

REVENUE ESTIMATING CONFERENCE

Tax: Article V

Issue: Adult and Juvenile Prearrest Diversion Programs

Bill Number(s): CS/CS/SB 1392

Entire Bill

Partial Bill: Section 3, Section 9

Sponsor(s): Brandes, Perry, Young, Appropriations, Criminal Justice

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 4/16/2018

Section 1: Narrative

a. Current Law:

Section 985.12, F.S., requires the Department of Juvenile Justice to develop guidelines and assist in the implementation of Juvenile Civil Citation Programs throughout the state. The programs must be established at the local level with the concurrence of the chief judge, state attorney, public defender, and the head of each local law enforcement agency involved. A civil citation or similar diversion program has been implemented in 61 counties, with Taylor County in the process of implementation. Bradford, Calhoun, Gulf, Hardee and Washington have not established a civil citation program. Florida law does not currently contain any provisions establishing prearrest diversion programs for adults. However, some counties (Leon, Pinellas, and Broward) currently administer an adult civil citation or prearrest diversion program for certain misdemeanor offenders. Similar to the juvenile civil citation program, if the adult successfully completes the program (counseling, drug testing, community service), they will not have an arrest record.

b. Proposed Change:

Prearrest Diversion Programs (Adults and Juveniles):

Section 3-The bill creates s .901.41, F.S., which encourages local communities and educational institutions to implement misdemeanor prearrest diversion programs that allow adults who fulfill intervention and community service obligations to avoid an arrest record. Representatives from local law enforcement agencies, the program services provider, the public defender, the state attorney, and the clerk of the court, shall create the prearrest diversion program and develop its policies and procedures, including, the determination of the fee, if any. If the program imposes a participation fee, the clerk of the circuit court must receive a reasonable portion, to be determined by the stakeholders creating the program, for receipt and maintenance of a participant's personal identifying information in a statewide database. The fee shall be deposited by the clerk of the circuit court into the fine and forfeiture fund established under s. 142.01.

Section 9-The bill amends s. 985.12, F.S., to require each judicial circuit to establish a civil citation or similar prearrest diversion program for misdemeanor offenses committed by juveniles. The state attorney, public defender of each circuit, clerk of court for each county in the circuit, and representatives of participating law enforcement agencies in the circuit must create the program and develop its policies and procedures, including the determination of a fee, if any. If the program imposes a participation fee, the clerk of the circuit court must receive a reasonable portion. A current civil citation or prearrest diversion program offered by a sheriff, police department, county, municipality, or public or private educational institution in operation as of October 1, 2018, may continue if reviewed by the state attorney of the circuit and determined to be substantially similar to the program developed by the circuit.

Section 2: Description of Data and Sources

The Department of Juvenile Justice- phone and email correspondence

Florida Clerks of Court-email correspondence

Section 3: Methodology

For Section 3 and 9-The participation fee amount and percentage going to the clerks of the court is indeterminate. Depending on court costs that the participants of the diversion programs would have otherwise incurred absent the diversion programs, fees charged for the diversion programs may result in higher or lower costs depending on the ensuing participation fees. As a result, both the direction and the magnitude of the net impact to the courts is unknown at this time.

REVENUE ESTIMATING CONFERENCE

Tax: Article V

Issue: Adult and Juvenile Prearrest Diversion Programs

Bill Number(s): CS/CS/SB 1392

Section 4: Proposed Fiscal Impact

Section 3 and 9

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			+/-Indeterminate	+/-Indeterminate	+/- Insignificant	+/- Insignificant
2019-20			+/-Indeterminate	+/-Indeterminate	+/- Insignificant	+/- Insignificant
2020-21			+/-Indeterminate	+/-Indeterminate	+/- Insignificant	+/- Insignificant
2021-22			+/-Indeterminate	+/-Indeterminate	+/- Insignificant	+/- Insignificant
2022-23			+/-Indeterminate	+/-Indeterminate	+/- Insignificant	+/- Insignificant

List of affected Trust Funds:

Fine and Forfeiture Fund

Section 5: Consensus Estimate (Adopted 04/18/2018): 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	+/- ins	+/- ins	0.0	0.0	+/- ins	+/- ins
2019-20	0.0	0.0	+/- ins	+/- ins	0.0	0.0	+/- ins	+/- ins
2020-21	0.0	0.0	+/- ins	+/- ins	0.0	0.0	+/- ins	+/- ins
2021-22	0.0	0.0	+/- ins	+/- ins	0.0	0.0	+/- ins	+/- ins
2022-23	0.0	0.0	+/- ins	+/- ins	0.0	0.0	+/- ins	+/- ins

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Emergency Transport of Agricultural Products

Bill Number(s): CS CS SB 740

Entire Bill

Partial Bill: Section 3

Sponsor(s): Appropriations

Month/Year Impact Begins: 07/01/18

Date of Analysis: 04/18/18

Section 1: Narrative

- a. **Current Law:** Section 316.565, F.S. allows the Governor to declare that an emergency exists when there is a breakdown in the normal public transportation facilities necessary in moving perishable food crops grown in the state. During the emergency, the Department of Transportation is authorized to establish weight loads for hauling perishable foods from the fields or packinghouses to the nearest public transportation facility as circumstances demand. The Department of Transportation shall designate special highway routes, excluding the interstate highway system, to facilitate the trucking needed to expedite moving perishable food crops.
- b. **Proposed Change:** Section 316.565, F.S. is amended to replace “perishable food crops” with “agricultural products, as defined in s. 604.60...” When the Department establishes temporary weight loads, the new loads are no longer restricted to travel from the fields or packinghouses to the nearest public transportation facility. The Department may issue electronic verification permits during an emergency, which is valid for up to 60 days. The Department of Transportation must consult with the department of Agriculture and Consumer Services and stakeholders in the agricultural industry when implementing this section.

Section 2: Description of Data and Sources

Staff analysis for CS SB 1608 prepared by the Transportation Committee on 02/07/2018

Highway Safety REC History

Email communication with Department of Transportation staff

Section 3: Methodology (Include Assumptions and Attach Details)

Overweight fines were \$7,992,842 in FY 2016-17 and are deposited into the State Transportation Trust Fund. The Department is required to pay the GR service charge for overweight fine receipts. Overweight/over dimension permits were \$10,750,755 in FY 2016-17. This amount were also deposited into the State Transportation Trust Fund but exempted from the GR service charge. Changing “perishable food crops” to “agricultural products” and no longer restricting travel from fields or packinghouses to the nearest transportation facility will have the potential to negatively impact overweight fines and permits. The negative impact is indeterminate because: 1) we cannot predict the quantity and duration of Declared Emergencies 2) The Department has discretion in establishing temporary weight loads and 3) the potential weight violations which would have otherwise occurred during an emergency are unknown.

Section 4: Proposed Fiscal Impact

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

List of affected Trust Funds:

State Transportation Trust Fund

General Revenue Fund

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Emergency Transport of Agricultural Products

Bill Number(s): CS CS SB 740

Section 5: Consensus Estimate (Adopted: 04/18/2018): 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	(**)	(**)
2019-20	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2020-21	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2021-22	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2022-23	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Agency for Health Care Administration Assessments on health care facilities for the cost of local health councils

Bill Number(s): CS/CS/SB 622, Chapter No. 2018-24 (L.O.F.)

