and Reinsurance Reform Act of 2010 (NRRA), the tax payable must ~~shall~~ be computed on the gross premium. ~~The tax must not exceed the tax rate where the risk or exposure is located.~~

**Section 2: Description of Data and Sources**

Staff Analysis for PCS for HB 645  
 Florida Surplus Lines Service Office – 3-year historical data

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

Based on the use of the effective tax rate for Surplus Lines, and the removal of the requirement that the “tax must not exceed the tax rate where the risk or exposure is located”, there is no impact.

The attached worksheets show the collections and bases per the FLS Office. The effective tax rate is calculated for the three most recent years and this effective rate is used to show the expansion of the base and the effect of the new lower tax rate. The calculated rate is slightly different from the proposed rate in the PCS.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			0	0		
2019-20			0	0		
2020-21			0	0		
2021-22			0	0		
2022-23			0	0		

**List of affected Trust Funds:**

REVENUE ESTIMATING CONFERENCE

Tax: Insurance Premium Tax  
Issue: Surplus Lines Tax  
Bill Number(s): PCS for HB 465

Section 5: Consensus Estimate (Adopted: 01/26/2018): The Conference adopted the proposed 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	0.0	0.0	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

	A	B	C	D	E	F
1	<b>From General Revenue (July 7, 2017) using Staff Analysis Numbers</b>				2016-17	2017
2	Total Surplus Lines Collections				231.8	235.8
3	Back out 5%				4,636	4,715.7
4	FLSO stated Taxable Premium Base					4,776.8
5	% Difference Between Taxable Premium Base and Calculated Base					1.2966%
6						
7		Total Surplus Lines Collections	SL Base (Col. B/5%)	Expanded Base (M\$)	At New Rate (M\$)	
8			5.000%	1.297%	4.936%	Growth Rate
9	2016-17	231.8	4636.00	4,696.11	231.8	
10	2017-18	238.7	4774.00	4,835.90	238.7	3.0%
11	2018-19	244.6	4892.00	4,955.43	244.6	2.4%
12	2019-20	250.8	5016.00	5,081.04	250.8	2.5%
13	2020-21	256.9	5138.00	5,204.62	256.9	2.4%
14	2021-22	263.4	5268.00	5,336.30	263.4	2.5%
15	2022-23	268.6	5372.00	5,441.65	268.6	2.0%
16						
17						
18						
19	<b>From Florida Surplus Lines Service Office</b>					
20		Taxable Premium	SL Tax Collections	Effective Rate		
21	2015	4,474,577,294	220,356,770	4.925%	\$ 4,407,135,394	
22	2016	4,505,670,208	221,882,901	4.925%	\$ 4,437,658,013	
23	2017	4,704,704,439	232,286,338	4.937%	\$ 4,645,726,752	1.270%
24	2018*	5,002,502,998	246,923,548	4.936%	\$ 4,938,470,960	1.297%
25	2019	5,122,563,070	252,849,713	4.936%	\$ 5,056,994,263	1.297%
26	2020	5,250,627,147	259,170,956	4.936%	\$ 5,183,419,120	1.297%
27	2021	5,376,642,199	265,391,059	4.936%	\$ 5,307,821,178	1.297%
28	2022	5,511,058,254	272,025,835	4.936%	\$ 5,440,516,708	1.297%
29	2023	5,621,279,419	277,466,352	4.936%	\$ 5,549,327,042	1.297%
30	*FLSO estimate					
31	Applying FLSO values to General Revenue (July 7, 2017)					
32		Total Surplus Lines Collections	SL Base (Col. B/5%)	Expanded Base (M\$)	At Calculated Rate (M\$)	At Proposed Rate
33			5.000%	1.297%	4.936%	4.936%
34	2016-17	231.8	4636.00	4,696.11	231.8	231.8
35	2017-18	238.7	4774.00	4,835.90	238.7	238.7
36	2018-19	244.6	4892.00	4,955.43	244.6	244.6
37	2019-20	250.8	5016.00	5,081.04	250.8	250.8
38	2020-21	256.9	5138.00	5,204.62	256.9	256.9
39	2021-22	263.4	5268.00	5,336.30	263.4	263.4
40	2022-23	268.6	5372.00	5,441.65	268.6	268.6



## REVENUE ESTIMATING CONFERENCE

**Tax:** Insurance Premium Tax

**Issue:** Rural Community Jobs and Resiliency Act

**Bill Number(s):** CS/SB 990

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Senator Montford

**Month/Year Impact Begins:** 07/01/2018 – two year lag before first credit taken on return

**Date of Analysis:** 01/23/2018

### Section 1: Narrative

- a. **Current Law:** Florida offers a number of programs to facilitate economic development in rural communities of the state. While these programs may indirectly benefit small businesses, the grants are principally to local governments or economic development organizations.

The Rural Job Tax Credit program offers tax credits for job creation, ranging from \$1,000 to \$1,500 per qualified employee, taken against either the Florida corporate income tax or the Florida sales and use tax. [Sections 212.098 & 220.1895, F.S.]

Currently, there is no program that allows for credits for investments made in rural businesses.

- b. **Proposed Change:** CS/SB 990 creates section 288.062, F.S., the Florida Rural Community Jobs and Business Resiliency Act (the Act). The Act enables Florida insurance companies to earn Insurance Premium tax credits by investing in a Rural Growth Fund (a federally licensed rural or small business investment company or its affiliate) that makes Rural Growth Investments (investments) in qualified Rural Businesses. Tax credit investors receive a tax credit in the amount of their investment, redeemed in equal installments over the last five years of the 7-year investment term. Unused tax credits may be carried forward for up to ten years.

### Section 2: Description of Data and Sources

Department of Revenue return data

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

It is reported that similar legislation has been proposed in 11 states over the past two years, and passed in 3 states in 2017 (Georgia and Utah, and vetoed in Ohio).

The program architecture is similar to that of Florida's Certified Capital Company program (CAPCO, repealed in 2010) and to some extent Florida's New Markets Development Program (NMDP), which uses complex inter-related, multiple-step transaction structures to facilitate loans or equity investments in qualified businesses, with a portion of the equity or the loan principal generated through the sale of tax credits. Unlike the NMDP, investors receive a tax credit "equal to the taxpayer's investor contribution" to the "Investment Authority" rather than 39 percent of the "Qualified Investment" (both of which are the sum of tax credit equity and other funds).

Beginning September 1, 2018, the Department of Economic Opportunity (DEO) can accept applications and is authorized to issue \$60 million in cumulative tax credits for \$100 million in "Investment Authority," an undefined term inferred to be the combination of tax credit investor contributions (at least 60 percent of the Investment Authority) and unspecified additional investments. Because Rural Growth Funds are a federally licensed rural or small business investment company or its affiliate, additional investments could include funding from Farm Credit System banks and associations, and the Small Business Administration (SBA). Additional investments could also include loans from commercial lenders and equity generated from public subsidies (New Markets Tax Credits, Historic Preservation Tax Credits, etc.).

Staff of the U.S. Department of Agriculture report that there are currently three licensed Rural Business Investment Companies in the U.S, 3 with conditional licenses, and 3 applications pending. The Small Business Administration reports that in 2016, there were 313 licensed Small Business Investment Companies.

The amount of Investment Authority specified in DEO's notice certifying the applicant as a rural growth fund must be initially invested in qualified Rural Businesses within two years of the "closing date," which is within 60 days after

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Insurance Premium Tax

**Issue:** Rural Community Jobs and Resiliency Act

**Bill Number(s):** CS/SB 990

certification of the Rural Growth Fund by DEO. The Act does not specifically require the equity generated from the tax credits be used for rural growth investments. Individual investments in rural businesses must be for at least one year.

The act defines “rural businesses” eligible for investments as a business that at the time of the initial rural growth investment has fewer than 200 employees; as its principal place of business operations in one or more rural communities in the state (counties with a population of 75,000 or fewer); and is engaged in industries related to agribusiness, manufacturing, plant sciences, services, or technology, or if not engaged in such industries, upon a determination by the department that the investment will be beneficial to the rural community and the economic growth of the state. Upon request of a Rural Growth Fund, DEO is required to issue a written opinion as to whether a specific business is eligible for investment.

The remaining investment parameters are indirectly addressed in paragraph (5)(a), which requires DEO to revoke tax credit certificates under the specified circumstances. Given these investment parameters, it appears that Rural Growth Funds need only maintain investments in Rural Businesses for two of the 7 years of the investment period, and perhaps less if the Rural Growth Fund makes a distribution or payment from the fund.

The low uses the behavior of the New Markets program to forecast the timing of the credits that could be taken under this program. The New Markets program has a similar investment strategy and some of the insurance companies who are investors in the New Markets program may also participate in this program. The high assumes that the investment credits can meet their maximum investment in the first year and be fully utilized within the parameters of the program.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(\$0.0m)	(\$12.0m)			(\$0.0m)	(\$12.0m)
2019-20	(\$0.0m)	(\$12.0m)			(\$0.0m)	(\$12.0m)
2020-21	(\$12.0m)	(\$12.0m)			(\$4.2m)	(\$12.0m)
2021-22	(\$12.0m)	(\$12.0m)			(\$11.0m)	(\$12.0m)
2022-23	(\$12.0m)	(\$12.0m)			(\$12.0m)	(\$12.0m)

**List of affected Trust Funds:** Insurance Premium Tax

**Section 5: Consensus Estimate (Adopted: 01/26/2018): The Conference adopted the high estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	(12.0)	0.0	0.0	0.0	0.0	0.0	(12.0)
2019-20	0.0	(12.0)	0.0	0.0	0.0	0.0	0.0	(12.0)
2020-21	(12.0)	(12.0)	0.0	0.0	0.0	0.0	(12.0)	(12.0)
2021-22	(12.0)	(12.0)	0.0	0.0	0.0	0.0	(12.0)	(12.0)
2022-23	(12.0)	(12.0)	0.0	0.0	0.0	0.0	(12.0)	(12.0)

	Date	Return Year	Fiscal year	Cash Impact	Recurring
Approval	1-Sep-18	2018	2018-19	0.0	12.0
Closing	2-Sep-18	2018	2018-19	0.0	12.0
2 yr anniversary	2-Sep-20	2020	2020-21	0.0	12.0
1st Yr Credit	1-Mar-21	2020	2020-21	12.0	12.0
2nd Yr Credit	1-Mar-22	2021	2021-22	12.0	12.0
3rd Yr Credit	1-Mar-23	2022	2022-23	12.0	12.0
4th Yr Credit	29-Feb-24	2023	2023-24	12.0	12.0
5th Yr Credit	28-Feb-25	2024	2024-25	12.0	12.0

**New Markets Credit**

Chapter Law	Investment	Max Cap	Additional	Annual Cap
2009-50	250.0	97.5	97.5	20.0
2012-32	420.0	163.8	66.3	33.6
2013-42	458.5	178.8	15.0	36.6
2014-38	554.7	216.3	37.5	36.6

**Tax Return Calendar Year - Maximum Allowable Credit**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	0.0	0.0	17.5	20.0	20.0	20.0	20.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	11.9	13.6	13.6	13.6	13.6	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0	2.7	3.1	3.1	3.1	3.1	0.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.7	7.7	7.7	7.7	7.7

Total Allowable Credits			17.5	20.0	20.0	31.9	36.3	23.4	24.4	24.4	10.8	7.7	<b>216.3</b>
Total Allocated Credits (based on CAD)			6.1	18.4	20.0	31.9	36.3	36.4	24.4	24.4	10.8	7.7	<b>216.3</b>
Total Credits Taken			6.1	18.4	20.0	31.9	36.3						
			35.0%	91.9%	100.0%	100.0%	100.0%						

**Rural Growth Fund**

	Total Credits	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	205-26	2026-27	2027-28
Cohort 1 (35%)	21.0	0.0	0.0	0.0	4.2	4.2	4.2	4.2	4.2	0	0	0
Cohort 2 (92% utilization)	34.2	0.0	0.0	0.0	0.0	6.8	6.8	6.8	6.8	6.8	0	0
Cohort 3 (remainder)	4.8	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	0
Cash Impact	60.0	0.0	0.0	0.0	4.2	11.0	12.0	12.0	12.0	7.8	1.0	0.0
Allocation Ratio	100.0%	0.0%	0.0%	0.0%	7.0%	18.4%	20.0%	20.0%	20.0%	13.0%	1.6%	0.0%
Recurring Impact	60.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0

## REVENUE ESTIMATING CONFERENCE

**Tax:** Local Taxes and Fees

**Issue:** Prohibits a local government from charging an impact fee for the development or construction of affordable housing, as defined in s. 420.9071, F.S., for the five-year period: SFY 2018-19 through SFY 2022-23.

