

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Driver License Fees Exemption During State of Emergency

Bill Number(s): HB 391

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Goff-Marcil

Month/Year Impact Begins: Upon Becoming Law

Date of Analysis: 02/01/2019

Section 1: Narrative

- a. Current Law:** A person who is a resident of another state, displaced by a natural disaster, and relocates to the state of Florida during a state of emergency declared by a governing authority having jurisdiction where that person resides must pay the license fees per s. 322.21, F.S. when applying for a driver license per s. 322.18, F.S. or identification card per s. 322.051, F.S.
- b. Proposed Change:** The bill exempts any person who is a resident of another state, displaced by a natural disaster, and relocates to the state of Florida during a state of emergency declared by a governing authority having jurisdiction where that person resides from having to pay license fees when applying for a driver license per s. 322.18, F.S. or identification card per s. 322.051, F.S. The bill defines "state" as a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, The U.S. Virgin Islands, or any territory or insular possession subject to United States jurisdiction. The exemption shall remain in effect until 30 days after the state of emergency is terminated.

Section 2: Description of Data and Sources

Phone and email contact with Department of Highway Safety and Motor Vehicles staff

Puerto Rico Reciprocated License Transactions 10/2017 Through 07/2018

2018 Florida Tax Handbook

Association of State and Territorial Health Officials (ASTHO)

Section 3: Methodology (Include Assumptions and Attach Details)

The bill would exempt individuals from paying fees when applying for a driver license (\$48) or ID card (\$25) when relocating to Florida during a declared state of emergency and for thirty days after the termination of a declared state of emergency. Currently, those revenues are deposited into the General Revenue Fund. Thus, the bill would have a negative indeterminate impact on the General Revenue Fund. The impact is indeterminate because the frequency of natural disasters and how many individuals would choose to relocate to Florida as a result is unknown during the forecast period. Further, the reasons for which a state of emergency can be declared and the potential duration of a state of emergency vary by jurisdiction.

To give a scope of potential impacts, the Department of Highway Safety and Motor Vehicles provided Puerto Rico reciprocated license transactions for 10/2017 through 07/2018. The monthly totals during that period range from 6,878 to 1,622. Assuming the ratio of driver licenses to ID cards is 67% to 33%, the examples below show the potential impacts for a range of months. Note that the grand total potential impact will be a combination of an unknown quantity of months.

Month	Transactions	Driver Lic.	ID Card	Total
Nov. 17	6,878	\$ 221,196	\$ 56,744	\$ 277,940
Dec. 17	4,483	\$ 144,173	\$ 36,985	\$ 181,158
Feb. 18	2,201	\$ 70,784	\$ 18,158	\$ 88,942
May 18	1,622	\$ 52,164	\$ 13,382	\$ 65,545

Section 4: Proposed Fiscal Impact

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(**)	(**)		
2020-21			(**)	(**)		
2021-22			(**)	(**)		
2022-23			(**)	(**)		
2023-24			(**)	(**)		

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Driver License Fees Exemption During State of Emergency

Bill Number(s): HB 391

List of affected Trust Funds:

General Revenue Fund

Section 5: Consensus Estimate (Adopted: 02/01/2019): The Conference adopted 0/Negative Indeterminate impact for the cash impact and Negative Indeterminate for the recurring impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0/(**)	(**)	0.0	0.0	0.0	0.0	0/(**)	(**)
2020-21	0/(**)	(**)	0.0	0.0	0.0	0.0	0/(**)	(**)
2021-22	0/(**)	(**)	0.0	0.0	0.0	0.0	0/(**)	(**)
2022-23	0/(**)	(**)	0.0	0.0	0.0	0.0	0/(**)	(**)
2023-24	0/(**)	(**)	0.0	0.0	0.0	0.0	0/(**)	(**)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: DBPR Professional License Fees Exemption During State of Emergency