Entire Bill

Partial Bill: Section 60

Sponsor(s): Senator Grimsley and others

Month/Year Impact Begins: July 2018

Date of Analysis: April 18, 2018

Section 1: Narrative

- a. Current Law:** Section 408.033, F.S., requires the cost of local health councils to be paid by assessments on selected health care facilities that are subject to facility licensure by the Agency for Health Care Administration (AHCA). Local health councils provides services within the counties of each health service planning district to address the unique local health needs of the district. By rule, AHCA establishes assessment fee amounts for each facility and the procedures for billing and collection of such assessments. AHCA collects the fee and distributes it to the local health councils as compensation for the services they perform.
- b. Proposed Change:** As part of conforming changes to reflect the repeal of state licensure requirements for clinical laboratories, the bill removes clinical laboratories from the health care facilities that pay the assessment for local health councils.

Section 2: Description of Data and Sources

Agency for Health Care Administration, SB 622, 2018 Agency Legislative Bill Analysis, November 15, 2017.

Correspondence with AHCA staff, April 9 – 17, 2018.

Section 3: Methodology (Include Assumptions and Attach Details)

The annual assessment fee amount for clinical laboratories is \$150, which is collected on a biennial basis (\$300 per lab every 2 years). Certain labs are exempt from this fee under current law (non-profit community blood banks, clinical laboratories operated by practitioners for exclusive use, and certain state agencies that operate clinical laboratories). AHCA licenses a total of 3,904 labs, but only 2,146 of those labs pay the fee (the others are exempt per statute). Approximately half of the labs pay the fee each year.

2,146 labs divided by two = 1,073 labs that pay the fee per year

1,073 labs multiplied by \$300 biennial fee = \$321,900 per year

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(0.3)	(0.3)		
2019-20			(0.3)	(0.3)		
2020-21			(0.3)	(0.3)		
2021-22			(0.3)	(0.3)		
2022-23			(0.3)	(0.3)		

List of affected Trust Funds: Health Care Trust Fund, General Revenue Service Charge

Section 5: Consensus Estimate (Adopted: 04/18/2018): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(Insignificant)	(Insignificant)	(0.3)	(0.3)	0.0	0.0	(0.3)	(0.3)
2019-20	(Insignificant)	(Insignificant)	(0.3)	(0.3)	0.0	0.0	(0.3)	(0.3)
2020-21	(Insignificant)	(Insignificant)	(0.3)	(0.3)	0.0	0.0	(0.3)	(0.3)
2021-22	(Insignificant)	(Insignificant)	(0.3)	(0.3)	0.0	0.0	(0.3)	(0.3)
2022-23	(Insignificant)	(Insignificant)	(0.3)	(0.3)	0.0	0.0	(0.3)	(0.3)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Antifreeze registration fees

Bill Number(s): SB 740

Entire Bill

Partial Bill: Section 12

Sponsor(s): Sen. Stargel

Month/Year Impact Begins: July 1, 2018

Date of Analysis: April 18, 2018

Section 1: Narrative

- a. **Current Law:** Each brand of antifreeze to be distributed in the state must be registered with DACS before distribution. A registration certificate expires 12 months after the date of issue, and the application fee for registration is \$200.
- b. **Proposed Change:** Antifreeze brands may be registered for 12 months or 24 months, and the application fee for a 12-month registration is \$200 and for a 24-month registration is \$400.

Section 2: Description of Data and Sources

DACS reports these antifreeze registration fee levels for the previous five years:

12/13: \$87,800

13/14: \$108,800

14/15: \$115,800

15/16: \$131,200

16/17: \$81,400

Section 3: Methodology (Include Assumptions and Attach Details)

The average antifreeze fee revenue, based on 5 years' collections, is \$105,000. If one-half or more of the brands switch to 24 month registration, revenue in FY 2018-19 will increase by \$52,500, and FY 2019-20 revenue will decrease by \$52,500.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			\$0.1	0		
2019-20			(\$0.1)	0		
2020-21			\$0.1	0		
2021-22			(\$0.1)	0		
2022-23			\$0.1	0		

List of affected Trust Funds: General Inspection Trust Fund, General Revenue Fund

Section 5: Consensus Estimate (Adopted: 04/18/2018): The Conference adopted the proposed estimate.

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

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and fees

Issue: Brake fluid registration fees

Bill Number(s): SB 740

Entire Bill

Partial Bill: Section 16

Sponsor(s): Sen. Stargel

Month/Year Impact Begins: July 1, 2018

Date of Analysis: April 18, 2018

Section 1: Narrative

a. Current Law: Each brand of brake fluid sold in this state must be registered with, and receive a permit from, DACS. Each application must be accompanied by a \$100 fee, and a permit may be renewed after 12 months for a \$50 fee.

b. Proposed Change: The application fee for a 12-month permit is reduced to \$50 and a \$100 24-month permit is created. The renewal fee for 12 months remains \$50, and a \$100 24 month renewal fee is created.

Section 2: Description of Data and Sources: DACS records show that from FY 2012-13 through FY 2016-17, collections of brake fluid fees have been:

FY 12/13: \$9,500

FY 13/14: \$9,100

FY 14/15: \$5,100

FY 15/16: \$6,000

FY 16/17: \$9,300

Section 3: Methodology (Include Assumptions and Attach Details)

Given the magnitude of brake fluid revenues, reducing the initial application fees by 50% will result in an insignificant reduction in revenue, and introducing the biennial fee will not make the change significant in any year.

Section 4: Proposed Fiscal Impact

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

List of affected Trust Funds: General Inspection TF, General Revenue Fund

Section 5: Consensus Estimate (Adopted: 04/18/2018): 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	(*)	(*)
2019-20	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2020-21	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2021-22	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2022-23	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)

REVENUE ESTIMATING CONFERENCE

Tax: Various Fees

Issue: DACS Fee Waiver/State of Emergency

Bill Number(s): CS/CS/SB 740

Entire Bill

Partial Bill: Section 37.

Sponsor(s): Stargel

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 04/05/2018

Section 1: Narrative

- a. Current Law:** Currently, s. 570.07(21), F.S., authorizes the Department of Agriculture and Consumer Services (DACS) to declare an emergency when one exists in any matter pertaining to agriculture. The DACS may make, adopt, and promulgate rules and issue orders which will be effective during the emergency.

Section 252.36, F.S., provides the Governor with the authority to act in the event of an emergency that affects the state and which is beyond local control. The Governor may declare a state of emergency to continue until the Governor finds that the threat of danger has been dealt with, but not for longer than 60 days unless renewed by the Governor.

- b. Proposed Change:** Section 37 of CS/CS/SB 740 authorizes the Agriculture Commissioner to waive fees for permit renewals, licenses, certifications, or other similar types of authorizations during a state of emergency declared pursuant to s. 252.36, F.S.

Section 2: Description of Data and Sources

Discussion with, and data provided by, the Department of Agriculture and Consumer Services.

Department of Agriculture and Consumer Services, *Senate Bill 740*, Agency Bill Analysis (Nov. 15, 2017)

House of Representatives, *CS/CS/HB 553*, Final Bill Analysis (Mar. 29, 2018).

The Department of Agriculture and Consumer Services, *Commissioner Adam H. Putnam Issues Emergency Order Waiving Late Fees for Expiring Licenses, Registrations, Permits* (Sept. 19), <https://www.freshfromflorida.com/News-Events/Press-Releases/2017-Press-Releases/Commissioner-Adam-H.-Putnam-Issues-Emergency-Order-Waiving-Late-Fees-for-Expiring-Licenses-Registrations-Permits>, (last visited April 11, 2018).