**Bill Number(s):** CS/HB 987 (Section 3 of SB 1328 is nearly identical)

**Entire Bill**

**Partial Bill:** Section 3 only

**Sponsor(s):** Representative B. Cortes

**Month/Year Impact Begins:** July 1, 2018

**Date of Analysis:** January 26, 2018

### Section 1: Narrative

a. **Current Law:** Pursuant to s. 163.31801, F.S., (i.e., the Florida Impact Fee Act), the Legislature finds that impact fees are an important source of revenue for a local government to use in funding the infrastructure necessitated by new growth. Furthermore, the Legislature finds that impact fees are an outgrowth of the home rule power of a local government to provide certain services within its jurisdiction. Due to the growth of impact fee collections and local governments' reliance on impact fees, it is the intent of the Legislature to ensure that, when a county or municipality adopts an impact fee by ordinance or a special district adopts an impact fee by resolution, the governing authority complies with this section.

Pursuant to s. 163.31801(3), F.S., 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.

The types of impact fees, amounts, and timing of collection are within the discretion of the local government authorities choosing to impose the fees. The courts have found appropriate the imposition of impact fees where the local government meets two fundamental requirements: a reasonable connection, or nexus, between the need for additional capital facilities and the population growth generated by the project, and a reasonable connection, or nexus, between the expenditures of the funds collected from the impact fees and the benefits accruing to the subdivision or project. This is known as the dual rational nexus test.

Some local governments require payment of impact fees prior to the issuance of a development or building permit. In general, a building permit must be obtained before the construction, erection, modification, repair, or demolition of any building. A development permit pertains to any building permit, zoning permit, subdivision approval, rezoning, certification, special exception, variance, or any other official action of local government having the effect of permitting the development of land.

A certificate of occupancy is required before a building or structure may be used or occupied. The certificate is issued by the appropriate local building official after completion of all work and a final inspection of the building or structure shows no violations of the Florida Building Code or other applicable laws.

The Affordable Housing Workgroup, created in ch. 2017-71, Laws of Florida, was charged with providing recommendations for, among other components, a review of land use for affordable housing developments. Included in the discussion of land use was the impact of fees, including impact fees, exactions, mitigation fees and development fees. In its *Affordable Housing Workgroup Final Report 2017*<sup>1</sup>, the Workgroup recommended that "local government assessing impact fees either waive fees outright for affordable housing or establish local dedicated funds to make such affordable housing waivers possible."

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<sup>1</sup> Available at <http://www.floridahousing.org/about-florida-housing/workgroup-on-affordable-housing>.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Taxes and Fees

**Issue:** Prohibits a local government from charging an impact fee for the development or construction of affordable housing, as defined in s. 420.9071, F.S., for the five-year period: SFY 2018-19 through SFY 2022-23.

**Bill Number(s):** CS/HB 987 (Section 3 of SB 1328 is nearly identical)

- b. Proposed Change:** Section 3 of the bill amends s. 163.31801, F.S., to prohibit a local government from charging an impact fee for the development or construction of housing that is affordable, as defined in s. 420.9071, F.S., for the five year period beginning July 1, 2018 through June 30, 2023.

Pursuant to s. 420.9071(2), F.S., the term affordable means that monthly rents or monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in subsection (19), subsection (20), or subsection (28). However, it is not the intent to limit an individual household’s ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark.

In addition to the items that must be reported in Annual Financial Reports under s. 218.32, F.S., Section 3 of the bill requires county and municipal government to report the following data on all impact fees charged:

- The specific purpose of the impact fee, including the specific infrastructure need to be met, such as transportation, parks, water, sewer, and schools.
- The Impact Fee Schedule Policy, describing the method of calculating impact fees, such as flat fee, tiered scale based on number of bedrooms, and tiered scale based on square footage.
- The amount assessed for each purpose and type of dwelling.
- The total amount of impact fees charged by type of dwelling.
- Each exception and waiver provided for affordable housing developments.

**Section 2: Description of Data and Sources**

Pursuant to s. 218.32, F.S., counties, municipalities, and special districts must complete and submit to the Florida Department of Financial Services (DFS) a copy of its annual financial report (i.e., AFR) for the previous fiscal year no later than nine months after the end of the fiscal year.

***Impact Fee Revenue Collections (All Types) 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

In the current Uniform Accounting System Manual (2014 Edition), there is no specific revenue account for affordable housing impact fees. On the expenditure side, affordable housing expenditures would likely be reflected within the Housing and Urban Development account (i.e., 554.00) of the Economic Environment expenditure grouping (i.e., 55x.xx). However, in addition to Housing and Urban Development, this Economic Environment expenditure grouping includes other types of related expenditures for employment development, industry development, and veterans’ services.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Taxes and Fees

**Issue:** Prohibits a local government from charging an impact fee for the development or construction of affordable housing, as defined in s. 420.9071, F.S., for the five-year period: SFY 2018-19 through SFY 2022-23.

**Bill Number(s):** CS/HB 987 (Section 3 of SB 1328 is nearly identical)

Within the revenue accounts, there is an account pairing that reflects Economic Environment-related impact fees derived from residential (i.e., 324.410) and commercial (i.e., 324.420) development. Unfortunately, it is not possible to determine from these account-level data what share of total economic environment impact fees is derived from the development or construction of affordable housing. Furthermore, in some jurisdictions, other types of impact fees (i.e., EMS, parks, police & fire, school, transportation, water & sewer, etc.) may be assessed on affordable housing units, and such revenues derived from affordable housing would likely be reported in other impact fee revenue accounts.

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

Local FY	Counties		Municipalities		Special Districts	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
2008-09	\$134,337	\$1,270,617	\$103,021	\$813,712	\$0	\$0
2009-10	\$27,091	\$892,345	\$442,218	\$169,772	\$0	\$0
2010-11	\$62,474	\$686,018	\$15,828	\$114,942	\$0	\$0
2011-12	\$20,340	\$254,983	\$953,675	\$5,186	\$0	\$0
2012-13	\$17,244	\$0	\$91,120	\$1,262,174	\$0	\$0
2013-14	\$109,212	\$0	\$753,963	\$193,529	\$0	\$0
2014-15	\$69,490	\$0	\$605,490	\$324,990	\$0	\$0

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

Due to the shortcomings in the available impact fee revenue data, EDR staff emailed (1/12/2018) the 29 counties and 46 municipalities, which each had reported total impact fee revenues in FY 2014-15 greater than \$300,000 and \$1,000,000, respectively. The FY 2014-15 impact fee revenues of the surveyed counties represented 87% of total county impact fee revenues reported that year. The FY 2014-15 impact fee revenues of the surveyed municipalities represented 75% of total municipal impact fee revenues reported that year.

These county and municipal governments were asked if they currently an impact fee on affordable housing, as defined in the bill, and, if so, were asked to provide their best estimate of the total impact fee revenues that would go uncollected during the five-year period if the provision became law.

Only 9 local governments responded to EDR's 1/12/2018 survey. Given the low survey response rate, the REC asked staff to continue its efforts in obtaining information from local governments. On 1/19/2018, EDR staff asked the Florida Association of Counties and Florida League of Cities to send the EDR survey questions to their respective memberships. This revised analysis reflects the methodology applied to the collection of additional local government responses.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(\$8,472,713)	(\$8,472,713)	(\$2,344,154)	(\$2,344,154)	(\$1,113,975)	(\$1,113,975)
2019-20	(\$8,613,591)	(\$8,613,591)	(\$2,382,201)	(\$2,382,201)	(\$1,131,385)	(\$1,131,385)
2020-21	(\$8,782,644)	(\$8,782,644)	(\$2,427,858)	(\$2,427,858)	(\$1,152,277)	(\$1,152,277)
2021-22	(\$8,979,873)	(\$8,979,873)	(\$2,481,124)	(\$2,481,124)	(\$1,176,651)	(\$1,176,651)
2022-23	(\$9,205,278)	(\$9,205,278)	(\$2,542,000)	(\$2,542,000)	(\$1,204,507)	(\$1,204,507)

**List of Affected Trust Funds:**

Local funds only.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Taxes and Fees

**Issue:** Prohibits a local government from charging an impact fee for the development or construction of affordable housing, as defined in s. 420.9071, F.S., for the five-year period: SFY 2018-19 through SFY 2022-23.

**Bill Number(s):** CS/HB 987 (Section 3 of SB 1328 is nearly identical)

**Section 5: Consensus Estimate (Adopted: 01/26/2018): The Conference adopted an average of the high and middle estimates.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	0.0	0.0	(5.4)	(5.4)	(5.4)	(5.4)
2019-20	0.0	0.0	0.0	0.0	(5.5)	(5.5)	(5.5)	(5.5)
2020-21	0.0	0.0	0.0	0.0	(5.6)	(5.6)	(5.6)	(5.6)
2021-22	0.0	0.0	0.0	0.0	(5.7)	(5.7)	(5.7)	(5.7)
2022-23	0.0	0.0	0.0	0.0	(5.9)	(5.9)	(5.9)	(5.9)