Bill Number(s): HB 391

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Representative Goff-Marcil

Month/Year Impact Begins: Upon Becoming Law

Date of Analysis: January 28, 2019

Section 1: Narrative

- a. Current Law:** The Department of Business and Professional Regulation (DBPR) administers the licensing and regulation of businesses and professionals in the State of Florida. This includes professions such as cosmetologists, veterinarians, and real estate agents. The Department is under the executive branch of the Governor and administers these licenses under Chapter 120, F.S.
- b. Proposed Change:** The bill exempts any person who is a resident of another state, displaced by a natural disaster, and relocates to the state of Florida during a state of emergency declared by a governing authority having jurisdiction where that person resides from having to pay application and license fees to obtain an individual professional license issued for a regulatory purpose by any state agency to engage in an occupation or carry out a trade or business. The bill defines "state" as a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, The U.S. Virgin Islands, or any territory or insular possession subject to United States jurisdiction. The exemption shall remain in effect until 30 days after the state of emergency is terminated.

Section 2: Description of Data and Sources

Department of Business and Professional Regulation (DBPR) data

Emergency Executive Order 18-276

Section 3: Methodology (Include Assumptions and Attach Details)

The impact is indeterminate because of the uncertain nature in predicting weather or other disaster events. There is indeterminacy in predicting human behavior and how many individuals would choose to relocate to Florida as a result. Further, the reasons for which a state of emergency can be declared and the potential duration of a state of emergency vary by jurisdiction. Some states of emergencies have been as long as eight months. Finally, the Governor of Florida has emergency powers that would allow the issuance of an order that could waive these license fees.

Agencies that issue professional licenses include DBPR, the Department of Health and the Department of Financial Services. As an example of the potential impact, Executive Order 18-276 directed the Department of Business and Professional Regulation to exempt application and license fees after Hurricane Maria in which DBPR issued 126 fee waivers requests for the amount of \$20,198.

Because of the amount exempted after Hurricane Maria, the recommended impact is negative insignificant.

Section 4: Proposed Fiscal Impact

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(*)	(*)		
2020-21			(*)	(*)		
2021-22			(*)	(*)		
2022-23			(*)	(*)		
2023-24			(*)	(*)		

List of affected Trust Funds: Multiple Trust Funds and GR Service Charge

Section 5: Consensus Estimate (Adopted: 02/01/2019): The Conference adopted 0/Negative Indeterminate impact for the cash impact and Negative Indeterminate for the recurring impact.

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: DBPR Professional License Fees Exemption During State of Emergency

Bill Number(s): HB 391

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0/(**)	(**)	0/(**)	(**)	0.0	0.0	0/(**)	(**)
2020-21	0/(**)	(**)	0/(**)	(**)	0.0	0.0	0/(**)	(**)
2021-22	0/(**)	(**)	0/(**)	(**)	0.0	0.0	0/(**)	(**)
2022-23	0/(**)	(**)	0/(**)	(**)	0.0	0.0	0/(**)	(**)
2023-24	0/(**)	(**)	0/(**)	(**)	0.0	0.0	0/(**)	(**)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: School Sales Tax Holiday, 7 Days, \$100 Clothing/\$15 Supplies/\$1,000 Computers

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): N/A

Month/Year Impact Begins: The sales tax holiday will affect August 2019 activity and, subsequently, September collections.

Date of Analysis: February 1, 2019

Section 1: Narrative

a. Current Law:

Under current law in Ch. 212, F.S., clothing, school supplies, and computers and related accessories are subject to the 6% Sales and Use Tax.

b. Proposed Change:

Clothing: The proposed language exempts sales of “clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags” from the Sales and Use Tax for a 7-day period beginning on Friday, August 2, and ending on Thursday, August 8, 2019, as long as the sales price of the item does not exceed \$100. Clothing is defined as “any article of wearing apparel intended to be worn on or about the human body, excluding watches, watchbands, jewelry, umbrellas, and handkerchiefs,” and including all footwear except for “skis, swim fins, roller blades, and skates.”

School Supplies: During this same period, sales of school supplies having a sales price of \$15 or less per item are exempt from the Sales and Use Tax. School supplies are defined as “pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, flash drives [NEW], protractors, compasses, and calculators.”