The Department of Agriculture and Consumer Services, *Commissioner Adam H. Putnam Issues Emergency Order Waiving Fee to Replace Concealed Weapon and Security Guard Licenses Damaged or Lost in Hurricane* (Sept. 15), <https://www.freshfromflorida.com/News-Events/Press-Releases/2017-Press-Releases/Commissioner-Adam-H.-Putnam-Issues-Emergency-Order-Waiving-Fee-to-Replace-Concealed-Weapon-and-Security-Guard-Licenses-Damaged-or-Lost-in-Hurricane>, (last visited April 11, 2018).

Section 3: Methodology (Include Assumptions and Attach Details)

The Governor declared a state of emergency for the impact of Hurricane Irma on Florida during the 2017 Atlantic Hurricane Season.

On September 15, 2017, the Florida Commissioner on Agriculture waived the fees to replace Florida concealed weapon licenses and security guard licenses that were lost or destroyed during Hurricane Irma.

On September 19, 2017, The Florida Commissioner of Agriculture issued an emergency order that waived late fees for individuals or businesses with expiring licenses, registrations, or permits. The waiver of fees was authorized from September 19, 2017, to October 4, 2017, and applied to pest control, animal feed, pesticide application, agriculture dealers, fertilizer dealers, charitable organizations, motor vehicle repair, apiaries, and nurseries.

The DACS provided data that \$19,120 in fees were waived as a result of Hurricane Irma.

The low estimate assumes that the new law codifies the existing authority to waive certain fees when a declared state of emergency exists.

The middle estimate of negative insignificant assumes that the agriculture commissioner is being given new authority to waive certain fees when a declared state of emergency exists and is based on the value of the fees waived as a result of Hurricane Irma.

The high estimate of negative indeterminate assumes that the agriculture commissioner is being given new authority to waive certain fees when a declared state of emergency exists. The impact is negative due to the reduction of certain fees that would

REVENUE ESTIMATING CONFERENCE

Tax: Various Fees

Issue: DACS Fee Waiver/State of Emergency

Bill Number(s): CS/CS/SB 740

otherwise have been paid into the DACS and indeterminate by the uncertainty that a declared emergency will arise, how many may arise during a single fiscal year, and which fees the agriculture commissioner may choose to waive.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(**)	(**)	(*)	(*)	0.0	0.0
2019-20	(**)	(**)	(*)	(*)	0.0	0.0
2020-21	(**)	(**)	(*)	(*)	0.0	0.0
2021-22	(**)	(**)	(*)	(*)	0.0	0.0
2022-23	(**)	(**)	(*)	(*)	0.0	0.0

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 04/18/2018): The Conference adopted the middle estimate.

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

REVENUE ESTIMATING CONFERENCE

Tax: Various Fees

Issue: DACS Fee Waiver/State of Emergency

Bill Number(s): CS/CS/SB 740

Consumer Services

Ag Dealers License – 5 late @ \$100 late fee =	\$500
Motor Vehicle Repair – 79 late @\$25 late fee =	\$1,975
Charity – 116 late @\$25 late fee =	<u>\$2,900</u>
	\$5,375

Licensing

571 waived duplicate fees @ \$15.00 for Concealed Weapons licensees (in state or out of state) =	\$8,565
332 waived Chpt 493 (security guard licenses) duplicate fees @ predominant fee of \$15.00 (individual licenses) =	<u>\$4,980</u>
	\$13,545

Agriculture Environmental Services:

One—Ag Commercial License renewal late fee	\$50
Three—Business License renewal late fees (\$50 each)	<u>\$150</u>
	\$200

Waived the reexamination requirement and allowed one Certified Pest Control Operator to renew his certificate with CEUs after the November 28th deadline due to Hurricane Irma.

Total fees waived \$19,120

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Agency for Health Care Administration Licensing Fee for Clinical Laboratories

Bill Number(s): CS/CS/SB 622, Chapter No. 2018-24 (L.O.F.)

Entire Bill

Partial Bill: Section 97

Sponsor(s): Senator Grimsley and others

Month/Year Impact Begins: July 2018

Date of Analysis: April 18, 2018

Section 1: Narrative

- a. **Current Law:** Clinical laboratories that perform certain levels of testing are required to be licensed by the Agency for Health Care Administration (AHCA) under chapter 483, F.S. The license fees vary depending on accreditation status or the volume of testing performed.
- b. **Proposed Change:** Clinical laboratories that perform testing on specimens derived from within Florida will no longer be required to obtain/maintain state licensure under part I of chapter 483.

Section 2: Description of Data and Sources

Agency for Health Care Administration, SB 622, 2018 Agency Legislative Bill Analysis, November 15, 2017.
Correspondence with AHCA staff, April 9 – 16, 2018.

Section 3: Methodology (Include Assumptions and Attach Details)

AHCA provided the following information regarding clinical laboratory licensure over the last three years:

- 2015 – 3,785 labs paid \$1.50 million in fees
- 2016 – 3,859 labs paid \$1.52 million in fees
- 2017 – 3,904 labs paid \$1.54 million in fees

Assumption - For subsequent fiscal years, it is assumed the number of labs paying the fee would have grown had the bill not become law. The analysis assumes the number of licenses will grow by 59.5 labs per year, which is the average of the increase in labs from the prior two years ($45 + 74 = 119 / 2 = 59.5$).

Projection – According to AHCA, the average of the varying licensure fees is \$788.93 per license. Approximately half of the labs pay the fee each year. For Fiscal Year 2018-19 the number of labs is projected to be 3,963.5. The proposed fiscal impact equals half of the projected number of labs ($3,963.5 / 2 = 1,981.75$) multiplied by the average license fee ($\$788.93$) = \$1,563,462. The calculation of the proposed fiscal impact for subsequent fiscal years is provided below:

- 2019-20: projected number of labs (4,023) divided by two (2,011.5) multiplied by the avg. license fee = \$1,586,933
- 2020-21: projected number of labs (4,082.50) divided by two (2,041.25) multiplied by the avg. license fee = \$1,610,403
- 2021-22: projected number of labs (4,142) divided by two (2,071) multiplied by the avg. license fee = \$1,633,874
- 2022-23: projected number of labs (4,201.50) divided by 2 (2,100.75) multiplied by the avg. license fee = \$1,657,345

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(\$1.6)	(\$1.6)		
2019-20			(\$1.6)	(\$1.6)		
2020-21			(\$1.6)	(\$1.6)		
2021-22			(\$1.6)	(\$1.6)		
2022-23			(\$1.7)	(\$1.7)		

List of affected Trust Funds: Health Care Trust Fund

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Agency for Health Care Administration Licensing Fee for Clinical Laboratories

Bill Number(s): CS/CS/SB 622, Chapter No. 2018-24 (L.O.F.)