	A	B	C	D	E	F	G	H	I	
1	<b>Fiscal Impact Analysis of CS/HB 987 - Affordable Housing</b>									
2	<b>Section 3: Local Governments May Not Charge an Impact Fee for the Development or Construction of Affordable Housing</b>									
3										
4	<b>I. County Government Responses to EDR &amp; FAC Surveys</b>									
5										
6				<b>Estimates of Uncollected Impact Fee Revenue</b>						
7	<b>County Governments</b>	<b>April 1, 2017 Population</b>	<b>Impact Fee Assessed on Affordable Housing?</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>		
8	Alachua	260,003	Yes	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)		
9	Bay	178,820	Yes	\$ (55,502)	\$ (55,502)	\$ (55,502)	\$ (55,502)	\$ (55,502)		
10	Brevard	575,211	Yes	No Estimate	No Estimate	No Estimate	No Estimate	No Estimate		
11	Charlotte	172,720	Yes	\$ (83,568)	\$ (100,978)	\$ (121,870)	\$ (146,244)	\$ (174,100)		
12	Citrus	143,801	Yes	\$ (28,400)	\$ (28,400)	\$ (28,400)	\$ (28,400)	\$ (28,400)		
13	Columbia	68,943	No	N/A	N/A	N/A	N/A	N/A		
14	DeSoto	35,621	No	N/A	N/A	N/A	N/A	N/A		
15	Franklin	12,161	No	N/A	N/A	N/A	N/A	N/A		
16	Gilchrist	17,224	No	N/A	N/A	N/A	N/A	N/A		
17	Glades	13,087	No	N/A	N/A	N/A	N/A	N/A		
18	Gulf	16,297	No	N/A	N/A	N/A	N/A	N/A		
19	Hardee	27,426	No	N/A	N/A	N/A	N/A	N/A		
20	Indian River	148,962	Yes	\$ (140,000)	\$ (140,000)	\$ (140,000)	\$ (140,000)	\$ (140,000)		
21	Lafayette	8,479	Yes	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)		
22	Martin	153,022	Yes	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)		
23	Pasco	505,709	Yes	No Estimate	No Estimate	No Estimate	No Estimate	No Estimate		
24	Polk	661,645	Yes	Waivers Granted	Waivers Granted	Waivers Granted	Waivers Granted	Waivers Granted		
25	Seminole	454,757	Yes	No Estimate	No Estimate	No Estimate	No Estimate	No Estimate		
26	St. Johns	229,715	Yes	\$ (488,400)	\$ (488,400)	\$ (488,400)	\$ (488,400)	\$ (488,400)		
27	Sumter	120,700	No	N/A	N/A	N/A	N/A	N/A		
28	Volusia	523,405	No	N/A	N/A	N/A	N/A	N/A		
29										
30	<b>County Totals</b>			<b>\$ (832,370)</b>	<b>\$ (849,780)</b>	<b>\$ (870,672)</b>	<b>\$ (895,046)</b>	<b>\$ (922,902)</b>		
31										
32	<b>II. Application of County Per Capita Impact Fee Revenue Impact to Other Identified Impact Fee Counties</b>									
33										
34	<b>County Per Capita Impact Fee Revenue Impact</b>			<b>\$ (0.64)</b>	<b>\$ (0.66)</b>	<b>\$ (0.67)</b>	<b>\$ (0.69)</b>	<b>\$ (0.71)</b>		
35										
36				<b>Estimates of Uncollected Impact Fee Revenue</b>						
37	<b>County Governments</b>	<b>April 1, 2017 Population</b>	<b>Impact Fee Imposed on AH - Based on Survey or AHW Report</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>		
38	Brevard	575,211	Yes - EDR	\$ (369,572)	\$ (377,302)	\$ (386,578)	\$ (397,400)	\$ (409,768)		
39	Broward	1,873,970	Yes - AHW	\$ (1,204,022)	\$ (1,229,205)	\$ (1,259,425)	\$ (1,294,682)	\$ (1,334,976)		
40	Clay	208,549	Yes - AHW	\$ (133,992)	\$ (136,795)	\$ (140,158)	\$ (144,082)	\$ (148,566)		
41	Hernando	181,882	Yes - AHW	\$ (116,859)	\$ (119,303)	\$ (122,236)	\$ (125,658)	\$ (129,569)		
42	Jackson	50,418	Yes - AHW	\$ (32,393)	\$ (33,071)	\$ (33,884)	\$ (34,833)	\$ (35,917)		
43	Lake	331,724	Yes - AHW	\$ (213,132)	\$ (217,590)	\$ (222,939)	\$ (229,180)	\$ (236,313)		
44	Marion	153,022	Yes - AHW	\$ (98,316)	\$ (100,373)	\$ (102,840)	\$ (105,719)	\$ (109,010)		
45	Nassau	80,456	Yes - AHW	\$ (51,693)	\$ (52,774)	\$ (54,071)	\$ (55,585)	\$ (57,315)		
46	Okaloosa	195,488	Yes - AHW	\$ (125,601)	\$ (128,228)	\$ (131,380)	\$ (135,058)	\$ (139,261)		
47	Orange	1,313,880	Yes - AHW	\$ (844,165)	\$ (861,822)	\$ (883,010)	\$ (907,729)	\$ (935,980)		
48	Palm Beach	1,414,144	Yes - AHW	\$ (908,584)	\$ (927,588)	\$ (950,393)	\$ (976,999)	\$ (1,007,406)		
49	Pasco	505,709	Yes - EDR	\$ (324,917)	\$ (331,713)	\$ (339,868)	\$ (349,383)	\$ (360,256)		
50	Pinellas	962,003	Yes - AHW	\$ (618,085)	\$ (631,013)	\$ (646,526)	\$ (664,625)	\$ (685,310)		
51	St. Lucie	297,634	Yes - AHW	\$ (191,229)	\$ (195,229)	\$ (200,029)	\$ (205,628)	\$ (212,028)		
52	Seminole	454,757	Yes - EDR, AHW	\$ (292,180)	\$ (298,292)	\$ (305,625)	\$ (314,181)	\$ (323,959)		
53	Volusia	523,405	Yes - AHW	\$ (336,287)	\$ (343,320)	\$ (351,761)	\$ (361,608)	\$ (372,862)		
54	Walton	65,301	Yes - AHW	\$ (41,956)	\$ (42,833)	\$ (43,886)	\$ (45,115)	\$ (46,519)		
55										
56										
57	<b>Counties</b>		<b>High</b>	<b>Middle</b>		<b>Low</b>				
58			<b>(Middle estimate plus the other counties identified in AHW report)</b>	<b>(Survey responders w/est. plus survey responders w/o est.)</b>		<b>(Survey responders w/est. only)</b>				
59	<b>State FY</b>		<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>		
60	2018-19		\$ (6,735,352)	\$ (6,735,352)	\$ (1,819,039)	\$ (1,819,039)	\$ (832,370)	\$ (832,370)		
61	2019-20		\$ (6,876,230)	\$ (6,876,230)	\$ (1,857,086)	\$ (1,857,086)	\$ (849,780)	\$ (849,780)		
62	2020-21		\$ (7,045,284)	\$ (7,045,284)	\$ (1,902,743)	\$ (1,902,743)	\$ (870,672)	\$ (870,672)		
63	2021-22		\$ (7,242,513)	\$ (7,242,513)	\$ (1,956,010)	\$ (1,956,010)	\$ (895,046)	\$ (895,046)		
64	2022-23		\$ (7,467,917)	\$ (7,467,917)	\$ (2,016,885)	\$ (2,016,885)	\$ (922,902)	\$ (922,902)		
65										

	A	B	C	D	E	F	G	H	I
66	<b>III. Municipal Government Responses to EDR &amp; FLC Surveys</b>								
67									
68				<b>Estimates of Uncollected Impact Fee Revenue</b>					
69	<b>Municipal Governments</b>	<b>April 1, 2017 Population</b>	<b>Impact Fee Assessed on Affordable Housing?</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	
70	Bartow	19,088	Yes	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	
71	Belleair Shore	117	No	N/A	N/A	N/A	N/A	N/A	
72	Boca Raton	91,797	No	N/A	N/A	N/A	N/A	N/A	
73	Boynton Beach	73,992	No	N/A	N/A	N/A	N/A	N/A	
74	Bradenton	54,652	Yes	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	
75	Cinco Bayou	405	No	N/A	N/A	N/A	N/A	N/A	
76	Clearwater	113,723	No	N/A	N/A	N/A	N/A	N/A	
77	Coconut Creek	57,395	No	N/A	N/A	N/A	N/A	N/A	
78	Davie	100,689	Yes	No Estimate	No Estimate	No Estimate	No Estimate	No Estimate	
79	Daytona Beach	65,569	Yes	No Estimate	No Estimate	No Estimate	No Estimate	No Estimate	
80	Deltona	89,984	No	N/A	N/A	N/A	N/A	N/A	
81	Esto	384	No	N/A	N/A	N/A	N/A	N/A	
82	Inglis	1,305	No	N/A	N/A	N/A	N/A	N/A	
83	Jacksonville	891,207	No	N/A	N/A	N/A	N/A	N/A	
84	Key West	24,597	Yes	\$ (20,980)	\$ (20,980)	\$ (20,980)	\$ (20,980)	\$ (20,980)	
85	Lakeland	104,185	Yes	No Estimate	No Estimate	No Estimate	No Estimate	No Estimate	
86	Miramar	136,246	No	N/A	N/A	N/A	N/A	N/A	
87	Monticello	2,425	No	N/A	N/A	N/A	N/A	N/A	
88	Mount Dora	14,283	No	N/A	N/A	N/A	N/A	N/A	
89	Ocala	59,668	No	N/A	N/A	N/A	N/A	N/A	
90	Ormond Beach	40,722	Yes	No Estimate	No Estimate	No Estimate	No Estimate	No Estimate	
91	Palm Coast	82,760	Yes	No Estimate	No Estimate	No Estimate	No Estimate	No Estimate	
92	Parkland	31,476	No	N/A	N/A	N/A	N/A	N/A	
93	Pensacola	54,071	No	N/A	N/A	N/A	N/A	N/A	
94	Port St. Lucie	181,284	No	N/A	N/A	N/A	N/A	N/A	
95	Punta Gorda	18,838	No	N/A	N/A	N/A	N/A	N/A	
96	St. Augustine Bch	6,633	No	N/A	N/A	N/A	N/A	N/A	
97	Tampa	373,058	Yes	\$ (196,625)	\$ (196,625)	\$ (196,625)	\$ (196,625)	\$ (196,625)	
98	Treasure Island	6,819	No	N/A	N/A	N/A	N/A	N/A	
99	Valparaiso	5,246	Yes	No Estimate	No Estimate	No Estimate	No Estimate	No Estimate	
100	Wildwood	8,454	Yes	No Estimate	No Estimate	No Estimate	No Estimate	No Estimate	
101									
102	<b>Municipal Totals</b>			<b>\$ (281,605)</b>	<b>\$ (281,605)</b>	<b>\$ (281,605)</b>	<b>\$ (281,605)</b>	<b>\$ (281,605)</b>	
103									
104	<b>IV. Application of Municipal Per Capita Impact Fee Revenue Impact to Other Identified Impact Fee Municipalities</b>								
105									
106	<b>Municipality Per Capita Impact Fee Revenue Impact</b>			<b>\$ (0.60)</b>	<b>\$ (0.60)</b>	<b>\$ (0.60)</b>	<b>\$ (0.60)</b>	<b>\$ (0.60)</b>	
107									
108				<b>Estimates of Uncollected Impact Fee Revenue</b>					
109	<b>Municipal Governments</b>	<b>April 1, 2017 Population</b>	<b>Impact Fee Imposed on AH - Based on Survey or AHW Report</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	
110	Cape Coral	175,063	Yes - AHW	\$ (104,580)	\$ (104,580)	\$ (104,580)	\$ (104,580)	\$ (104,580)	
111	Davie	100,689	Yes - EDR	\$ (60,150)	\$ (60,150)	\$ (60,150)	\$ (60,150)	\$ (60,150)	
112	Daytona Beach	65,569	Yes - EDR	\$ (39,170)	\$ (39,170)	\$ (39,170)	\$ (39,170)	\$ (39,170)	
113	Fort Lauderdale	179,063	Yes - AHW	\$ (106,970)	\$ (106,970)	\$ (106,970)	\$ (106,970)	\$ (106,970)	
114	Fort Myers	79,106	Yes - AHW	\$ (47,257)	\$ (47,257)	\$ (47,257)	\$ (47,257)	\$ (47,257)	
115	Fort Pierce	43,409	Yes - AHW	\$ (25,932)	\$ (25,932)	\$ (25,932)	\$ (25,932)	\$ (25,932)	
116	Gainesville	129,816	Yes - AHW	\$ (77,550)	\$ (77,550)	\$ (77,550)	\$ (77,550)	\$ (77,550)	
117	Hialeah	236,114	Yes - AHW	\$ (141,051)	\$ (141,051)	\$ (141,051)	\$ (141,051)	\$ (141,051)	
118	Hollywood	147,212	Yes - AHW	\$ (87,942)	\$ (87,942)	\$ (87,942)	\$ (87,942)	\$ (87,942)	
119	Kissimmee	69,962	Yes - AHW	\$ (41,794)	\$ (41,794)	\$ (41,794)	\$ (41,794)	\$ (41,794)	
120	Lakeland	104,185	Yes - EDR	\$ (62,239)	\$ (62,239)	\$ (62,239)	\$ (62,239)	\$ (62,239)	
121	Margate	57,961	Yes - AHW	\$ (34,625)	\$ (34,625)	\$ (34,625)	\$ (34,625)	\$ (34,625)	
122	Miami Beach	92,588	Yes - AHW	\$ (55,311)	\$ (55,311)	\$ (55,311)	\$ (55,311)	\$ (55,311)	
123	Ormond Beach	40,722	Yes - EDR	\$ (24,327)	\$ (24,327)	\$ (24,327)	\$ (24,327)	\$ (24,327)	
124	Palm Bay	110,623	Yes - AHW	\$ (66,085)	\$ (66,085)	\$ (66,085)	\$ (66,085)	\$ (66,085)	
125	Palm Coast	82,760	Yes - EDR	\$ (49,440)	\$ (49,440)	\$ (49,440)	\$ (49,440)	\$ (49,440)	
126	Panama City	36,988	Yes - AHW	\$ (22,096)	\$ (22,096)	\$ (22,096)	\$ (22,096)	\$ (22,096)	
127	Pembroke Pines	163,103	Yes - AHW	\$ (97,436)	\$ (97,436)	\$ (97,436)	\$ (97,436)	\$ (97,436)	
128	Plantation	88,619	Yes - AHW	\$ (52,940)	\$ (52,940)	\$ (52,940)	\$ (52,940)	\$ (52,940)	
129	Pompano Beach	109,441	Yes - AHW	\$ (65,379)	\$ (65,379)	\$ (65,379)	\$ (65,379)	\$ (65,379)	
130	St. Petersburg	263,768	Yes - AHW	\$ (157,571)	\$ (157,571)	\$ (157,571)	\$ (157,571)	\$ (157,571)	
131	Titusville	46,413	Yes - AHW	\$ (27,726)	\$ (27,726)	\$ (27,726)	\$ (27,726)	\$ (27,726)	
132	Valparaiso	5,246	Yes - EDR	\$ (3,134)	\$ (3,134)	\$ (3,134)	\$ (3,134)	\$ (3,134)	