Computers: Also exempt during the 7-day period are “personal computers or personal computer-related accessories purchased for noncommercial home or personal use and having a sales price of \$1,000 or less per item.” Exempted items include “electronic book readers, laptops, desktops, handhelds, tablets, and tower computers” and related accessories including “keyboards, mice, personal digital assistants, monitors (not including devices with a television tuner), other peripheral devices, modems, routers, and nonrecreational software.” The exemption does not apply to “cellular telephones, video game consoles, digital media receivers, or devices that are not primarily designed to process data.” Related accessories do not include “furniture or systems, devices, software, or peripherals designed or intended primarily for recreational use.”

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

Section 2: Description of Data and Sources

- Clothing and Shoes expenditures forecast, November 2018 National Economic Estimating Conference.
- Consumer Computer expenditures forecast, November 2018 National Economic Estimating Conference.
- U.S. Population (total and 65+), 3rd Quarter estimates, November 2018 National Economic Estimating Conference.
- Florida Population (total and 65+), 3rd Quarter estimates, November 2018 Demographic Estimating Conference.
- Estimates of Florida public school enrollment, December 2018 K-12 Enrollment Estimating Conference.
- Estimates of Florida private school enrollment, Private School Annual Report 2017-2018 (Florida Department of Education). Available at <http://www.fldoe.org/schools/school-choice/private-schools/annual-reports.shtml>. Last accessed 1/28/2019.
- Estimates of Florida public and private college/university fall enrollment, Integrated Postsecondary Education Data System (National Center for Education Statistics). Available at www.nces.ed.gov/ipeds. Estimates include Florida College System institutions, State Universities, career centers, and private institutions eligible to participate in the EASE or ABLE tuition assistance programs. Last accessed 1/28/2019.
- Tax collections by kind code, Florida Department of Revenue.
- Department of Revenue. 2017 Back-to-School Sales Tax Holiday Tax Information Publication (TIP). Available at: http://floridarevenue.com/taxes/tips/pdf/tip17a01-05_full_list.pdf. Last accessed 1/29/2019.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: School Sales Tax Holiday, 7 Days, \$100 Clothing/\$15 Supplies/\$1,000 Computers

Bill Number(s): Proposed Language

Section 3: Methodology (Include Assumptions and Attach Details)

Clothing/Shoes/Backpacks: Florida expenditures for clothing and shoes are derived from total national expenditures for clothing and shoes using Florida population (adjusted for ages 65+), and adjusted for an assumed percentage of non-taxed mail order items. The total Florida expenditures are converted to a 10-day amount, with assumptions made for the percentage of expenditures that would be under the \$100 limit (High = 95%; Middle = 90%; and Low = 85%). For backpacks, assumptions are made for the percentage of students who would purchase a backpack (High = 30%; Middle = 20%; Low = 10%), and each backpack is assumed to cost \$25. Using the base 10-day matrix (which is derived from a matrix developed to estimate the impact for a prior hurricane sales tax holiday) to spread expenditures levels by each day of the forecast period, the level of spending for a 7-day holiday is derived (=66.5% of the 10-day total). The 66.5% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 7-day holiday.

School Supplies: For school supplies, an amount of expenditure is assumed per student, by grade level, for 10 days, which is multiplied by the estimated number of students enrolled in public or private elementary and secondary schools, Florida Colleges, State Universities, public technical colleges/career centers, and private colleges/universities. The estimated total expenditure by students is increased by a factor of 25% for business spending. An assumption is made for the percentage of expenditures that would be under the \$15 limit (High = 85%; Middle = 75%; and Low = 65%). The 66.5% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 7-day holiday. For this analysis, an adjustment is not made for flash drives, which are a new item added to the school supplies list. The flash drives are assumed to be included in the estimated impact of the computers exemption (based on 2017 Department of Revenue TIP). Should the computers exemption be removed from the proposed language, an adjustment would need to be made to the school supplies estimate to account for flash drives.