Section 5: Consensus Estimate (Adopted: 04/18/2018): The conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.1)	(0.1)	(1.5)	(1.5)	0.0	0.0	(1.6)	(1.6)
2019-20	(0.1)	(0.1)	(1.5)	(1.5)	0.0	0.0	(1.6)	(1.6)
2020-21	(0.1)	(0.1)	(1.5)	(1.5)	0.0	0.0	(1.6)	(1.6)
2021-22	(0.1)	(0.1)	(1.5)	(1.5)	0.0	0.0	(1.6)	(1.6)
2022-23	(0.1)	(0.1)	(1.6)	(1.6)	0.0	0.0	(1.7)	(1.7)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Repeal Licensure for Risk Managers

Bill Number(s): CS/CS/SB 622

Entire Bill

Partial Bill: Section 36

Sponsor(s): Rules Committee; Appropriations Committee; Senator Grimsley and others

Month/Year Impact Begins: FY 2018/19

Date of Analysis: April 18, 2018

Section 1: Narrative

a. Current Law:

A health care risk manager assesses and minimizes various risks to staff, patients, and the public in a health care organization, and can play a role in reducing safety, finance, and patient problems in the organization or facility. Health care risk managers may perform such duties as event and incident risk management; clinical, financial, legal, and general business responsibilities; statistical analysis; and claims management. Every hospital and ambulatory surgical center (ASC) licensed under part I of ch. 395, F.S., is required to establish and maintain an internal risk management program that is overseen by a health care risk manager.

Florida is the only state to require the licensure of health care risk managers. Health care risk managers are licensed by AHCA.

b. Proposed Change:

The bill repeals s. 395.10974, F.S., which provides for the licensure of health care risk managers.

Section 2: Description of Data and Sources

- AHCA Agency Legislative Bill Analysis for SB 622 dated November 15, 2017.
- House of Representatives Final Bill Analysis for CS/CS/HB 597, dated March 30, 2018.
- Communication with AHCA staff and House Health Care Appropriations staff.

Section 3: Methodology (Include Assumptions and Attach Details)

AHCA currently licenses 2,458 health care risk managers and 602, or 24.5 percent, report working in a licensed capacity for at least one hospital or ASC. On average, for the past five years, approximately 174 initial applications for licensure are received and 181 licensees fail to renew each year. According to AHCA, the number of licensees at the time of their agency analysis was 2,458. The renewal fee per license is \$52.78 per biennium. Assuming half of the licenses renew per year, $1,229 \times \$52.78 = \$64,866.62$.

Section 4: Proposed Fiscal Impact

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

List of affected Trust Funds: Health Care Trust Fund, GR Service Charge

Section 5: Consensus Estimate (Adopted: 04/18/2018): The Conference adopted the middle estimate.

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

REVENUE ESTIMATING CONFERENCE

Tax: Home Health Care

Issue: Home Health Agency Certificate of Exemption

Bill Number(s): CS/CS/SB 622

Entire Bill

Partial Bill: Section 46

Sponsor(s): Senator Grimsley

Month/Year Impact Begins: July 1, 2018

Date of Analysis: April 18, 2018

Section 1: Narrative

a. Current Law: Section 400.464, F.S., requires a home health agency to obtain a license issued by the Agency for Health Care Administration (AHCA) prior to operating in Florida. Home health agencies are health care providers that provide skilled services (by nurses, therapists, and social workers) and/or unskilled services (by home health aides, certified nursing assistants, homemakers, and companions) to patients in their homes. A home health agency may also provide staffing to health care facilities on a temporary basis.

Section 400.464(5), F.S., exempts from licensure home health care services operated or provided by the federal government and state agencies. The statute also exempts home health care services provided by certain companion and sitter organizations, home health aides or certified nursing assistants, and certain individuals.

b. Proposed Change: Section 46 creates s. 400.464(6), F.S., to authorize a voluntary process for applying for a certificate of exemption from licensure for a person, entity, or organization providing home health services who are exempt from licensure as a home health agency. The agency may charge a fee of \$100 or the actual cost of processing the certificate. The certificate of exemption is valid for up to 2 years.

Section 2: Description of Data and Sources

Senate Staff Analysis, Rules Committee, March 1, 2018

ACHA 2018 Agency Legislative Bill Analysis, November 15, 2017

Correspondence with staff from AHCA

Section 3: Methodology (Include Assumptions and Attach Details)

The estimated cost for the certificate of exemption process includes application processing, including establishing an online application system, reviewing the application for statutory requirements, issuance of the certificate of exemption and related administrative support for the program. Such support includes adding the certificate of exemption type to FloridaHealthFinder.gov and other consumer information tools as well as any legal costs associated with denying or revoking a certificate of exemption. AHCA estimates that the \$100 application fee will be sufficient to cover these costs. The certificate of exemption will be valid for two years and may be renewed after expiration. The renewal fee will be \$100.

According AHCA, there are approximately 2,000 licensed home health agencies. However, the total number of individuals, entities or organizations currently providing home health care services who are exempt from licensure as a home health agency is unknown and indeterminable. Since obtaining a certificate of exemption will be voluntary, AHCA is unable to determine the number of applicants who will apply. However, the agency has forecasted that approximately 200 applicants will apply for a certificate of exemption during the first year.

The low estimate of positive insignificant assumes that the number of applicants who apply for or renew a certificate of exemption never exceeds 500 or \$50,000 in revenue. The high estimate of positive indeterminate assumes that the number of applicants who apply for or renew a certificate of exemption cannot be determined.

Section 4: Proposed Fiscal Impact

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

REVENUE ESTIMATING CONFERENCE

Tax: Home Health Care

Issue: Home Health Agency Certificate of Exemption

Bill Number(s): CS/CS/SB 622

List of affected Trust Funds:

Health Care Trust Fund, GR Service Charge

Section 5: Consensus Estimate (Adopted: 04/18/2018): 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	*	*
2019-20	*	*	*	*	0.0	0.0	*	*
2020-21	*	*	*	*	0.0	0.0	*	*
2021-22	*	*	*	*	0.0	0.0	*	*
2022-23	*	*	*	*	0.0	0.0	*	*

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Deferred Presentment Database Fee

Bill Number(s): CS/CS/CS/SB 920

Entire Bill

Partial Bill:

Sponsor(s): Bradley, Braynon

Month/Year Impact Begins: July 1, 2019

Date of Analysis: April 9, 2018

Section 1: Narrative

a. Current Law: Part IV of ch. 560, F.S., governs the provision of deferred presentment transactions in Florida. A deferred presentment transaction means providing currency or a payment instrument in exchange for a drawer’s (borrower’s) check and agreeing to hold the check for a number of days until depositing, presenting, or redeeming the payment instrument. Currently, the face amount of a check taken for deferred presentment may not exceed \$500, exclusive of the fees allowed under section 560.404, F.S. The duration of deferred presentment agreements must not exceed 31 days or fall below 7 days.

Deferred presentment providers must submit transaction data to, and monitor a common database to verify whether any deferred presentment transactions are outstanding for a particular person. The Financial Services Commission may and has, by rule, imposed a fee of \$1 per deferred presentment transaction for data submitted into the common database by a deferred presentment provider.

b. Proposed Change: The bill creates a new type of deferred presentment transaction that is repayable in installments and is called a “deferred presentment installment transaction.” Neither the face amount of a check nor the outstanding transaction balance may exceed \$1,000, exclusive of permissible fees. The term of a deferred presentment installment transaction may not be fewer than 60 days or more than 90 days.

The bill permits the Financial Services Commission to impose by rule a fee on a deferred presentment provider up to \$1 for each full or partial 30-day period that a balance is scheduled to be outstanding for a deferred presentment installment transaction.

Section 2: Description of Data and Sources

- Office of Financial Regulation, 2018 Agency Legislative Bill Analysis for SB 920, December 28, 2017.
- House of Representatives Final Bill Analysis for CS for CS for House Bill 857, March 21, 2018.