Office of Economic and Demographic Research

	A	B	C	D	E	F	G	H	I
133	Wildwood	8,454	Yes - EDR	\$ (5,050)	\$ (5,050)	\$ (5,050)	\$ (5,050)	\$ (5,050)	
134									
135									
136	Municipalities	High		Middle		Low			
137		(Middle estimate plus the other counties identified in AHW report)		(Survey responders w/est. plus survey responders w/o est.)		(Survey responders w/est. only)			
138	State FY	Cash	Recurring	Cash	Recurring	Cash	Recurring		
139	2018-19	\$ (1,737,361)	\$ (1,737,361)	\$ (525,115)	\$ (525,115)	\$ (281,605)	\$ (281,605)		
140	2019-20	\$ (1,737,361)	\$ (1,737,361)	\$ (525,115)	\$ (525,115)	\$ (281,605)	\$ (281,605)		
141	2020-21	\$ (1,737,361)	\$ (1,737,361)	\$ (525,115)	\$ (525,115)	\$ (281,605)	\$ (281,605)		
142	2021-22	\$ (1,737,361)	\$ (1,737,361)	\$ (525,115)	\$ (525,115)	\$ (281,605)	\$ (281,605)		
143	2022-23	\$ (1,737,361)	\$ (1,737,361)	\$ (525,115)	\$ (525,115)	\$ (281,605)	\$ (281,605)		
144									
145									
146									
147	<b>V. Proposed Fiscal Impact (Sum of County and Municipal Impacts)</b>								
148									
149		High		Middle		Low			
150	State FY	Cash	Recurring	Cash	Recurring	Cash	Recurring		
151	2018-19	\$ (8,472,713)	\$ (8,472,713)	\$ (2,344,154)	\$ (2,344,154)	\$ (1,113,975)	\$ (1,113,975)		
152	2019-20	\$ (8,613,591)	\$ (8,613,591)	\$ (2,382,201)	\$ (2,382,201)	\$ (1,131,385)	\$ (1,131,385)		
153	2020-21	\$ (8,782,644)	\$ (8,782,644)	\$ (2,427,858)	\$ (2,427,858)	\$ (1,152,277)	\$ (1,152,277)		
154	2021-22	\$ (8,979,873)	\$ (8,979,873)	\$ (2,481,124)	\$ (2,481,124)	\$ (1,176,651)	\$ (1,176,651)		
155	2022-23	\$ (9,205,278)	\$ (9,205,278)	\$ (2,542,000)	\$ (2,542,000)	\$ (1,204,507)	\$ (1,204,507)		

## REVENUE ESTIMATING CONFERENCE

**Tax:** Local Business Tax - Exemptions

**Issues:** Exempts certain persons and businesses from local business taxes and fees authorized pursuant to Chapter 205, F.S.

**Bill Number(s):** SB 910 (This bill is similar to Sections 1-2 of HB 603)

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Senator Garcia

**Month/Year Impact Begins:** July 1, 2018

**Date of Analysis:** January 26, 2018

### Section 1: Narrative

#### a. Current Law:

##### **Local Business Tax**

The local business tax represents the taxes charged and the method by which a local government grants the privilege of engaging in or managing any business, profession, and occupation within its jurisdiction. This tax does not refer to any fees or licenses paid to any board, commission, or officer for permits, registration, examination, or inspection.

##### **Eligibility**

County and municipal governments may levy, by appropriate resolution or ordinance, a business tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction, pursuant to ss. 205.032 and 205.042, F.S. Additionally, pursuant to s. 205.033(6), F.S., a county, as defined in s. 125.011(1), F.S., (i.e., Miami-Dade County) or any adjacent county (i.e., Broward, Collier, and Monroe counties) is authorized to levy and collect an additional business tax up to 50 percent of the appropriate business tax imposed under s. 205.033(1), F.S., if adopted by ordinance prior to January 1, 1995.

##### **Administrative Procedures**

In order to levy a business tax, the governing body must first give at least 14 days of public notice between the first and last reading of the resolution or ordinance by publishing a notice in a newspaper of general circulation within its jurisdiction. Pursuant to ss. 205.032 and 205.042, F.S., the public notice must contain the proposed classifications and rates applicable to the business tax.

A number of other conditions for levy are imposed on counties and municipalities, pursuant to ss. 205.033 and 205.043, F.S., including the transfer of a business tax receipt to a new owner or new business location within the same jurisdiction upon payment of a transfer fee of up to 10 percent of the annual business tax, but not less than \$3 nor more than \$25.

Beginning October 1, 1995, a county or municipality that has not adopted a business tax ordinance or resolution may adopt a business tax ordinance, pursuant to s. 205.0315, F.S. The tax rate structure and classifications in the adopted ordinance must be reasonable and based upon the rate structure and classifications prescribed in ordinances adopted by adjacent local governments that have implemented s. 205.0535, F.S. If no adjacent local government has implemented s. 205.0535, F.S., or if the governing body of the county or municipality finds that the rate structures or classifications of adjacent local governments are unreasonable, then an alternative method is authorized. In such a case, the rate structure or classifications prescribed in the ordinance of the local government seeking to impose the tax may be based upon those prescribed in ordinances adopted by local governments that have implemented s. 205.0535, F.S., in counties or municipalities that have a comparable population.

Pursuant to s. 205.0535, F.S., by October 1, 2008, any municipality that adopted by ordinance a local business tax after October 1, 1995, could, by ordinance, reclassify businesses, professions, and occupations and establish new rate structures provided certain conditions were met. If such conditions were met, counties and municipalities could, every other year thereafter, increase or decrease by ordinance the rates of business taxes by up to 5 percent. Any subsequent increase must be enacted by at least a majority plus one vote of the governing body. A county or municipality is not prohibited from decreasing or repealing any authorized local business tax, and the governing body may adopt an ordinance by majority vote that repeals a local business tax or establishes new rates that decrease local business tax and do not result in an increase in local business taxes for a taxpayer without having to establish an equity study commission.

A municipality's governing body that levies the tax may request that the county in which the municipality is located issue the municipal receipt and collect the tax. A county's governing body that levies the tax may request that municipalities within the county issue the county receipt and collect the tax. However, before any local government issues any business receipts on

## REVENUE ESTIMATING CONFERENCE

**Tax:** Local Business Tax - Exemptions

**Issues:** Exempts certain persons and businesses from local business taxes and fees authorized pursuant to Chapter 205, F.S.

**Bill Number(s):** SB 910 (This bill is similar to Sections 1-2 of HB 603)

behalf of another local government, appropriate agreements must be entered into by the affected local governments, pursuant to s. 205.045, F.S. All business tax receipts are sold by the appropriate tax collector beginning July 1st of each year. The taxes are due and payable on or before September 30th of each year, and the receipts expire on September 30th of the succeeding year. In several situations, administrative penalties are also imposed, pursuant to s. 205.053, F.S.

Several sections of Chapter 205, F.S., exempt, or allow local governments to exempt, certain individuals from all or some portion of local business taxes as well as regulate the issuance of tax receipts to certain individuals or businesses.

### ***Distribution of Tax Proceeds***

Pursuant to s. 205.033, F.S., the revenues derived from the business tax imposed by county governments, exclusive of the costs of collection and credit given for municipal business taxes, are apportioned between the county's unincorporated area and the incorporated municipalities located within the county by a ratio derived by dividing their respective populations by the county's total population. Furthermore, within 15 days following the month of receipt, the apportioned revenues are sent to each governing authority, pursuant to s. 205.033(5), F.S.

### ***Authorized Uses***

Local business tax proceeds are considered general revenue for the local government. The proceeds of a county-imposed local business tax may be used for overseeing and implementing a comprehensive economic development strategy through advertising, promotional activities, and other sales and marketing techniques, pursuant to s. 205.033(7), F.S. The proceeds of the additional county business tax imposed pursuant to s. 205.033(6), F.S., are distributed by the county's governing body to a designated organization or agency for the purpose of implementing a comprehensive economic development strategy through advertising, promotional activities, and other sales and marketing techniques.

## **Panama City and Panama City Beach's Local Business Tax on the Gross Sales of Retail and Wholesale Merchants**

### ***Panama City Tax (as implemented by Part II, Chapter 7, Article II, Section 7-53 of the Panama City Municipal Code 2005)***

The City of Panama City levies separate license taxes on the gross sales of all retail and wholesale merchants within the municipal jurisdiction. For retail merchants, the tax is \$10 for each \$1,000 (i.e., 1 percent) of gross sales with a minimum tax of \$1.50 per month. For wholesale merchants, the tax is \$0.50 for each \$1,000 of gross sales, or major fraction thereof, (i.e., 0.05 percent) with a minimum tax of \$1.50 per month. Additionally, the tax applies only to the first \$5,000 collected by a merchant for any single item of merchandise. The merchant pays the license tax by the 30th day of each month based on the merchant's gross sales of the preceding month. If payment is made on or before the 20th day of the month such tax is payable, a 3 percent discount is allowed.

### ***Panama City Beach Tax (as implemented by Chapter 14, Section 14-29 (136) of the Code of Ordinances, City of Panama City Beach, Florida)***

The City of Panama City Beach levies separate business taxes on the gross sales of all retail and wholesale merchants within the municipal jurisdiction. For retail merchants, the tax is \$10 for each \$1,000 of gross sales, or major portion thereof, (i.e., 1 percent) with a minimum tax of \$50 per year. For wholesale merchants, the tax is \$1.50 for each \$1,000 of gross sales, or major fraction thereof, (i.e., 0.15 percent) with a minimum tax of \$50 per year. On the first day of each month, the merchant submits a statement of gross sales for the preceding month at which time the tax is paid. The statement and payment are delinquent on the 10th day of each month following application for receipt. Upon becoming delinquent, the receipt is subject to revocation by the city council, and the city clerk reports at each regular city council meeting any delinquent merchant's business tax receipts. Once revoked, a merchant's receipts may be reinstated if all accrued taxes plus a 10 percent penalty of the gross amount are paid. No merchant can transact business while his or her business tax receipt stands revoked. If payment is made on or before the 10th day of the month such tax is payable, a 3 percent discount is allowed.

The Cities of Panama City and Panama City Beach are the only known local governments in Florida that levy a license/business tax on the gross receipts of retail and wholesale merchants.

## REVENUE ESTIMATING CONFERENCE

**Tax:** Local Business Tax - Exemptions

**Issues:** Exempts certain persons and businesses from local business taxes and fees authorized pursuant to Chapter 205, F.S.

**Bill Number(s):** SB 910 (This bill is similar to Sections 1-2 of HB 603)

### b. Proposed Changes:

Section 1 creates s. 205.055, F.S., to authorize an exemption from a local business tax and any fees imposed under Chapter 205, F.S., to the following persons:

1. A veteran of the United States Armed Forces who was honorably discharged upon separation from service or is such veteran's spouse.
2. The unmarried surviving spouse of a veteran of the United States Armed Forces, provided the veteran received a honorable discharge upon separation from service.
3. The spouse of an active duty military service member who has relocated to the county or municipality pursuant to a permanent change of station order.
4. A person receiving public assistance, as defined in s. 409.2554, F.S.,
5. A person whose household income is below 130% of the federal poverty level based on the current year's federal poverty guidelines.

An eligible person claiming such exemption must complete and sign, under penalty of perjury, a Request for Fee Exemption to be furnished by the local governing authority and provide written documentation in support of his or her request for an exemption.

Additionally, if a person eligible for an exemption pursuant to this section owns a majority interest in a business with fewer than 25 employees, the business is exempt as well. In HB

Section 2 repeals s. 205.171, F.S., which authorized local business tax exemptions for any honorably discharged, disabled veteran of any war in which the United States Armed Forces participated and who is also permanent resident elector of Florida. Additionally, the section authorized the same exemptions for the disabled veteran to any unmarried spouse of a deceased disabled veteran of any war in which the United States Armed Forces participated.