Computers: Florida expenditures are derived from total national expenditures for computers and peripherals using Florida population (adjusted for ages 65+), and adjusted for an assumed percentage of non-taxed online order items. The total Florida expenditures are adjusted for the percentage of expenditures assumed to occur during the third quarter of calendar year 2019 (=21.25%) and for the percentage of total expenditures assumed to be exempt (High = 64%; Middle and Low = 54%). An assumption is also made for the percentage of quarterly purchases that are expected to occur during the 10-day holiday period. The low estimate assumes 25% of third quarter expenditures would be made during the holiday period, the middle estimate assumes 30%, and the high estimate assumes 55%. The 66.5% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 7-day holiday.

Section 4: Proposed Fiscal Impact: The impact is nonrecurring for FY 2019-20 only.

2019-20	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
Clothing/Shoes/Backpacks	(36.9 M)		(34.6 M)		(32.3 M)	
School Supplies	(6.0 M)		(5.5 M)		(5.0 M)	
Computers	<u>(11.4 M)</u>		<u>(5.3 M)</u>		<u>(4.4 M)</u>	
Total	(54.3 M)		(45.4 M)		(41.7 M)	

List of affected Trust Funds: Sales and Use Tax Grouping

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: School Sales Tax Holiday, 7 Days, \$100 Clothing/\$15 Supplies/\$1,000 Computers

Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/01/2019): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(40.2)	0.0	(Insignificant)	0.0	(1.4)	0.0	(3.9)	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
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(7.4)	0.0	(12.6)	0.0	(52.8)	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Language
Sales Tax Holiday - Clothing, School Supplies, Computers

7 Days, August 2-8, 2019

(NONRECURRING)

		2019-20		
Expenditure Type		HIGH	MIDDLE	LOW
1	Clothing & Shoes - \$100 or Less	\$ (36.9)	\$ (34.6)	\$ (32.3)
2	School Supplies - \$15 or Less	\$ (6.0)	\$ (5.5)	\$ (5.0)
3	Personal Computers and Related Accessories - \$1000 or Less	\$ (11.4)	\$ (5.3)	\$ (4.4)
3	Total Impact	\$ (54.3)	\$ (45.4)	\$ (41.7)

**Estimates in millions of dollars*

Proposed Language
SALES TAX HOLIDAY - CLOTHING

7 Days
\$100 Limit

2019-20	<u>High</u>	<u>Middle</u>	<u>Low</u>
1 National Personal Expenditure on Clothing and Shoes	412,670.1	412,670.1	412,670.1
2 Florida Share based on Population Forecast	26,547.2	26,547.2	26,547.2
3 Florida Expenditures on Apparel & Shoes (adjusted for 65+)	25,384.4	25,384.4	25,384.4
4 Est. Florida-based Sales of Apparel & Shoes (10% mail order adj.)	22,846.0	22,846.0	22,846.0
5 Sales Tax at 6%	1,370.8	1,370.8	1,370.8
6 Exempted Amount (95% - 90% - 85%)	1,302.2	1,233.7	1,165.1
7 Preliminary 10-day Fiscal Impact in Florida	(35.7)	(33.8)	(31.9)
8 Seasonal Factor set to 1 (no seasonal factor)	1.0	1.0	1.0
9 Behavioral Factor based on New York History and Florida Experience	1.5	1.5	1.5
10 Adjusted 10-day Fiscal Impact in Florida	(53.5)	(50.7)	(47.9)
11 Backpacks (30% - 20% - 10% x Number of Students x \$25/backpack))	(1.9)	(1.3)	(0.6)
12 Total Impact 7 Day (66.5% Adjustment)	(\$36.9)	(\$34.6)	(\$32.3)

Proposed Language
SALES TAX HOLIDAY - SCHOOL SUPPLIES

7 Days
\$15 Limit

2019-20

Grade Level	Expenditures per Student	Number of Students	Total Expenditures
PreK	20.00	68,812	1.4
KG	20.00	235,449	4.7
1	20.00	236,005	4.7
2	20.00	236,672	4.7
3	25.00	251,738	6.3
4	27.00	240,310	6.5
5	27.00	246,080	6.6
6	32.00	257,680	8.2
7	32.00	250,918	8.0
8	32.00	254,262	8.1
9	35.00	251,386	8.8
10	35.00	244,509	8.6
11	35.00	230,372	8.1
12	35.00	220,898	7.7
Total PK-12		3,225,090	92.5
Total HigherEd	36.00	1,032,772	37.2
Total All Students		4,257,862	129.7