Section 3: Methodology (Include Assumptions and Attach Details)

The revenue impact of the bill is expected to be indeterminate in both magnitude and direction for the following reasons:

1. The bill allows flexibility regarding fee rates associated with deferred presentment installment transactions that *may* be set by rule. Rules have yet to be promulgated and it is unclear what the fee rates will be.
2. The cost of a restructured deferred presentment database, made necessary by the bill, is unclear. Therefore the need for additional revenues is unclear. (Note: the current annual database cost is approximately \$2.8 million, compared to current fee revenue of approximately \$7.7 million.)
3. It is unclear how the number of transactions currently subject to a fee will change compared to the new transaction type created by the bill.

Section 4: Proposed Fiscal Impact

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

List of affected Trust Funds:

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Deferred Presentment Database Fee

Bill Number(s): CS/CS/CS/SB 920

Regulatory Trust Fund (Office of Financial Regulation)

Section 5: Consensus Estimate (Adopted: 04/18/2018): 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	+/-
2019-20	+/-	+/-	+/-	+/-	0.0	0.0	+/-	+/-
2020-21	+/-	+/-	+/-	+/-	0.0	0.0	+/-	+/-
2021-22	+/-	+/-	+/-	+/-	0.0	0.0	+/-	+/-
2022-23	+/-	+/-	+/-	+/-	0.0	0.0	+/-	+/-

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees/Local Taxes and fees

Issue: Oyster Harvesting License

Bill Number(s): CS/CS/SB 740

Entire Bill

Partial Bill: Section 4

Sponsor(s): Sen. Stargel

Month/Year Impact Begins: July 1, 2018

Date of Analysis: April 18, 2018

Section 1: Narrative

- a. **Current Law:** No person may harvest oysters from the Apalachicola Bay without a valid Apalachicola Bay oyster harvesting license issued by DACS. This requirement does not apply to non-commercial harvesting or to anyone under 18 years of age. DACS collects an annual fee of \$100 for residents and \$500 for nonresidents for each license, beginning July 1 and ending June 30. Proceeds are deposited in the General Inspection Trust Fund and must be used for specific purposes provided by statute.
- b. **Proposed Change:** The City of Apalachicola will issue these licenses and retain the revenues. The license fee does not change.

Section 2: Description of Data and Sources

DACS reports 790 timely license applicants for the 2017-2018 oyster season. Apalachicola Oyster License revenues for the past five years have been:

- 12/13: \$225,700
- 13/14: \$130,000
- 14/15: \$120,700
- 15/16: \$88,600
- 16/17: \$88,300

Section 3: Methodology (Include Assumptions and Attach Details)

DACS anticipates that the 2016-17 level of licenses will be applied for in future years and that the same mix of resident and nonresident licenses will be issued.

Section 4: Proposed Fiscal Impact

This provision will reduce state trust revenue by \$88,300 in FY 2018-19 and recurring, and will increase local revenue by the same amount.

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

List of affected Trust Funds: General Inspection Trust Fund, General Revenue Fund

Section 5: Consensus Estimate (Adopted: 04/18/2018): The Conference adopted a negative \$88,300 cash and recurring impact to Trust (8% of which is an impact to GR Service Charge) with a corresponding positive impact to local revenues.

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

REVENUE ESTIMATING CONFERENCE

Tax: Other taxes and fees

Issue: Removal of FDLE Processing Fee Authority

Bill Number(s): CS/CS/SB 1392

Entire Bill

Partial Bill: Section 6

Sponsor(s): Brandes, Perry, Young, Appropriations, Criminal Justice

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 4/16/2017

Section 1: Narrative

a. Current Law:

Section 943.0582, F.S., authorizes a juvenile who successfully completes a prearrest or postarrest diversion program to seek expunction of his or her arrest record for a nonviolent misdemeanor offense if the agencies establishing the program have authorized such expunction. If so authorized, a juvenile seeking expunction must apply to FDLE and pay a \$75 processing fee for placement in the Department of Law Enforcement Operating Trust Fund (unless such fee is waived).

b. Proposed Change:

Expunction of Juvenile Criminal History Record:

Section 6 –amends s. 943.0582, F.S., to:

- Make expunction available for any of the diversion programs established in ch. 985, F.S., rather than only prearrest and postarrest diversion programs;
- Require expunction for any first-time misdemeanor when the program is successfully completed;
- Remove the requirement that the diversion program authorize expunction;
- Remove FDLE’s authorization to assess a fee for the expunction; and
- Specify that an expunged record shall be made available only to criminal justice agencies for the purpose of determining eligibility for diversion programs, criminal investigations, and making prosecutorial decisions (such records can no longer be used when the subject of the record is a candidate for employment with a criminal justice agency).

Section 2: Description of Data and Sources

Florida Department of Law Enforcement-phone correspondence

<http://www.fdle.state.fl.us/Seal-and-Expunge-Process/Juvenile-Diversion-Expunction.aspx>

Section 3: Methodology

For Section 6–As of July 1, 2016, the fee for the juvenile diversion expunction application has been waived. The Department indicated that there was no plan to remove the waiver. Therefore, the middle assumes no impact is anticipated from the elimination of the fee. The high assumes a negative insignificant impact, as the Florida Department of Law Enforcement collected \$24,075 in 2015 through juvenile diversions.

Section 4: Proposed Fiscal Impact

Section 6

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

REVENUE ESTIMATING CONFERENCE

Tax: Other taxes and fees

Issue: Removal of FDLE Processing Fee Authority

Bill Number(s): CS/CS/SB 1392

List of affected Trust Funds:

Department of Law Enforcement Operating Trust Fund

Section 5: Consensus Estimate (Adopted 04/15/2018): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	0.0	0.0	0.0	0.0	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

REVENUE ESTIMATING CONFERENCE

Tax: Permit Fees

Issue: Weights and Measures Repeal Extension

Bill Number(s): CS/CS/SB740

Entire Bill

Partial Bill: Section 30.

Sponsor(s): Stargel

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 04/05/2018

Section 1: Narrative

a. Current Law: Section 531.63, F.S., sets forth maximum annual permit fees for weights or measures instruments or devices.

The Department of Agriculture and Consumer Services (DACS) currently imposes the permit fees in a range from \$40 to \$250, depending upon the type of device. Examples of the types of devices that require registration with the DACS are gas pumps, scales, price scanners, and other commercial weighing and measuring devices.

In 2013, the Legislature extended the scheduled repeal date of the permit fees provisions from July 1, 2014, to July 1, 2020.

b. Proposed Change: Section 30 of CS/CS/SB 740 extends the repeal date of the permit fees provisions from July 1, 2020, to July 1, 2025.

Section 2: Description of Data and Sources

Discussion with, and data provided by, the Department of Agriculture and Consumer Services.

Department of Agriculture and Consumer Services, *Senate Bill 740*, Agency Bill Analysis (Nov. 15, 2017)

House of Representatives, *CS/CS/HB 553*, Final Bill Analysis (Mar. 29, 2018).