### Section 2: Description of Data and Sources

Because the local business tax is a locally-authorized and locally-administered tax with no reporting requirement to any state agency, there is no current count on the number of county and municipal governments levying the tax and the amounts of tax collections in the most recently completed fiscal years. Historical Local Business Tax revenues (i.e., LFY 1992-93 through 2014-15) as reported by local governments via their respective Annual Financial Reports (AFRs) (i.e., Revenue Account #316.000 – Local Business Tax) have been compiled by EDR and posted on its website via the link below.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

Another issue that complicates the analysis is the fact that local governments adopt classification schedules, which specify the local business tax rate applicable to certain types of businesses. There is no statutory requirement that such schedules and tax rates be uniform from one jurisdiction to another. Consequently, the types of businesses taxed and the applicable tax rates can vary.

In February 2017, EDR surveyed county and municipal government in an effort to assess the impacts of exemption changes in proposed 2017 legislation (i.e., SB 330 and HB 487). This survey was facilitated by the Florida Association of Counties, Florida League of Cities, and Florida Association of Business Tax Officials. Numerous county and municipal respondents indicated the lack of available data needed to calculate the impact of the proposed exemption changes – several of which are similar to those in this bill. Consequently, an alternative methodology was developed.

#### Florida Population

Demographic Estimating Conference – Florida Demographic Forecast – December 5, 2017

<http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf>

#### Number of Florida Veterans: Total and Employed in the Labor Force

U.S. Census Bureau, American Factfinder, 2016 American Community Survey 1-Year Estimates

*Veteran Status by Employment Status for the Civilian Population 18 to 64 Years – Table C21005*

[https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_15\\_1YR\\_C21005&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_C21005&prodType=table)

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Business Tax - Exemptions

**Issues:** Exempts certain persons and businesses from local business taxes and fees authorized pursuant to Chapter 205, F.S.

**Bill Number(s):** SB 910 (This bill is similar to Sections 1-2 of HB 603)

Marital Status of U.S. Veterans

U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics

*Profile of Veterans: 2015 – Data from the American Community Survey – March 2017*

[https://www.va.gov/vetdata/docs/SpecialReports/Profile\\_of\\_Veterans\\_2015.pdf](https://www.va.gov/vetdata/docs/SpecialReports/Profile_of_Veterans_2015.pdf)

Number of Active Duty Military in Florida

Defense Manpower Data Center

DoD Personnel, Workforce Reports & Publications

*Military and Civilian Personnel by Service/Agency by State/Country – September 2017*

[https://www.dmdc.osd.mil/appj/dwp/dwp\\_reports.jsp](https://www.dmdc.osd.mil/appj/dwp/dwp_reports.jsp)

Marital Status of Active Duty Members

U.S. Department of Defense

Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy

*2016 Demographics – Profile of the Military Community* (page 42)

<http://download.militaryonesource.mil/12038/MOS/Reports/2016-Demographics-Report.pdf>

Number of Floridians Receiving Public Assistance or Low-Income Persons: Total and Employed at 130% and 100% of Federal Poverty Level

EDR compilations using 2016 American Community Survey 1-Year Sample data.

Florida Employers by Size – All Ownerships: March 2017

Florida Department of Economic Opportunity, Bureau of Labor Market Statistics

Quarterly Census of Employment and Wages Program, prepared January 2018

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

See attached spreadsheet.

**Section 4: Proposed Fiscal Impact (Millions)**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(\$68.5)	(\$68.5)	(\$61.1)	(\$61.1)	(\$17.9)	(\$17.9)
2019-20	(\$71.0)	(\$71.0)	(\$63.3)	(\$63.3)	(\$18.6)	(\$18.6)
2020-21	(\$73.5)	(\$73.5)	(\$65.6)	(\$65.6)	(\$19.2)	(\$19.2)
2021-22	(\$76.1)	(\$76.1)	(\$67.9)	(\$67.9)	(\$19.9)	(\$19.9)
2022-23	(\$78.8)	(\$78.8)	(\$70.4)	(\$70.4)	(\$20.6)	(\$20.6)

**List of Affected Trust Funds:** Local funds only.

**Section 5: Consensus Estimate (Adopted: 01/26/2018): The Conference adopted the low estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	0.0	0.0	(17.9)	(17.9)	(17.9)	(17.9)
2019-20	0.0	0.0	0.0	0.0	(18.6)	(18.6)	(18.6)	(18.6)
2020-21	0.0	0.0	0.0	0.0	(19.2)	(19.2)	(19.2)	(19.2)
2021-22	0.0	0.0	0.0	0.0	(19.9)	(19.9)	(19.9)	(19.9)
2022-23	0.0	0.0	0.0	0.0	(20.6)	(20.6)	(20.6)	(20.6)

	A	B	C	D	E	F	G	H	I	J
1	<b>Fiscal Impact Analysis of SB 910 - Local Business Tax Exemptions</b>									
2										
3	<b>I. Local Business Tax (LBT) Revenue Collections Reported in Annual Financial Reports (AFRs)</b>									
4										
5	<b>County Governments</b>					<b>Municipal Governments</b>				
6	<b>Local FY</b>	<b># Reporting</b>	<b>Reported Revenue</b>	<b>% Chg.</b>	<b># Reporting</b>	<b>Reported Revenue</b>	<b>% Chg.</b>	<b>Panama City Revenue</b>	<b>PC Beach Revenue</b>	<b>Adjusted Revenue</b>
7	1992-93	55	\$ 26,163,869	-	339	\$ 75,015,739	-	\$ 4,673,143	\$ -	\$ 70,576,253
8	1993-94	56	\$ 25,868,020	-1.1%	348	\$ 79,263,843	5.7%	\$ 5,036,190	\$ 65,600	\$ 74,417,143
9	1994-95	56	\$ 31,882,531	23.3%	351	\$ 83,089,405	4.8%	\$ 5,378,823	\$ 65,030	\$ 77,917,745
10	1995-96	53	\$ 33,611,239	5.4%	349	\$ 88,439,882	6.4%	\$ 5,911,155	\$ 70,047	\$ 82,757,740
11	1996-97	52	\$ 37,389,633	11.2%	332	\$ 86,365,240	-2.3%	\$ 5,815,856	\$ 64,235	\$ 80,779,154
12	1997-98	54	\$ 38,157,611	2.1%	355	\$ 96,076,648	11.2%	\$ 6,090,463	\$ 68,670	\$ 90,225,472
13	1998-99	52	\$ 41,070,208	7.6%	355	\$ 104,065,179	8.3%	\$ 6,573,490	\$ 77,725	\$ 97,746,525
14	1999-00	54	\$ 49,372,600	20.2%	368	\$ 102,354,866	-1.6%	\$ 7,168,094	\$ 76,130	\$ 95,472,853
15	2000-01	53	\$ 49,791,778	0.8%	361	\$ 106,664,098	4.2%	\$ 7,128,409	\$ 77,469	\$ 99,818,514
16	2001-02	53	\$ 47,638,155	-4.3%	359	\$ 106,808,528	0.1%	\$ 7,327,796	\$ 89,626	\$ 99,761,977
17	2002-03	52	\$ 37,278,372	-21.7%	372	\$ 114,472,063	7.2%	\$ 7,557,776	\$ 85,341	\$ 107,211,102
18	2003-04	52	\$ 38,064,867	2.1%	361	\$ 116,609,723	1.9%	\$ 8,088,609	\$ -	\$ 108,925,544
19	2004-05	52	\$ 39,004,250	2.5%	362	\$ 125,376,485	7.5%	\$ 8,651,207	\$ -	\$ 117,157,838
20	2005-06	52	\$ 38,692,435	-0.8%	365	\$ 131,043,232	4.5%	\$ 9,480,392	\$ 122,630	\$ 121,920,361
21	2006-07	45	\$ 36,907,051	-4.6%	335	\$ 120,566,643	-8.0%	\$ 8,998,554	\$ 121,635	\$ 111,902,463
22	2007-08	33	\$ 32,336,389	-12.4%	270	\$ 118,363,518	-1.8%	\$ 8,369,068	\$ 4,317	\$ 110,408,802
23	2008-09	35	\$ 31,819,544	-1.6%	280	\$ 120,745,390	2.0%	\$ 7,567,342	\$ -	\$ 113,556,415
24	2009-10	36	\$ 28,357,167	-10.9%	291	\$ 128,326,520	6.3%	\$ 6,979,627	\$ -	\$ 121,695,874
25	2010-11	39	\$ 28,916,033	2.0%	294	\$ 137,201,808	6.9%	\$ 7,523,145	\$ 6,940,560	\$ 123,461,288
26	2011-12	37	\$ 26,858,285	-7.1%	296	\$ 134,729,181	-1.8%	\$ 7,590,601	\$ 7,508,156	\$ 120,385,362
27	2012-13	33	\$ 26,697,476	-0.6%	288	\$ 130,357,349	-3.2%	\$ 7,966,336	\$ 8,007,479	\$ 115,182,225
28	2013-14	33	\$ 27,377,982	2.5%	295	\$ 143,367,256	10.0%	\$ 8,657,993	\$ 10,071,620	\$ 125,574,124
29	2014-15	36	\$ 36,271,982	32.5%	291	\$ 146,668,122	2.3%	\$ 9,163,515	\$ 10,093,445	\$ 128,374,010
30										
31	Data Source: Compiled from Annual Financial Reports (AFR) submitted by county and municipal governments to the Department of Financial Services (i.e., Revenue Account #316.000 Local Business Tax).									
32	Note: This analysis assumes that 95% of Panama City's and Panama City Beach's LBT revenues are derived from the business tax on merchants, which is measured by gross receipts on sales. These Panama City and Panama City Beach LBT revenues, derived from these merchant-related business taxes, are excluded from this analysis.									
33										
34	<b>II. Projected LBT Revenue Collections into the Forecast Period Using a Compound Annual Growth Rate (CAGR) Based on the Historical Collections</b>									
35										
36	<b>County Governments</b>				<b>Municipal Governments - Adjusted</b>		<b>Total Local</b>			
37	<b>State FY</b>	<b>Revenue</b>	<b>% Chg.</b>	<b>Revenue</b>	<b>% Chg.</b>	<b>Revenue</b>	<b>% Chg.</b>			
38	2014-15 (adjust to SFY)	\$ 34,048,482		\$ 127,674,038						
39	CAGR: 1992-93 to 2014-15	1.5%		2.8%						
40	CAGR: 2003-04 to 2014-15	-0.4%		1.5%						
41	CAGR: 2009-10 to 2014-15	5.0%		1.1%						
42										
43										
44	2014-15	\$ 34,048,482	-	\$ 127,674,038	-	\$ 161,722,520	-			
45	2015-16	\$ 35,766,747	5.0%	\$ 129,045,494	1.1%	\$ 164,812,242	1.9%			
46	2016-17	\$ 37,571,725	5.0%	\$ 130,431,682	1.1%	\$ 168,003,407	1.9%			
47	2017-18	\$ 39,467,791	5.0%	\$ 131,832,761	1.1%	\$ 171,300,552	2.0%			
48	2018-19	\$ 41,459,543	5.0%	\$ 133,248,889	1.1%	\$ 174,708,432	2.0%			
49	2019-20	\$ 43,551,809	5.0%	\$ 134,680,229	1.1%	\$ 178,232,039	2.0%			
50	2020-21	\$ 45,749,662	5.0%	\$ 136,126,945	1.1%	\$ 181,876,607	2.0%			
51	2021-22	\$ 48,058,430	5.0%	\$ 137,589,201	1.1%	\$ 185,647,631	2.1%			
52	2022-23	\$ 50,483,711	5.0%	\$ 139,067,164	1.1%	\$ 189,550,875	2.1%			
53										
54	<b>III. Calculation of LBT Revenue Per Florida Labor Force Member</b>									
55										
56	<b>Veterans Status by Employment Status for Florida's Civilian Population 18 to 64 Years (U.S. Census Bureau, American Fact Finder)</b>									
57	<b>Individuals in the Labor Force - 2016</b>									
58										
59		<b>Veterans</b>	<b>Nonveterans</b>	<b>Total</b>						
60	<b>Total in the Labor Force</b>	475,540	8,648,992	9,124,532						
61	<b>Employed in the Labor Force</b>	451,487	8,131,040	8,582,527						
62										
63	<b>State FY</b>	<b>Projected LBT Revenues</b>	<b>LBT Revenues Per FL Labor Force Member</b>							
64	2018-19	\$ 174,708,432	\$ 19.15							
65	2019-20	\$ 178,232,039	\$ 19.53							
66	2020-21	\$ 181,876,607	\$ 19.93							
67	2021-22	\$ 185,647,631	\$ 20.35							
68	2022-23	\$ 189,550,875	\$ 20.77							