Advantage Buying by Business, General Public
25% Factor + 10% for Expanded List

45.4

	High	Middle	Low
Total Sales Tax for 10 Days ({85% - 75% - 65%} x 95.9%)	(9.0)	(8.2)	(7.5)
Total Sales Tax for 10 Days	(9.0)	(8.2)	(7.5)
Total Impact 7 Day (66.5% Adjustment)	(\$6.0)	(\$5.5)	(\$5.0)

Proposed Language
SALES TAX HOLIDAY - COMPUTERS

7 Days
\$1000 or Less

2019-20	<u>High</u>	<u>Middle</u>	<u>Low</u>
1 National Consumer Expenditures on Computers	66,679.5	66,679.5	66,679.5
2 Florida Share based on Population Forecast	4,289.5	4,289.5	4,289.5
3 Florida Expenditures on Computers (adjusted for 65+)	4,101.6	4,101.6	4,101.6
4 Estimated Florida-based Sales of Computers (7% e-commerce adj.)	3,814.5	3,814.5	3,814.5
5 Annual Sales Tax at 6%	228.9	228.9	228.9
6 CY Q1 Estimate (29.78%)	68.2	68.2	68.2
7 CY Q2 Estimate (23.50%)	53.8	53.8	53.8
8 CY Q3 Estimate (21.25%)	48.6	48.6	48.6
9 CY Q4 Estimate (25.47%)	58.3	58.3	58.3
10 Exempted Amount (64% - 54% - 54%)	31.1	26.3	26.3
11 Q3 Purchases Made During 10-Day Holiday (55% - 30% - 25%)	17.1	7.9	6.6
12 Total Impact 7 Day (66.5% Adjustment)	(\$11.4)	(\$5.3)	(\$4.4)

Back-to-School Daily Factors - based on Hurricane Sales Tax Holiday Analysis

Assume:

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

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

Weekdays add less to the impact.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Calibrate to 12-day holiday	Calibrate to 10-day holiday
Example:	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday		
14-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	1.0%	102.0%	105.2%
13-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	X	101.0%	104.1%
12-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	X	X	100.0%	103.1%
11-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	X	99.0%	102.1%
10-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	X	97.0%	100.0%
9-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	X	X	87.0%	89.7%
8-Day Holiday	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	X	X	81.5%	84.0%
7-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	X	X	X	X	X	X	64.5%	66.5%
6-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	X	X	64.5%	66.5%
5-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	X	X	62.5%	64.4%
4-Day Holiday	2.0%	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	X	62.5%	64.4%
3-Day Holiday	X	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	X	60.5%	62.4%
2-Day Holiday	X	X	35.0%	20.0%	X	X	X	X	X	X	X	X	X	X	55.0%	56.7%
1-Day Holiday	X	X	35.0%	X	X	X	X	X	X	X	X	X	X	X	35.0%	36.1%

REVENUE ESTIMATING CONFERENCE

Tax: Local Discretionary Sales Surtax

Issue: Charter County and Regional Transportation System Surtax

Bill Number(s): HB 385

☐ **Entire Bill**

☒ **Partial Bill:** Section 3

Sponsor(s): Representative Avila

Month/Year Impact Begins: July 1st, 2022

Date of Analysis: February 1st, 2019

Section 1: Narrative

a. Current Law:

Section 212.055 F.S., subsection 1, paragraphs (d) and (e)

(d) Proceeds from the surtax shall be applied to as many or as few of the uses enumerated below in whatever combination the county commission deems appropriate:

1. Deposited by the county in the trust fund and shall be used for the purposes of development, construction, equipment, maintenance, operation, supportive services, including a countywide bus system, on-demand transportation services, and related costs of a fixed guideway rapid transit system;