Section 3: Methodology (Include Assumptions and Attach Details)

The DACS provided data on the payments of permit fees and late fees from Fiscal Year 2014-15 to Fiscal Year 2016-17. The impact below is the sum of the average of each fee type over this period.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			0.0	2.4		
2019-20			0.0	2.4		
2020-21			2.4	2.4		
2021-22			2.4	2.4		
2022-23			2.4	2.4		

List of affected Trust Funds:

General Inspection Trust Fund

Section 5: Consensus Estimate (Adopted: 04/18/2018): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.2	0.0	2.2	0.0	0.0	0.0	2.4
2019-20	0.0	0.2	0.0	2.2	0.0	0.0	0.0	2.4
2020-21	0.2	0.2	2.2	2.2	0.0	0.0	2.4	2.4
2021-22	0.2	0.2	2.2	2.2	0.0	0.0	2.4	2.4
2022-23	0.2	0.2	2.2	2.2	0.0	0.0	2.4	2.4

REVENUE ESTIMATING CONFERENCE

Tax: Permit Fees

Issue: Weights and Measures Repeal Extension

Bill Number(s): CS/CS/SB740

Weights and Measures

	FY 14-15	FY 15-16	FY 16-17
Permit Fees	\$ 2,223,978	\$ 2,195,139	\$ 2,506,057
Late Fees	\$ 81,100	\$ 70,000	\$ 88,100

Average

Permit Fees	\$ 2,308,391
Late Fees	\$ 79,733
	\$ 2,388,125

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Agricultural Classification – 5 Year Extension After Natural Disasters

Bill Number(s): CS/CS/SB740 - Section 1

Entire Bill

Partial Bill: Section 1.

Sponsor(s): N/A

Month/Year Impact Begins: July 1, 2018 (First impacts as early as 2019-20)

Date of Analysis: April 18, 2018

Section 1: Narrative

a. Current Law: S. 193.461 F.S., (1) The property appraiser shall, on an annual basis, classify for assessment purposes all lands within the county as either agricultural or nonagricultural.

(2) Any landowner whose land is denied agricultural classification by the property appraiser may appeal to the value adjustment board. The property appraiser shall notify the landowner in writing of the denial of agricultural classification on or before July 1 of the year for which the application was filed. The notification shall advise the landowner of his or her right to appeal to the value adjustment board and of the filing deadline. The property appraiser shall have available at his or her office a list by ownership of all applications received showing the acreage, the full valuation under s. [193.011](#), the valuation of the land under the provisions of this section, and whether or not the classification requested was granted.

(3)(a) Lands may not be classified as agricultural lands unless a return is filed on or before March 1 of each year. Before classifying such lands as agricultural lands, the property appraiser may require the taxpayer or the taxpayer's representative to furnish the property appraiser such information as may reasonably be required to establish that such lands were actually used for a bona fide agricultural purpose. Failure to make timely application by March 1 constitutes a waiver for 1 year of the privilege granted in this section for agricultural assessment. (...)

(b) Subject to the restrictions specified in this section, only lands that are used primarily for bona fide agricultural purposes shall be classified agricultural. The term "bona fide agricultural purposes" means good faith commercial agricultural use of the land.

1. In determining whether the use of the land for agricultural purposes is bona fide, the following factors may be taken into consideration:

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

(4) The property appraiser shall reclassify the following lands as nonagricultural:

- (a) Land diverted from an agricultural to a nonagricultural use.
- (b) Land no longer being utilized for agricultural purposes.

(5) For the purpose of this section, the term "agricultural purposes" includes, but is not limited to, horticulture; floriculture; viticulture; forestry; dairy; livestock; poultry; bee; pisciculture, if the land is used principally for the production of tropical fish; aquaculture, including algaculture; sod farming; and all forms of farm products as defined in s. [823.14](#)(3) and farm production.

(6)(a) In years in which proper application for agricultural assessment has been made and granted pursuant to this section, the assessment of land shall be based solely on its agricultural use. The property appraiser shall consider the following use factors only:

1. The quantity and size of the property;
2. The condition of the property;
3. The present market value of the property as agricultural land;
4. The income produced by the property;
5. The productivity of land in its present use;
6. The economic merchantability of the agricultural product; and
7. Such other agricultural factors as may from time to time become applicable, which are reflective of the standard present practices of agricultural use and production.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Agricultural Classification – 5 Year Extension After Natural Disasters

Bill Number(s): CS/CS/SB740 - Section 1

- b. Proposed Change:** The adopted law adds section 193.461 (7)(c) F.S., (c) Lands classified for assessment purposes as agricultural lands which are not being used for agricultural production as a result of a natural disaster for which a state of emergency is declared pursuant to s. 252.36, when such disaster results in the halting of agricultural production, must continue to be classified as agricultural lands for 5 years after termination of the emergency declaration. However, if such lands are diverted from agricultural use to nonagricultural use during or after the 5-year recovery period, such lands must be assessed under s. 193.011. This paragraph applies retroactively to natural disasters that occurred on or after July 1, 2017.

Section 2: Description of Data and Sources

2017 Final Real Property Assessment Rolls

Section 3: Methodology (Include Assumptions and Attach Details)

The version of the language signed into law varied slightly from the version presented to the REC on February 16, 2018. The version previously analyzed extended the classification if the natural disaster resulted “in the halting or reduction of agricultural production,” while the final language excluded “or reduction.” Because a farm suffering from a reduction in agricultural production would still receive the same agricultural classification as one with typical production, the change to the language does not affect the impact.

Additionally, the conference modified the original impact analysis’ middle estimate with revised annual rates of return and only one hurricane. That analysis used the high estimate’s land base (3% of agricultural land) as the basis for further calculations instead of 2%, which the documentation stated. With the lowered land base, the 2020-21 impact would fall from \$1.4m to \$0.9m.

The following methodology is unmodified from the February 16, 2018, conference.

The counties most impacted by the 2017 Hurricane were identified in a previous analysis of Proposed Language for Natural Disaster Relief. These counties were: Collier, Glades, Hendry, Highlands, Lee, Okeechobee, Osceola, Polk, and Monroe. Monroe county has been excluded from this analysis due the negligible amount of agricultural acreage in the county. Based on discussions with Property Appraisers, their staff, and industry representatives there is some leeway after a large storm that allows the agricultural property to retain the agricultural use class for one to two years after the storm event. After this period the Appraiser’s office would send an evidence request letter. This letter would seek to ascertain the specific circumstances causing the halted production. The response to the letter would then determine whether the agricultural use class was retained or not.

The assumptions for this grace period before re-classification are varied between the estimates. The high estimate assumes a one-year grace period under current administration and the middle and low both assume a two year grace period. Collier county had some data reporting errors and the average for the bordering counties (Lee and Hendry) were applied to the Collier County parcel counts. All estimates in this analysis assume that the current agricultural use class would be maintained throughout the 5-year period. Averages for the ag acreage value and the non-ag acreage values are used to calculate the difference in tax base for the potentially reclassified lands. However, based on the language it is not clear if the agricultural use class would fall into the non-productive agricultural use class. If the agricultural land that was no longer being used for agricultural production due to the hurricane was, instead of maintaining the current value, re-classified at the de minimus value of \$50 per acre then the impact from this change would be larger than presented. It is assumed that there would be some acreage that might be eligible for this extension that would go back to agricultural production in each year after the storm event as part of the normal recovery process. The rate of return to farm production for the high is 5% per year, the middle uses 10% per year, and the low uses 50% per year. The High estimate assumes that 3% of the acreage would be able to use this extension, the middle assumes 2%, and the low assumes 1%. The high estimate assumes one natural disaster with state of emergency declaration per year. The middle assumes there would be natural disasters in 2019-20 and 2021-22. The low has no natural disasters in the estimate period. As this analysis does not look back to the 2017 hurricane season there is no impact until the 2020-21 fiscal year due to the assumed grace periods for the high, middle, and low. Any potential recurring impacts are not stable until outside of the estimate period. If the events are regular, then there may be recurring impacts possible. The 6th year recurring values are used in the high to demonstrate what this might look like.