	A	B	C	D	E	F	G	H	I	J
1	<b>Fiscal Impact Analysis of SB 910 - Local Business Tax Exemptions</b>									
69										
70	<b>IV. Calculation of Number of Florida Persons Eligible for New LBT Exemptions</b>									
71										
72	<b>Florida Population (December 2017 Florida Demographic Estimating Conference)</b>									
73	<b>State FY</b>	<b>3rd Q</b>	<b>4th Q</b>	<b>1st Q</b>	<b>2nd Q</b>	<b>Average</b>				
74	2015-16	19,939,000	20,022,500	20,106,600	20,190,700	20,064,700				
75	2016-17	20,274,700	20,358,600	20,442,300	20,525,900	20,400,375				
76	2017-18	20,609,200	20,713,200	20,822,800	20,913,800	20,764,750				
77	2018-19	20,999,000	21,080,200	21,159,800	21,239,800	21,119,700				
78	2019-20	21,321,100	21,403,200	21,485,500	21,567,300	21,444,275				
79	2020-21	21,648,300	21,728,800	21,808,800	21,888,400	21,768,575				
80	2021-22	21,967,800	22,046,900	22,125,500	22,203,600	22,085,950				
81	2022-23	22,281,200	22,358,200	22,434,800	22,510,700	22,396,225				
82										
83	<b>Total # of FL Veterans in the Labor Force in 2016</b>					475,540				
84	<b># of Employed FL Veterans in the Labor Force in 2016</b>					451,487				
85										
86	<b>Marital Status of US Veterans in 2015</b>			<b>Total #</b>	<b>% Married</b>	<b># Married</b>				
87	<b>Men Veterans</b>			17,339,174	64.7%	11,218,446				
88	<b>Women Veterans</b>			1,592,221	49.4%	786,557				
89	<b>Total Veterans</b>			18,931,395	63.4%	12,005,003				
90										
91	<b># of FL Active Duty Military as of 9/30/2017</b>				55,862					
92	<b>FL's 2017 Population (CY Average)</b>				20,572,650					
93	<b>% of FL's 2017 Population Who Are Active Duty Military</b>				0.3%					
94										
95	<b>% of Active Duty US Military Who Are Married in 2016</b>				53.5%					
96										
97	<b>FL's 2016 Population (CY Average)</b>							20,232,650		
98	<b># of Persons Receiving Public Assistance or # of Low-Income Persons (&lt; 130% of FPL) in the Labor Force in 2016</b>							2,876,683		
99	<b># of Persons Receiving Public Assistance or # of Employed Low-Income Persons (&lt; 130% of FPL) in the Labor Force</b>							2,520,196		
100	<b># of Persons Receiving Public Assistance or # of Employed FL Low-Income Persons (&lt; 100% of FPL) in the Labor Force</b>							2,315,489		
101	<b># of Persons Receiving Public Assistance or # of Employed FL Low-Income Persons (100% - 130% of FPL) in the Labor Force</b>							204,707		
102										
103	<b># of Eligible FL Persons - Basis for the High Estimate</b>									
104	<b>State FY</b>	<b>Total Veterans in the Labor Force</b>	<b>Spouses of Such Veterans</b>	<b>Spouses of Active Duty Military</b>	<b>Persons Receiving Public Assistance or Low-Income Persons in the Labor Force (&lt;130% of FPL)</b>	<b>Total Number of Eligible Persons</b>				
105	2018-19	488,185	309,574	30,681	3,002,804	3,831,244				
106	2019-20	495,688	314,331	31,152	3,048,952	3,890,124				
107	2020-21	503,184	319,085	31,624	3,095,061	3,948,954				
108	2021-22	510,520	323,737	32,085	3,140,186	4,006,528				
109	2022-23	517,692	328,285	32,535	3,184,301	4,062,813				
110										
111	<b># of Eligible FL Persons - Basis for the Middle Estimate</b>									
112	<b>State FY</b>	<b>Employed Veterans in the Labor Force</b>	<b>Spouses of Such Veterans</b>	<b>Spouses of Active Duty Military</b>	<b>Persons Receiving Public Assistance or Employed Low-Income Persons in Labor Force (&lt;130% of FPL)</b>	<b>Total Number of Eligible Persons</b>				
113	2018-19	463,493	293,915	30,681	2,630,688	3,418,777				
114	2019-20	470,616	298,432	31,152	2,671,117	3,471,318				
115	2020-21	477,733	302,946	31,624	2,711,512	3,523,814				
116	2021-22	484,698	307,362	32,085	2,751,045	3,575,189				
117	2022-23	491,507	311,680	32,535	2,789,693	3,625,416				
118										
119	<b># of Eligible FL Persons - Basis for the Low Estimate</b>									
120	<b>State FY</b>	<b>Employed Veterans in the Labor Force</b>	<b>Spouses of Such Veterans</b>	<b>Spouses of Active Duty Military</b>	<b>Persons Receiving Public Assistance or Employed Low-Income Persons in Labor Force (100 to 130% of FPL)</b>	<b>Total Number of Eligible Persons</b>				
121	2018-19	463,493	293,915	30,681	213,682	1,001,771				
122	2019-20	470,616	298,432	31,152	216,966	1,017,166				
123	2020-21	477,733	302,946	31,624	220,247	1,032,549				
124	2021-22	484,698	307,362	32,085	223,458	1,047,603				
125	2022-23	491,507	311,680	32,535	226,597	1,062,320				

	A	B	C	D	E	F	G	H	I	J
1	<b>Fiscal Impact Analysis of SB 910 - Local Business Tax Exemptions</b>									
126										
127	<b>V. Adjustment to Reflect Business Exemption Granted to Exempt Individual Who Owns Majority Interest in Business w/ Employees</b>									
128										
129	<b>March 2017: Florida Employers by Size - All Ownerships</b>									
130										
131	# of Employers with Up to 25 Employees			611,788						
132	# of Employers with Up to 100 Employees			654,939						
133	Proportional Share			93.4%						
134										
135	<b>VI. Proposed Fiscal Impact (Millions \$)</b>									
136										
137		High		Middle		Low				
138	State FY	Cash	Recurring	Cash	Recurring	Cash	Recurring			
139	2018-19	(\$68.5)	(\$68.5)	(\$61.1)	(\$61.1)	(\$17.9)	(\$17.9)			
140	2019-20	(\$71.0)	(\$71.0)	(\$63.3)	(\$63.3)	(\$18.6)	(\$18.6)			
141	2020-21	(\$73.5)	(\$73.5)	(\$65.6)	(\$65.6)	(\$19.2)	(\$19.2)			
142	2021-22	(\$76.1)	(\$76.1)	(\$67.9)	(\$67.9)	(\$19.9)	(\$19.9)			
143	2022-23	(\$78.8)	(\$78.8)	(\$70.4)	(\$70.4)	(\$20.6)	(\$20.6)			

## REVENUE ESTIMATING CONFERENCE

**Tax:** Local Taxes and Fees

**Issue:** Prohibits a local government from charging a mobility fee for the development or construction of affordable housing, as defined in s. 420.9071, F.S., for the five-year period: SFY 2018-19 through SFY 2022-23.

**Bill Number(s):** CS/HB 987 (Section 2 of SB 1328 is identical)

**Entire Bill**

**Partial Bill:** Section 2 only

**Sponsor(s):** Representative B. Cortes

**Month/Year Impact Begins:** July 1, 2018

**Date of Analysis:** January 26, 2018

### Section 1: Narrative

- a. **Current Law:** According to a November 2016 Florida Department of Transportation (FDOT) report, *A Guidebook: Using Mobility Fees to Fund Transit Improvements*<sup>1</sup>, Florida's efforts to deal with the transportation impacts of new development have evolved over time. Impact fees were implemented in many locations beginning in the 1970s. Transportation concurrency was adopted as part of the 1985 Growth Management Act. Dating from the late 1980s and through the 2000s, there were numerous redefinitions of concurrency and the creation of transportation concurrency management areas and transportation concurrency exception areas. More recently, transportation concurrency was removed as a state requirement, and there has been some implementation of transportation mobility fee programs.

Historically, the use of transportation impact fees has been limited to infrastructure investments with most local governments using the fees to fund roadway capital improvements, such as roadway widening or other capacity improvements. Many local governments continue to use impact fees as a mechanism to assist with funding transportation improvements needed to serve new development. Public facility concurrency was first implemented as part of the 1985 Growth Management Act. For transportation, concurrency required that adopted roadway level of service standards be achieved and maintained. While the rationale for concurrency had a logical appeal, for transportation it had unintended consequences that promoted urban sprawl and resulted in placing undue burden on specific developments that caused level of service failures, while allowing earlier developments to freely consume available capacity.

Beginning in 1989 and continuing into the 2000s, there were a series of legislative and administrative rule changes that had the effect of softening the requirements for transportation concurrency. In 2009, the Florida Legislature eliminated the requirement for transportation concurrency in most urban areas and also directed that a study of transportation mobility fees be performed. In 2011, the Legislature totally removed the requirement for transportation concurrency, but allowed local governments to continue transportation concurrency at their discretion. In 2013, the Legislature changed the law to encourage local governments repealing transportation concurrency to adopt an alternative mobility funding system that allows developers to pay a fee as mitigation for their transportation impacts and to move forward with development.

Since then, there has been considerable effort at creating mobility fee programs. Mobility fee programs have allowed local governments to expand from a narrow focus on roadway improvements through a system of transportation concurrency, proportionate share, and impact fees to broader funding mechanisms designed to promote the implementation of a full range of multimodal mobility improvements.

A mobility fee is a transportation system charge on development that allows local governments to assess the proportionate cost of transportation improvements needed to serve the demand generated by development projects. At the most basic level, a mobility fee is an impact fee that allows funds to be expended not only on roadways, but also on transit-supportive investments such as bus shelters/amenities, and bicycle and pedestrian infrastructure. However, mobility fees are not limited to just transit-supportive infrastructure. Fees also may be expended on more significant transit capital, including buses, stations, and rail infrastructure.

Pursuant to s. 163.3180(5)(i), F.S., there are important statutory requirements that mobility fee programs need to meet:

- Any alternative mobility funding system adopted may not be used to deny, time, or phase an application for site plan approval, plat approval, final subdivision approval, building permits, or the functional equivalent of such approvals

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<sup>1</sup> Available at <http://www.fdot.gov/transit/Pages/FinalMobilityFeeGuidebook111816.pdf>

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Taxes and Fees

**Issue:** Prohibits a local government from charging a mobility fee for the development or construction of affordable housing, as defined in s. 420.9071, F.S., for the five-year period: SFY 2018-19 through SFY 2022-23.

**Bill Number(s):** CS/HB 987 (Section 2 of SB 1328 is identical)

provided that the developer agrees to pay for the development’s identified transportation impacts via the funding mechanism implemented by the local government.

- The revenue from the funding mechanism used in the alternative system must be used to implement the needs of the plan which serves as the basis for the fee imposed.
- A mobility fee-based funding system must comply with the dual rational nexus test applicable to impact fees.
- An alternative system that is not mobility fee-based shall not be applied in a manner that imposes upon new development any responsibility for funding an existing transportation deficiency.

Seven counties and 16 municipalities were identified in this Nov. 2016 FDOT report as having implemented mobility fee or similar programs. The reported counties are: Alachua, Broward, Hillsborough, Nassau, Osceola, Pasco, and Sarasota. The reported municipalities are: Altamonte Springs, Boca Raton, Destin, Gainesville, Jacksonville, Jacksonville Beach, Kissimmee, Maitland, Miami Lakes, Orlando, Ormond Beach, Panama City, Plant City, Sarasota, Tampa, and Tarpon Springs.

The Affordable Housing Workgroup, created in ch. 2017-71, Laws of Florida, was charged with providing recommendations for, among other components, a review of land use for affordable housing developments. Included in the discussion of land use was the impact of fees, including impact fees, exactions, mitigation fees and development fees. In its *Affordable Housing Workgroup Final Report 2017*<sup>2</sup>, the Workgroup recommended that “local government assessing impact fees either waive fees outright for affordable housing or establish local dedicated funds to make such affordable housing waivers possible.”