2. Remitted by the governing body of the county to an expressway, transit, or transportation authority created by law to be used, at the discretion of such authority, for the development, construction, operation, or maintenance of roads or bridges in the county, for the operation and maintenance of a bus system, for the operation and maintenance of on-demand transportation services, for the payment of principal and interest on existing bonds issued for the construction of such roads or bridges, and, upon approval by the county commission, such proceeds may be pledged for bonds issued to refinance existing bonds or new bonds issued for the construction of such roads or bridges;

3. Used by the county for the development, construction, operation, and maintenance of roads and bridges in the county; for the expansion, operation, and maintenance of bus and fixed guideway systems; for the expansion, operation, and maintenance of on-demand transportation services; and for the payment of principal and interest on bonds issued for the construction of fixed guideway rapid transit systems, bus systems, roads, or bridges; and such proceeds may be pledged by the governing body of the county for bonds issued to refinance existing bonds or new bonds issued for the construction of such fixed guideway rapid transit systems, bus systems, roads, or bridges and no more than 25 percent used for nontransit uses; and

4. Used by the county for the planning, development, construction, operation, and maintenance of roads and bridges in the county; for the planning, development, expansion, operation, and maintenance of bus and fixed guideway systems; for the planning, development, construction, operation, and maintenance of on-demand transportation services; and for the payment of principal and interest on bonds issued for the construction of fixed guideway rapid transit systems, bus systems, roads, or bridges; and such proceeds may be pledged by the governing body of the county for bonds issued to refinance existing bonds or new bonds issued for the construction of such fixed guideway rapid transit systems, bus systems, roads, or bridges. Pursuant to an interlocal agreement entered to pursuant to chapter 163, the governing body of the county may distribute proceeds from the tax to a municipality, or an expressway or transportation authority created by law to be expended for the purpose authorized by this paragraph. Any county that has entered into interlocal agreements for distribution of proceeds to one or more municipalities in the county shall revise such interlocal agreements no less than every 5 years in order to include any municipalities that have been created since the prior interlocal agreements were executed.

(e) As used in this subsection, the term "on-demand transportation services" means transportation provided between flexible points of origin and destination selected by individual users with such service being provided at a time that is agreed upon by the user and the provider of the service and that is not fixed-schedule or fixed-route in nature.

b. Proposed Change:

This bill would remove the existing language from Section 212.055 F.S., subsection 1, paragraphs (d) and (e) and replace it with the following changes:

(d) If the surtax is levied pursuant to a referendum held after July 1, 2022, the surtax may not be levied for more than 20 years after its effective date. The levy of such surtax may be extended only by approval of a supermajority of the electors of the county voting in a referendum on the surtax.

(e) To the extent not prohibited by contracts or bond covenants, proceeds from the surtax shall be used only for the following purposes:

REVENUE ESTIMATING CONFERENCE

Tax: Local Discretionary Sales Surtax

Issue: Charter County and Regional Transportation System Surtax

Bill Number(s): HB 385

1. The planning, design, engineering, or construction of, or the acquisition of rights-of-way for, fixed-guideway rapid transit systems and bus systems, including bus rapid transit systems, and for the development of dedicated facilities for autonomous vehicles as defined in s. 316.003.
 2. The purchase of buses or other capital costs for bus 223 systems, including bus rapid transit systems.
 3. The payment of principal and interest on bonds previously issued related to fixed-guideway rapid transit systems or bus systems.
 4. As security by the governing body of the county to refinance existing bonds or to issue new bonds for the planning, design, engineering, or construction of fixed-guideway rapid transit systems, bus rapid transit systems, or bus systems.
- Proceeds from the surtax may not be used for salaries or other personnel expenses for any governmental entity receiving these funds.