Section 4: Proposed Fiscal Impact

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Agricultural Classification – 5 Year Extension After Natural Disasters

Bill Number(s): CS/CS/SB740 - Section 1

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$-	\$(18.6 M)	\$-	\$-	\$-	\$-
2019-20	\$(5.1 M)	\$(18.6 M)	\$-	\$-	\$-	\$-
2020-21	\$(9.9 M)	\$(18.6 M)	\$(1.4 M)	\$(1.4 M)	\$-	\$-
2021-22	\$(14.4 M)	\$(18.6 M)	\$(0.7 M)	\$(0.7 M)	\$-	\$-
2022-23	\$(18.6 M)	\$(18.6 M)	\$(0.4 M)	\$(0.4 M)	\$-	\$-

List of affected Trust Funds:

Ad Valorem Trust Fund Group

Section 5: Consensus Estimate (Adopted: 04/18/2018): The Conference adopted an adjusted middle impact, increasing the return to production to 75% by the third year and completely returning by FY 2022-23. The adopted number is an at least as number; any additional events will increase the total cash and recurring impact.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	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
2020-21	(0.4)	(0.4)	(0.6)	(0.6)	(0.9)	(0.9)
2021-22	(0.2)	(0.2)	(0.3)	(0.3)	(0.5)	(0.5)
2022-23	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)

	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	(0.9)	(0.9)	(0.9)	(0.9)
2021-22	0.0	0.0	0.0	0.0	(0.5)	(0.5)	(0.5)	(0.5)
2022-23	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)

Agricultural Extension for Natural Disasters with Declared State of Emergency

	A	B	C	D	E	F	G	H
1								
2		Current Property Appraiser Reclassification Time Line after a Natural Disaster						
3		Description						
4		HIGH	MIDDLE	LOW				
5		Year 0	hurricane!	hurricane!				
6		Year 1	grace period	grace period				
7		Year 2	letter/switch class	grace period				
8		Year 3	rev classification	letter/switch class				
9		Year 4	rev classification	rev classification				
10		Year 5	rev classification	rev classification				
11		Year 6	rev classification	rev classification				
12								
13								
14		Natural Disaster State of Emergency Declarations						
15		HIGH	MIDDLE	LOW				
16		2017-18	1	1	1			
17		2018-19	1					
18		2019-20	1	1				
19		2020-21	1					
20		2021-22	1	1				
21		2022-23	1					
22		2023-24	1					
23		2024-25	1					
24								
25		Rate of Return to Full production for Ag						
26		HIGH	MIDDLE	Low				
27			5%	25%	50%			
28								
29		2017 Millage Rate (School)			6.6455			
30		2017 Millage Rate (Non-School)			10.8101			
31								
32		One Year Conversion amounts based on Use Reclassification Calculations						
33		HIGH	MIDDLE	LOW				
34		3%	2%	1%				
35		\$ 323,713,337	\$ 215,808,891	\$ 107,904,446				
36	School	\$ 2,151,237	\$ 1,434,158	\$ 717,079				
37	Non-School	\$ 3,499,374	\$ 2,332,916	\$ 1,166,458				
38								

Agricultural Extension for Natural Disasters with Declared State of Emergency

	A	B	C	D	E	F	G	H
39					Corrected		REC REVISED	
40	Impact (School)		High		Middle		Middle	
41	Year		Cash	Recurring	Cash	Recurring	Cash	Recurring
42	2018-19							
43	2019-20		\$ (1.9 M)	\$ (1.9 M)				
44	2020-21		\$ (3.8 M)	\$ (3.8 M)	\$ (1.0 M)	\$ (1.0 M)	\$ (0.4 M)	\$ (0.4 M)
45	2021-22		\$ (5.5 M)	\$ (5.5 M)	\$ (0.9 M)	\$ (0.9 M)	\$ (0.2 M)	\$ (0.2 M)
46	2022-23		\$ (7.1 M)	\$ (7.1 M)	\$ (1.7 M)	\$ (1.7 M)	\$ (0.1 M)	\$ (0.1 M)
47	2023-24		\$ (7.1 M)	\$ (7.1 M)	\$ (0.9 M)	\$ (0.9 M)	\$ -	\$ -
48	2024-25		\$ (7.1 M)	\$ (7.1 M)	\$ (1.7 M)	\$ (1.7 M)	\$ -	\$ -
49								
50	Impact (Non-School)		High		Middle		Middle	
51	Year		Cash	Recurring	Cash	Recurring	Cash	Recurring
52	2018-19							
53	2019-20		\$ (3.1 M)	\$ (3.1 M)				
54	2020-21		\$ (6.1 M)	\$ (6.1 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (0.6 M)	\$ (0.6 M)
55	2021-22		\$ (8.9 M)	\$ (8.9 M)	\$ (1.4 M)	\$ (1.4 M)	\$ (0.3 M)	\$ (0.3 M)
56	2022-23		\$ (11.5 M)	\$ (11.5 M)	\$ (2.8 M)	\$ (2.8 M)	\$ (0.1 M)	\$ (0.1 M)
57	2023-24		\$ (11.5 M)	\$ (11.5 M)	\$ (1.4 M)	\$ (1.4 M)	\$ -	\$ -
58	2024-25		\$ (11.5 M)	\$ (11.5 M)	\$ (2.8 M)	\$ (2.8 M)	\$ -	\$ -
59								
60	Impact (Total)		High		Middle		Middle	
61	Year		Cash	Recurring	Cash	Recurring	Cash	Recurring
62	2018-19		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63	2019-20		\$ (5.1 M)	\$ (5.1 M)	\$ -	\$ -	\$ -	\$ -
64	2020-21		\$ (9.9 M)	\$ (9.9 M)	\$ (2.6 M)	\$ (2.6 M)	\$ (0.9 M)	\$ (0.9 M)
65	2021-22		\$ (14.4 M)	\$ (14.4 M)	\$ (2.3 M)	\$ (2.3 M)	\$ (0.5 M)	\$ (0.5 M)
66	2022-23		\$ (18.6 M)	\$ (18.6 M)	\$ (4.5 M)	\$ (4.5 M)	\$ (0.2 M)	\$ (0.2 M)
67	2023-24		\$ (18.6 M)	\$ (18.6 M)	\$ (2.3 M)	\$ (2.3 M)	\$ -	\$ -
68	2024-25		\$ (18.6 M)	\$ (18.6 M)	\$ (4.5 M)	\$ (4.5 M)	\$ -	\$ -