- b. Proposed Change:** Section 2 of the bill amends s. 163.3180(5)(i), F.S., to prohibit a local government from charging a mobility fee for the development or construction of housing that is affordable, as defined in s. 420.9071, F.S., for the five year period beginning July 1, 2018 through June 30, 2023.

Pursuant to s. 420.9071(2), F.S., the term *affordable* means that monthly rents or monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in subsection (19), subsection (20), or subsection (28). However, it is not the intent to limit an individual household’s ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark.

**Section 2: Description of Data and Sources**

Pursuant to s. 218.32, F.S., counties, municipalities, and special districts must complete and submit to the Florida Department of Financial Services (DFS) a copy of its annual financial report (i.e., AFR) for the previous fiscal year no later than nine months after the end of the fiscal year. In the current Uniform Accounting System Manual (2014 Edition), there is no specific revenue account for transportation mobility fees.

Although the current transportation impact fee accounts (see table below) reflect fee revenues derived from residential (i.e., 324.310) and commercial (i.e., 324.320) development, the accounts do not identify what share, if any, is derived from transportation mobility fees – assuming such mobility fees are being reported in these accounts. Additionally, since the authority to impose mobility fees is a recent legislative development, it is unclear how much mobility fee revenue is being captured in these accounts since FY 2014-15 is the most recent year of available data. Furthermore, it is not possible to determine from these account-level data what share of total transportation impact fees is derived from the development or construction of affordable housing.

**Transportation Impact Fee Revenue Collections Reported in Local Governments’ Annual Financial Reports (AFRs)**

Local FY	Counties		Municipalities		Special Districts	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
2008-09	\$58,454,886	\$50,442,989	\$9,334,610	\$15,962,293	\$2,160,087	\$0
2009-10	\$67,454,763	\$31,533,551	\$11,280,179	\$12,433,414	\$2,163,782	\$0

<sup>2</sup> Available at <http://www.floridahousing.org/about-florida-housing/workgroup-on-affordable-housing>.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Taxes and Fees

**Issue:** Prohibits a local government from charging a mobility fee for the development or construction of affordable housing, as defined in s. 420.9071, F.S., for the five-year period: SFY 2018-19 through SFY 2022-23.

**Bill Number(s):** CS/HB 987 (Section 2 of SB 1328 is identical)

2010-11	\$47,530,350	\$31,865,493	\$10,819,411	\$12,122,532	\$1,009,154	\$0
2011-12	\$55,190,412	\$36,091,143	\$11,126,974	\$20,346,789	\$2,166,772	\$0
2012-13	\$88,191,609	\$46,147,851	\$15,715,842	\$20,676,718	\$2,611,983	\$0
2013-14	\$120,244,059	\$67,390,397	\$16,401,347	\$26,006,100	\$4,472,271	\$0
2014-15	\$140,267,533	\$85,930,693	\$24,460,389	\$41,011,560	\$3,070,868	\$0

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

Due to the shortcomings in the available transportation impact fee revenue data, EDR staff emailed (1/12/2018) the 29 counties and 46 municipalities, which each had reported total impact fee revenues in FY 2014-15 greater than \$300,000 and \$1,000,000, respectively. The EDR survey included counties and municipalities identified in the FDOT report as having mobility fee programs.

These county and municipal governments were asked if they currently charge a mobility fee, pursuant to s. 163.3180, F.S. If yes, they were asked if the mobility fee is assessed on affordable housing, as defined in the bill, and, if so, were asked to provide their best estimate of the total mobility fee revenues that would go uncollected during the five-year period if the provision became law.

Only 9 local governments responded to EDR’s 1/12/2018 survey. Given the low survey response rate, the REC asked staff to continue its efforts in obtaining information from local governments. On 1/19/2018, EDR staff asked the Florida Association of Counties and Florida League of Cities to send the EDR survey questions to their respective memberships. This revised analysis reflects methodology applied to the collection of additional local government responses.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(\$2,218,902)	(\$2,218,902)	(\$675,555)	(\$675,555)	(\$205,770)	(\$205,770)
2019-20	(\$2,218,902)	(\$2,218,902)	(\$675,555)	(\$675,555)	(\$205,770)	(\$205,770)
2020-21	(\$2,218,902)	(\$2,218,902)	(\$675,555)	(\$675,555)	(\$205,770)	(\$205,770)
2021-22	(\$2,218,902)	(\$2,218,902)	(\$675,555)	(\$675,555)	(\$205,770)	(\$205,770)
2022-23	(\$2,218,902)	(\$2,218,902)	(\$675,555)	(\$675,555)	(\$205,770)	(\$205,770)

**List of Affected Trust Funds:**

Local funds only.

**Section 5: Consensus Estimate (Adopted: 01/26/2018): The Conference adopted an average of the middle and low estimates.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.4)	(0.4)
2019-20	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.4)	(0.4)
2020-21	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.4)	(0.4)
2021-22	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.4)	(0.4)
2022-23	0.0	0.0	0.0	0.0	(0.4)	(0.4)	(0.4)	(0.4)

	A	B	C	D	E	F	G	H	I
1	<b>Fiscal Impact Analysis of CS/HB 987 - Affordable Housing</b>								
2	<b>Section 2: Local Governments May Not Charge a Mobility Fee for the Development or Construction of Affordable Housing</b>								
3									
4	<b>I. County Government Responses to EDR &amp; FAC Surveys</b>								
5									
6					<b>Estimates of Uncollected Mobility Fee Revenue</b>				
7	<b>County Governments</b>	<b>April 1, 2017 Population</b>	<b>Currently Charge a Mobility Fee?</b>	<b>Mobility Fee Assessed on Affordable Housing?</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
8	<b><i>Alachua</i></b>	<b><i>260,003</i></b>	<b><i>Yes</i></b>	<b><i>Yes</i></b>	<b><i>\$ (80,000)</i></b>	<b><i>\$ (80,000)</i></b>	<b><i>\$ (80,000)</i></b>	<b><i>\$ (80,000)</i></b>	<b><i>\$ (80,000)</i></b>
9	Bay	178,820	No	N/A	N/A	N/A	N/A	N/A	N/A
10	Brevard	575,211	No	N/A	N/A	N/A	N/A	N/A	N/A
11	Charlotte	172,720	No	N/A	N/A	N/A	N/A	N/A	N/A
12	Citrus	143,801	No	N/A	N/A	N/A	N/A	N/A	N/A
13	Columbia	68,943	No	N/A	N/A	N/A	N/A	N/A	N/A
14	DeSoto	35,621	No	N/A	N/A	N/A	N/A	N/A	N/A
15	Franklin	12,161	No	N/A	N/A	N/A	N/A	N/A	N/A
16	Gilchrist	17,224	No	N/A	N/A	N/A	N/A	N/A	N/A
17	Glades	13,087	No	N/A	N/A	N/A	N/A	N/A	N/A
18	Gulf	16,297	No	N/A	N/A	N/A	N/A	N/A	N/A
19	Hardee	27,426	No	N/A	N/A	N/A	N/A	N/A	N/A
20	Indian River	148,962	No	N/A	N/A	N/A	N/A	N/A	N/A
21	Lafayette	8,479	No	N/A	N/A	N/A	N/A	N/A	N/A
22	Martin	153,022	No	N/A	N/A	N/A	N/A	N/A	N/A
23	<b><i>Pasco</i></b>	<b><i>505,709</i></b>	<b><i>Yes</i></b>	<b><i>Yes</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>
24	Polk	661,645	No	N/A	N/A	N/A	N/A	N/A	N/A
25	Seminole	454,757	No	N/A	N/A	N/A	N/A	N/A	N/A
26	St. Johns	229,715	No	N/A	N/A	N/A	N/A	N/A	N/A
27	Sumter	120,700	No	N/A	N/A	N/A	N/A	N/A	N/A
28	Volusia	523,405	No	N/A	N/A	N/A	N/A	N/A	N/A
29									
30	<b>County Totals</b>				<b>\$ (80,000)</b>	<b>\$ (80,000)</b>	<b>\$ (80,000)</b>	<b>\$ (80,000)</b>	<b>\$ (80,000)</b>
31									
32	Note: The counties listed in bold, italicized font are those identified as having implemented mobility fee programs in the November 2016, Florida Department of Transportation report, "A Guidebook: Using Mobility Fees to Fund Transit Improvements". Other counties, identified in this report as having implemented mobility fee programs, include: Broward, Hillsborough, Nassau, Osceola, and Sarasota. These counties did not respond to either the EDR or FAC request for information.								
33									
34	<b>II. Application of County Per Capita Mobility Fee Revenue Impact to Other Identified Mobility Fee Counties</b>								
35									
36	<b>County Per Capita Mobility Fee Revenue Impact</b>				<b>\$ (0.31)</b>	<b>\$ (0.31)</b>	<b>\$ (0.31)</b>	<b>\$ (0.31)</b>	<b>\$ (0.31)</b>
37	<b>(i.e., Alachua County)</b>								
38					<b>Estimates of Uncollected Mobility Fee Revenue</b>				
39	<b>County Governments</b>	<b>April 1, 2017 Population</b>	<b>Mobility Fee Imposed-Based on Nov. 2016 FDOT Report</b>	<b>Mobility Fee Assessed on Affordable Housing?</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
40	<b><i>Broward</i></b>	<b><i>1,873,970</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (576,600)</i></b>	<b><i>\$ (576,600)</i></b>	<b><i>\$ (576,600)</i></b>	<b><i>\$ (576,600)</i></b>	<b><i>\$ (576,600)</i></b>
41	<b><i>Hillsborough</i></b>	<b><i>1,379,302</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (424,396)</i></b>	<b><i>\$ (424,396)</i></b>	<b><i>\$ (424,396)</i></b>	<b><i>\$ (424,396)</i></b>	<b><i>\$ (424,396)</i></b>
42	<b><i>Nassau</i></b>	<b><i>80,456</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (24,755)</i></b>	<b><i>\$ (24,755)</i></b>	<b><i>\$ (24,755)</i></b>	<b><i>\$ (24,755)</i></b>	<b><i>\$ (24,755)</i></b>
43	<b><i>Osceola</i></b>	<b><i>337,614</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (103,880)</i></b>	<b><i>\$ (103,880)</i></b>	<b><i>\$ (103,880)</i></b>	<b><i>\$ (103,880)</i></b>	<b><i>\$ (103,880)</i></b>
44	<b><i>Pasco</i></b>	<b><i>505,709</i></b>	<b><i>Yes</i></b>	<b><i>Yes</i></b>	<b><i>\$ (155,601)</i></b>	<b><i>\$ (155,601)</i></b>	<b><i>\$ (155,601)</i></b>	<b><i>\$ (155,601)</i></b>	<b><i>\$ (155,601)</i></b>
45	<b><i>Sarasota</i></b>	<b><i>407,260</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (125,309)</i></b>	<b><i>\$ (125,309)</i></b>	<b><i>\$ (125,309)</i></b>	<b><i>\$ (125,309)</i></b>	<b><i>\$ (125,309)</i></b>
46									
47									
48	<b>Counties</b>	<b>High</b>		<b>Middle</b>		<b>Low</b>			
49		(Middle estimate plus the other counties identified in FDOT report)		(Survey responders w/est. plus survey responders w/o est.)		(Survey responders w/est. only)			
50	<b>State FY</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>		
51	2018-19	\$ (1,490,541)	\$ (1,490,541)	\$ (235,601)	\$ (235,601)	\$ (80,000)	\$ (80,000)		
52	2019-20	\$ (1,490,541)	\$ (1,490,541)	\$ (235,601)	\$ (235,601)	\$ (80,000)	\$ (80,000)		
53	2020-21	\$ (1,490,541)	\$ (1,490,541)	\$ (235,601)	\$ (235,601)	\$ (80,000)	\$ (80,000)		
54	2021-22	\$ (1,490,541)	\$ (1,490,541)	\$ (235,601)	\$ (235,601)	\$ (80,000)	\$ (80,000)		
55	2022-23	\$ (1,490,541)	\$ (1,490,541)	\$ (235,601)	\$ (235,601)	\$ (80,000)	\$ (80,000)		
56									