Section 2: Description of Data and Sources

Local Options Sales Taxes, Realized and Unrealized Revenues by County: LF 2005-2019 (EDR)

Local Options Sales Taxes, County Tax Rates: CY 2005-2019 (EDR)

Local Government Financial Information Handbook: Revenue Estimates LFY 2018-2019 (EDR)

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses the estimated countywide distribution at the 1% tax rate, and assumes that all eligible counties not levying the surtax would levy the maximum of 1%. For the 4 counties currently levying the tax, the actual levied rates are used.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0	(0/**)			0	0
2020-21	0	(0/**)			0	0
2021-22	0	(0/**)			0	0
2022-23	(0/**)	(0/**)			0	0
2023-24	(0/**)	(0/**)			0	0

List of affected Trust Funds: Local funds only

Section 5: Consensus Estimate (Adopted: 02/01/2019): The Conference adopted the low estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Charter County and Regional Transportation System Surtax
Estimation of Realized and Unrealized Tax Revenues
Local Fiscal Year Ending September 30, 2019**

Projected Surtax Revenues for Levying Counties, LFY 2018-2019

Levying counties	Estimated at 1%	Estimated at Actual
Broward (1% actual)	\$371,868,443.55	\$371,868,443.55
Duval (0.5% actual)	\$212,798,258.56	\$106,399,129.28
Hillsborough (1% actual)	\$302,070,744.07	\$302,070,744.07
Miami-Dade (0.5% actual)	\$625,652,191.73	\$312,826,095.87
Total Estimated Surtax Revenue	\$1,512,389,637.92	\$1,093,164,412.78

Projected Surtax Revenues for Non-Levying Counties, LFY 2018-2019

Non-Levying counties	Estimated at 1%
Alachua	\$46,821,663.14
Bay	\$43,273,915.06
Brevard	\$99,705,199.81
Charlotte	\$33,262,919.19
Citrus	\$14,963,058.14
Clay	\$26,928,666.07
Columbia	\$11,084,251.15
Escambia	\$62,979,921.31
Franklin	\$2,659,424.66
Gulf	\$2,393,703.52
Hernando	\$24,439,796.30
Lee	\$147,946,414.19
Leon	\$49,485,706.63
Manatee	\$67,912,293.66
Okaloosa	\$42,245,732.36
Orange	\$634,533,524.01
Osceola	\$67,902,663.61
Palm Beach	\$304,418,194.34
Pasco	\$71,135,555.38
Pinellas	\$190,179,495.06
Polk	\$102,218,178.06
Santa Rosa	\$19,450,021.71
Sarasota	\$92,597,018.78
Seminole	\$86,087,709.04
Volusia	\$98,424,424.48
Wakulla	\$2,755,691.40
Walton	\$29,899,464.76
Total Unrealized	\$2,375,704,605.82

REVENUE ESTIMATING CONFERENCE

Tax: Toll Revenues

Issue: Transfer of Miami-Dade Expressway Authority to the State

Bill Number(s): HB 385

☐ **Entire Bill**

☒ **Partial Bill:** Sections 8 and 14

Sponsor(s): Avila

Month/Year Impact Begins: 07/01/2019

Date of Analysis: 02/01/2019

Section 1: Narrative

- a. Current Law:** Section 338.165, F.S. allows the Department of Transportation (FDOT), any transportation or expressway authority, or county to continue to collect tolls on a revenue producing project after discharge of any bond indebtedness related to such project. Part I of Chapter 348, F.S. is known as the Florida Expressway Authority Act. It allows any county or two or more contiguous counties within a single FDOT district to form an expressway authority by resolution adopted by the board of county commissioners. The Miami-Dade Expressway Authority (MDX) was established by the Miami-Dade County Commission in 1994. The Authority currently operates and maintains SR 112 - Airport Expressway, SR 836 - Dolphin Expressway, SR 874 - Don Shula Expressway, SR 878 - Snapper Creek Expressway, and SR 924 - Gratigny Parkway.
- b. Proposed Change:** The Miami-Dade Expressway Authority is transferred to the Department of Transportation via a type two transfer pursuant to section 20.06, F.S. Section 338.165, F.S. is revised so that the Department of Transportation may not collect tolls on any facility of the former Miami-Dade Expressway Authority after the discharge of any outstanding bond obligations related to such facility.