Agricultural Extension for Natural Disasters with Declared State of Emergency

	A	B	C	D	E	F	G	H	I	J	K	L
1		Rate of Return to Full production for Ag					One Year Conversion amounts based on Use Reclassification Calculations					
2			HIGH	MIDDLE	LOW		HIGH	MIDDLE	LOW			
3			5%	10%	50%		3%	2%	1%			
4							\$ 323,713,337	\$ 215,808,891	\$ 107,904,446			
5		Natural Disaster State of Emergency Declarations										
6		SOE YEAR	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total Impact			ROR
7		High	1	1	1	1	1	1	1			
8	Impact Start year = t+1	2017-18										
9		2018-19								\$ -		5%
10		2019-20	\$ 291,342,003							\$ 291,342,003		5%
11		2020-21	\$ 275,156,337	\$ 291,342,003						\$ 566,498,340		5%
12		2021-22	\$ 258,970,670	\$ 275,156,337	\$ 291,342,003					\$ 825,469,010		5%
13		2022-23	\$ 242,785,003	\$ 258,970,670	\$ 275,156,337	\$ 291,342,003				\$ 1,068,254,013		5%
14		2023-24	\$ -	\$ 242,785,003	\$ 258,970,670	\$ 275,156,337	\$ 291,342,003			\$ 1,068,254,013		75.00%
15		2024-25	\$ -	\$ -	\$ 242,785,003	\$ 258,970,670	\$ 275,156,337	\$ 291,342,003	\$ 1,068,254,013			
16												
17		Natural Disaster State of Emergency Declarations										
18		SOE YEAR	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total Impact			ROR
19		Middle	1	0	1	0	1	0				
20	Impact Start year = t+2	2017-18										
21		2018-19								\$ -		10%
22		2019-20								\$ -		10%
23		2020-21	\$ 151,066,224							\$ 151,066,224		10%
24		2021-22	\$ 129,485,335	\$ -						\$ 129,485,335		10%
25		2022-23	\$ 107,904,446	\$ -	\$ 151,066,224					\$ 258,970,670		10%
26		2023-24	\$ -	\$ -	\$ 129,485,335	\$ -				\$ 129,485,335		50.00%
27		2024-25	\$ -	\$ -	\$ 107,904,446	\$ -	\$ 151,066,224			\$ 258,970,670		
28												

Agricultural Extension for Natural Disasters with Declared State of Emergency

	A	B	C	D	E	F	G	H	I	J	K	L
29		Natural Disaster State of Emergency Declarations										
30		SOE YEAR	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total Impact		ROR	
31		Low	1	0	0	0	0	0				
32	Impact Start year = t+2	2017-18										
33		2018-19								\$ -		50%
34		2019-20								\$ -		50%
35		2020-21	\$ -							\$ -		
36		2021-22	\$ -	\$ -						\$ -		
37		2022-23	\$ -	\$ -	\$ -					\$ -		
38		2023-24	\$ -	\$ -	\$ -	\$ -				\$ -		0.00%
39		2024-25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		
40												
41	REC REVISED CALCULATIONS											
42		Natural Disaster State of Emergency Declarations										
43		SOE YEAR	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total Impact		ROR	
44		Middle	1	0	0	0	0	0				
45	Impact Start year = t+2	2017-18										
46		2018-19								\$ -		25%
47		2019-20								\$ -		25%
48		2020-21	\$ 53,952,223							\$ 53,952,223		25%
49		2021-22	\$ 26,976,111	\$ -						\$ 26,976,111		12.5%
50		2022-23	\$ 13,488,056	\$ -	\$ -					\$ 13,488,056		6.25%
51		2023-24	\$ -	\$ -	\$ -	\$ -				\$ -		6.25%
52		2024-25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		

Agricultural Extension for Natural Disasters with Declared State of Emergency

	A	B	C	D	E	F	G	H	I	J	K	L
1									Pct of Ag Acres Converted to Non Ag			
2									3%	2%	1%	
3			Land Value per Acre		Parcels w/ Any Ag Value				Ag Acreage Switching to Non-Ag			
4	CO_NO	County	Ag Acreage	Non-Ag Acreage (DOR_UC=99)	Total Acreage	Parcel Count	Acreage/ Parcel		HIGH	MIDDLE	LOW	
15	21	Collier**	\$ 537	\$ 9,066	187,217	1,893	99		5,617	3,744	1,872	
26	32	Glades	\$ 211	\$ 3,060	407,686	2,021	202		12,231	8,154	4,077	
30	36	Hendry	\$ 611	\$ 3,805	515,283	2,986	173		15,458	10,306	5,153	
32	38	Highlands	\$ 433	\$ 3,939	447,876	4,854	92		13,436	8,958	4,479	
40	46	Lee	\$ 462	\$ 10,613	80,721	3,199	25		2,422	1,614	807	
51	57	Okeechobee	\$ 156	\$ 3,709	363,190	2,376	153		10,896	7,264	3,632	
53	59	Osceola	\$ 152	\$ 3,848	570,856	2,956	193		17,126	11,417	5,709	
57	63	Polk	\$ 532	\$ 1,780	478,373	13,866	34		14,351	9,567	4,784	
72	Sub-total for affected Counties				3,051,202	34,151			91,536	61,024	30,512	
73												
74		FLORIDA*	\$ 291	\$ 4,547	15,611,004	247,729			468,330	312,220	156,110	
75												
76		* Statewide per Acre Values don't include Collier or Sumter.										
77		**Missing Data for Collier County has been replaced with averages from Lee and Hendry Counties										

Agricultural Extension for Natural Disasters with Declared State of Emergency

	M	N	O	P	Q	R	S	T	U	V	W
1											
2											
3	Ag Value Prior to Conversion to Non-Ag				Ag Acreage Value Post Conversion to Non-Ag				Increase in Value		
4	HIGH	MIDDLE	LOW		HIGH	MIDDLE	LOW		HIGH	MIDDLE	LOW
15	\$ 3,014,668	\$ 2,009,779	\$ 1,004,889		\$ 50,918,497	\$ 33,945,665	\$ 16,972,832		\$ 47,903,829	\$ 31,935,886	\$ 15,967,943
26	\$ 2,586,734	\$ 1,724,489	\$ 862,245		\$ 37,430,365	\$ 24,953,576	\$ 12,476,788		\$ 34,843,631	\$ 23,229,087	\$ 11,614,544
30	\$ 9,450,365	\$ 6,300,243	\$ 3,150,122		\$ 58,826,290	\$ 39,217,527	\$ 19,608,763		\$ 49,375,925	\$ 32,917,283	\$ 16,458,642
32	\$ 5,823,913	\$ 3,882,609	\$ 1,941,304		\$ 52,922,359	\$ 35,281,573	\$ 17,640,786		\$ 47,098,446	\$ 31,398,964	\$ 15,699,482
40	\$ 1,119,188	\$ 746,126	\$ 373,063		\$ 25,701,390	\$ 17,134,260	\$ 8,567,130		\$ 24,582,202	\$ 16,388,134	\$ 8,194,067
51	\$ 1,699,313	\$ 1,132,875	\$ 566,438		\$ 40,411,624	\$ 26,941,083	\$ 13,470,541		\$ 38,712,311	\$ 25,808,208	\$ 12,904,104
53	\$ 2,611,662	\$ 1,741,108	\$ 870,554		\$ 65,899,005	\$ 43,932,670	\$ 21,966,335		\$ 63,287,343	\$ 42,191,562	\$ 21,095,781
57	\$ 7,638,927	\$ 5,092,618	\$ 2,546,309		\$ 25,548,578	\$ 17,032,386	\$ 8,516,193		\$ 17,909,651	\$ 11,939,767	\$ 5,969,884
72	\$ 33,944,771	\$ 22,629,847	\$ 11,314,924		\$ 357,658,108	\$ 238,438,738	\$ 119,219,369		\$ 323,713,337	\$ 215,808,891	\$ 107,904,446
73											
74	\$ 85,294,131	\$ 56,862,754	\$ 28,431,377		\$ 1,963,576,991	\$ 1,309,051,328	\$ 654,525,664		\$ 1,826,136,377	\$ 1,217,424,251	\$ 608,712,126
75											
76											
77											