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1	<b>Fiscal Impact Analysis of CS/HB 987 - Affordable Housing</b>								
2	<b>Section 2: Local Governments May Not Charge a Mobility Fee for the Development or Construction of Affordable Housing</b>								
3									
57	<b>III. Municipal Government Responses to EDR &amp; FLC Surveys</b>								
58									
59					Estimates of Uncollected Mobility Fee Revenue				
60	<b>Municipal Governments</b>	<b>April 1, 2017 Population</b>	<b>Currently Charge a Mobility Fee?</b>	<b>Mobility Fee Assessed on Affordable Housing?</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
61	Bartow	19,088	No	N/A	N/A	N/A	N/A	N/A	N/A
62	Belleair Shore	117	No	N/A	N/A	N/A	N/A	N/A	N/A
63	<b><i>Boca Raton</i></b>	<b><i>91,797</i></b>	<b><i>No</i></b>	<b><i>N/A</i></b>	<b><i>N/A</i></b>	<b><i>N/A</i></b>	<b><i>N/A</i></b>	<b><i>N/A</i></b>	<b><i>N/A</i></b>
64	Boynton Beach	73,992	No	N/A	N/A	N/A	N/A	N/A	N/A
65	Bradenton	54,652	No	N/A	N/A	N/A	N/A	N/A	N/A
66	Cinco Bayou	405	No	N/A	N/A	N/A	N/A	N/A	N/A
67	Clearwater	113,723	Yes	No	N/A	N/A	N/A	N/A	N/A
68	Coconut Creek	57,395	No	N/A	N/A	N/A	N/A	N/A	N/A
69	Davie	100,689	No	N/A	N/A	N/A	N/A	N/A	N/A
70	Daytona Beach	65,569	No	N/A	N/A	N/A	N/A	N/A	N/A
71	Deltona	89,984	No	N/A	N/A	N/A	N/A	N/A	N/A
72	Esto	384	No	N/A	N/A	N/A	N/A	N/A	N/A
73	Inglis	1,305	No	N/A	N/A	N/A	N/A	N/A	N/A
74	<b><i>Jacksonville</i></b>	<b><i>891,207</i></b>	<b><i>Yes</i></b>	<b><i>Yes</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>
75	Key West	24,597	No	N/A	N/A	N/A	N/A	N/A	N/A
76	Lakeland	104,185	No	N/A	N/A	N/A	N/A	N/A	N/A
77	Miramar	136,246	No	N/A	N/A	N/A	N/A	N/A	N/A
78	Monticello	2,425	No	N/A	N/A	N/A	N/A	N/A	N/A
79	Mount Dora	14,283	No	N/A	N/A	N/A	N/A	N/A	N/A
80	Ocala	59,668	No	N/A	N/A	N/A	N/A	N/A	N/A
81	<b><i>Ormond Beach</i></b>	<b><i>40,722</i></b>	<b><i>Yes</i></b>	<b><i>Yes</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>	<b><i>No Estimate</i></b>
82	Palm Coast	82,760	No	N/A	N/A	N/A	N/A	N/A	N/A
83	Parkland	31,476	No	N/A	N/A	N/A	N/A	N/A	N/A
84	Pensacola	54,071	No	N/A	N/A	N/A	N/A	N/A	N/A
85	Port St. Lucie	181,284	No	N/A	N/A	N/A	N/A	N/A	N/A
86	Punta Gorda	18,838	No	N/A	N/A	N/A	N/A	N/A	N/A
87	St. Augustine Bch	6,633	No	N/A	N/A	N/A	N/A	N/A	N/A
88	<b><i>Tampa</i></b>	<b><i>373,058</i></b>	<b><i>Yes</i></b>	<b><i>Yes</i></b>	<b><i>\$ (125,770)</i></b>	<b><i>\$ (125,770)</i></b>	<b><i>\$ (125,770)</i></b>	<b><i>\$ (125,770)</i></b>	<b><i>\$ (125,770)</i></b>
89	Treasure Island	6,819	No	N/A	N/A	N/A	N/A	N/A	N/A
90	Valparaiso	5,246	No	N/A	N/A	N/A	N/A	N/A	N/A
91	Wildwood	8,454	No	N/A	N/A	N/A	N/A	N/A	N/A
92									
93	<b>Municipal Totals</b>				<b><i>\$ (125,770)</i></b>	<b><i>\$ (125,770)</i></b>	<b><i>\$ (125,770)</i></b>	<b><i>\$ (125,770)</i></b>	<b><i>\$ (125,770)</i></b>
94									
95	Note: The municipalities listed in bold, italicized font are those identified as having implemented mobility fee programs in the November 2016, Florida Department of Transportation report, "A Guidebook: Using Mobility Fees to Fund Transit Improvements". Other municipalities, identified in this report as having implemented mobility fee programs, include: Altamonte Springs, Boca Raton, Destin, Gainesville, Jacksonville, Jacksonville Beach, Kissimmee, Maitland, Miami Lakes, Orlando, Panama City, Plant City, Sarasota, Tampa, and Tarpon Springs. These municipalities did not respond to either the EDR or FLC request for information.								
96									
97	<b>IV. Application of Municipal Per Capita Mobility Fee Revenue Impact to Other Identified Mobility Fee Municipalities</b>								
98									
99	<b>Municipality Per Capita Mobility Fee Revenue Impact</b>				<b><i>\$ (0.34)</i></b>	<b><i>\$ (0.34)</i></b>	<b><i>\$ (0.34)</i></b>	<b><i>\$ (0.34)</i></b>	<b><i>\$ (0.34)</i></b>
100	<b>(i.e., Tampa)</b>								
101					Estimates of Uncollected Mobility Fee Revenue				
102	<b>Municipal Governments</b>	<b>April 1, 2017 Population</b>	<b>Mobility Fee Imposed-Based on Nov. 2016 FDOT Report</b>	<b>Mobility Fee Assessed on Affordable Housing?</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
103	<b><i>Altamonte Spgs</i></b>	<b><i>44,482</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (14,996)</i></b>	<b><i>\$ (14,996)</i></b>	<b><i>\$ (14,996)</i></b>	<b><i>\$ (14,996)</i></b>	<b><i>\$ (14,996)</i></b>
104	<b><i>Boca Raton</i></b>	<b><i>91,797</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (30,948)</i></b>	<b><i>\$ (30,948)</i></b>	<b><i>\$ (30,948)</i></b>	<b><i>\$ (30,948)</i></b>	<b><i>\$ (30,948)</i></b>
105	<b><i>Destin</i></b>	<b><i>13,116</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (4,422)</i></b>	<b><i>\$ (4,422)</i></b>	<b><i>\$ (4,422)</i></b>	<b><i>\$ (4,422)</i></b>	<b><i>\$ (4,422)</i></b>
106	<b><i>Gainesville</i></b>	<b><i>129,816</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (43,765)</i></b>	<b><i>\$ (43,765)</i></b>	<b><i>\$ (43,765)</i></b>	<b><i>\$ (43,765)</i></b>	<b><i>\$ (43,765)</i></b>
107	<b><i>Jacksonville</i></b>	<b><i>891,207</i></b>	<b><i>Yes</i></b>	<b><i>Yes</i></b>	<b><i>\$ (300,455)</i></b>	<b><i>\$ (300,455)</i></b>	<b><i>\$ (300,455)</i></b>	<b><i>\$ (300,455)</i></b>	<b><i>\$ (300,455)</i></b>
108	<b><i>Jacksonville Bch</i></b>	<b><i>23,503</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (7,924)</i></b>	<b><i>\$ (7,924)</i></b>	<b><i>\$ (7,924)</i></b>	<b><i>\$ (7,924)</i></b>	<b><i>\$ (7,924)</i></b>
109	<b><i>Kissimmee</i></b>	<b><i>69,962</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (23,586)</i></b>	<b><i>\$ (23,586)</i></b>	<b><i>\$ (23,586)</i></b>	<b><i>\$ (23,586)</i></b>	<b><i>\$ (23,586)</i></b>
110	<b><i>Maitland</i></b>	<b><i>17,401</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (5,866)</i></b>	<b><i>\$ (5,866)</i></b>	<b><i>\$ (5,866)</i></b>	<b><i>\$ (5,866)</i></b>	<b><i>\$ (5,866)</i></b>
111	<b><i>Miami Lakes</i></b>	<b><i>30,586</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (10,312)</i></b>	<b><i>\$ (10,312)</i></b>	<b><i>\$ (10,312)</i></b>	<b><i>\$ (10,312)</i></b>	<b><i>\$ (10,312)</i></b>
112	<b><i>Orlando</i></b>	<b><i>279,789</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (94,326)</i></b>	<b><i>\$ (94,326)</i></b>	<b><i>\$ (94,326)</i></b>	<b><i>\$ (94,326)</i></b>	<b><i>\$ (94,326)</i></b>
113	Ormond Beach	40,722	No	Yes	<b><i>\$ (13,729)</i></b>	<b><i>\$ (13,729)</i></b>	<b><i>\$ (13,729)</i></b>	<b><i>\$ (13,729)</i></b>	<b><i>\$ (13,729)</i></b>
114	<b><i>Panama City</i></b>	<b><i>36,988</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (12,470)</i></b>	<b><i>\$ (12,470)</i></b>	<b><i>\$ (12,470)</i></b>	<b><i>\$ (12,470)</i></b>	<b><i>\$ (12,470)</i></b>
115	<b><i>Plant City</i></b>	<b><i>38,297</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (12,911)</i></b>	<b><i>\$ (12,911)</i></b>	<b><i>\$ (12,911)</i></b>	<b><i>\$ (12,911)</i></b>	<b><i>\$ (12,911)</i></b>
116	<b><i>Sarasota</i></b>	<b><i>54,641</i></b>	<b><i>Yes</i></b>	<b><i>Unknown</i></b>	<b><i>\$ (18,421)</i></b>	<b><i>\$ (18,421)</i></b>	<b><i>\$ (18,421)</i></b>	<b><i>\$ (18,421)</i></b>	<b><i>\$ (18,421)</i></b>

	A	B	C	D	E	F	G	H	I
1	<b>Fiscal Impact Analysis of CS/HB 987 - Affordable Housing</b>								
2	<b>Section 2: Local Governments May Not Charge a Mobility Fee for the Development or Construction of Affordable Housing</b>								
3									
117	<i>Tarpon Springs</i>	25,093	Yes	Unknown	\$ (8,460)	\$ (8,460)	\$ (8,460)	\$ (8,460)	\$ (8,460)
118									
119									
120	Municipalities	High		Middle		Low			
121		(Middle estimate plus the other cities identified in FDOT report)		(Survey responders w/est. plus survey responders w/o est.)		(Survey responders w/est. only)			
122	State FY	Cash	Recurring	Cash	Recurring	Cash	Recurring		
123	2018-19	\$ (728,361)	\$ (728,361)	\$ (439,954)	\$ (439,954)	\$ (125,770)	\$ (125,770)		
124	2019-20	\$ (728,361)	\$ (728,361)	\$ (439,954)	\$ (439,954)	\$ (125,770)	\$ (125,770)		
125	2020-21	\$ (728,361)	\$ (728,361)	\$ (439,954)	\$ (439,954)	\$ (125,770)	\$ (125,770)		
126	2021-22	\$ (728,361)	\$ (728,361)	\$ (439,954)	\$ (439,954)	\$ (125,770)	\$ (125,770)		
127	2022-23	\$ (728,361)	\$ (728,361)	\$ (439,954)	\$ (439,954)	\$ (125,770)	\$ (125,770)		
128									
129									
130	<b>V. Proposed Fiscal Impact (Sum of County and Municipal Impacts)</b>								
131									
132		High		Middle		Low			
133	State FY	Cash	Recurring	Cash	Recurring	Cash	Recurring		
134	2018-19	\$ (2,218,902)	\$ (2,218,902)	\$ (675,555)	\$ (675,555)	\$ (205,770)	\$ (205,770)		
135	2019-20	\$ (2,218,902)	\$ (2,218,902)	\$ (675,555)	\$ (675,555)	\$ (205,770)	\$ (205,770)		
136	2020-21	\$ (2,218,902)	\$ (2,218,902)	\$ (675,555)	\$ (675,555)	\$ (205,770)	\$ (205,770)		
137	2021-22	\$ (2,218,902)	\$ (2,218,902)	\$ (675,555)	\$ (675,555)	\$ (205,770)	\$ (205,770)		
138	2022-23	\$ (2,218,902)	\$ (2,218,902)	\$ (675,555)	\$ (675,555)	\$ (205,770)	\$ (205,770)		