Section 2: Description of Data and Sources

Miami-Dade Expressway Authority 2018 Comprehensive Annual Financial Report

Miami-Dade Expressway Authority Toll System Refunding Revenue Bonds, Series 2016A Official Statements

Section 3: Methodology (Include Assumptions and Attach Details)

The bill transfers the Miami-Dade Expressway Authority to the FDOT via type two transfer. All tolls and other revenue collected by the Authority would become payable to the Department or a designated trustee. The tolls and other revenues forecast for state fiscal years 2019-20 through 2023-24 was derived from the Miami-Dade Expressway Authority Toll System Refunding Revenue Bonds, Series 2016A Official Statements. The forecast is below in millions. Toll Revenues are net of the allowance for uncollectible Toll By Plate transactions. Other revenue includes lease revenue, permit fees, and other miscellaneous revenue.

Revenue Type	2019-20	2020-21	2021-22	2022-23	2023-24
Toll Revenues	\$ 256.51	\$ 261.15	\$ 266.32	\$ 271.92	\$ 278.42
Toll By Plate Fees	\$ 2.12	\$ 2.17	\$ 2.21	\$ 2.25	\$ 2.30
Other Revenue	\$ 0.74	\$ 0.76	\$ 0.77	\$ 0.79	\$ 0.80
Total	\$ 259.38	\$ 264.08	\$ 269.30	\$ 274.96	\$ 281.52

The bill revises section 338.165, F.S. so that the Department of Transportation may not collect tolls on any facility of the former Miami-Dade Expressway Authority after the discharge of any outstanding bond obligations related to such facility. According to the Miami-Dade Expressway Authority 2018 Comprehensive Annual Financial Report, the Authority currently owes \$1.4 billion in outstanding bond principal, and another \$950 million in outstanding interest. The final maturity date is 2044, which is well outside of the forecast horizon of this analysis.

In addition to tolls and other revenue, the type two transfer of MDX to FDOT would also transfer any cash balances to the Department or a designated trustee. The following cash and cash equivalents at year end (cash balances) were observed in the Miami-Dade Expressway Authority 2018 Comprehensive Annual Financial Report:

FY 2017-18: \$295,437,197

FY 2016-17: \$306,868,926

FY 2015-16: \$321,507,038

REVENUE ESTIMATING CONFERENCE

Tax: Toll Revenues

Issue: Transfer of Miami-Dade Expressway Authority to the State

Bill Number(s): HB 385

These values represent a decrease of 3.7% from FY 2016-17 to FY 2017-18, and 4.5% from FY 2015-16 to FY 2016-17. For the cash balance transfer effective July 1, 2019, the FY 2017-18 ending cash balance was decreased by 4.1% (the average of 3.7% and 4.5%) for an estimate of \$283.3 million.

Please note that section 20.06, F.S. requires the financial segregation of inherited funds. This analysis is generally focused on revenues and cash balances. Toll revenues are pledged to pay certain annual costs and are first deposited with a trustee. These annual obligations include operations & maintenance costs, debt service on outstanding bond issuances, and renewal and replacement funding requirements. Only the net revenue remaining after the trustee deposit and payment of annual costs would be available for transfer to a "to be determined" Department of Transportation trust fund.

Section 4: Proposed Fiscal Impact

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			542.7	259.4		
2020-21			264.1	264.1		
2021-22			269.3	269.3		
2022-23			275.0	275.0		
2023-24			281.5	281.5		

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(542.7)	(259.4)		
2020-21			(264.1)	(264.1)		
2021-22			(269.3)	(269.3)		
2022-23			(275.0)	(275.0)		
2023-24			(281.5)	(281.5)		

List of affected Trust Funds:

Local Trust Funds

Department of Transportation Trust Fund (TBD)

Section 5: Consensus Estimate (Adopted: 02/01/2019): The Conference adopted the middle estimate. The Conference assumes that the revenue for this purpose is segregated and that there is no GR service charge.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	542.7	259.4	(542.7)	(259.4)	0.0	0.0
2020-21	0.0	0.0	264.1	264.1	(264.1)	(264.1)	0.0	0.0
2021-22	0.0	0.0	269.3	269.3	(269.3)	(269.3)	0.0	0.0
2022-23	0.0	0.0	275	275	(275.0)	(275.0)	0.0	0.0
2023-24	0.0	0.0	281.5	281.5	(281.5)	(281.5)	0.0	0.0