REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Affordable Housing Restrictive Covenants
Bill Number(s): Proposed amendment to HB 443

☐ **Entire Bill**
☒ **Partial Bill**: Section 1
Sponsor(s): Rep. Rodriguez
Month/Year Impact Begins: July 1, 2019 and first affecting assessments 1/1/2020
Date of Analysis: 3/21/2019

Section 1: Narrative

a. Current Law: Section 193.011 reads: Factors to consider in deriving just valuation.—In arriving at just valuation as required under s. 4, Art. VII of the State Constitution, the property appraiser shall take into consideration the following factors:
(1) The present cash value of the property, which is the amount a willing purchaser would pay a willing seller, exclusive of reasonable fees and costs of purchase, in cash or the immediate equivalent thereof in a transaction at arm's length;
(2) The highest and best use to which the property can be expected to be put in the immediate future and the present use of the property, taking into consideration the legally permissible use of the property, <u>including any applicable judicial limitation, local or state land use regulation, or historic preservation ordinance, and any zoning changes, concurrency requirements, and permits necessary to achieve the highest and best use</u>, and considering any moratorium imposed by executive order, law, ordinance, regulation, resolution, or proclamation adopted by any governmental body or agency or the Governor when the moratorium or judicial limitation prohibits or restricts the development or improvement of property as otherwise authorized by applicable law. The applicable governmental body or agency or the Governor shall notify the property appraiser in writing of any executive order, ordinance, regulation, resolution, or proclamation it adopts imposing any such limitation, regulation, or moratorium;
(3) The location of said property;
(4) The quantity or size of said property;
(5) The cost of said property and the present replacement value of any improvements thereon;
(6) The condition of said property;
(7) The income from said property; and
(8) The net proceeds of the sale of the property, as received by the seller, after deduction of all of the usual and reasonable fees and costs of the sale, including the costs and expenses of financing, and allowance for unconventional or atypical terms of financing arrangements. When the net proceeds of the sale of any property are utilized, directly or indirectly, in the determination of just valuation of realty of the sold parcel or any other parcel under the provisions of this section, the property appraiser, for the purposes of such determination, shall exclude any portion of such net proceeds attributable to payments for household furnishings or other items of personal property.

Section 193.017 reads: Low-income housing tax credit.—Property used for affordable housing which has received a low-income housing tax credit from the Florida Housing Finance Corporation, as authorized by s. 420.5099, shall be assessed under s. 193.011 and, consistent with s. 420.5099(5) and (6), pursuant to this section.
(1) The tax credits granted and the financing generated by the tax credits may not be considered as income to the property.
(2) The actual rental income from rent-restricted units in such a property shall be recognized by the property appraiser.
(3) Any costs paid for by tax credits and costs paid for by additional financing proceeds received under chapter 420 may not be included in the valuation of the property.
(4) If an extended low-income housing agreement is filed in the official public records of the county in which the property is located, the agreement, and any recorded amendment or supplement thereto, shall be considered a land-use regulation and a limitation on the highest and best use of the property during the term of the agreement, amendment, or supplement.

Section 193.018(3)(c) provides that If the ground lease and all amendments and supplements thereto, or a memorandum documenting how such lease and amendments or supplements restrict the price at which the improvements, condominium parcels, or cooperative parcels may be sold, is recorded in the official public records of the county in which the leased land is located, the recorded lease and any amendments and supplements, or the recorded memorandum, shall be deemed a land use regulation during the term of the lease as amended or supplemented.

b. Proposed Change: Creates section 193.019 to read:
193.019 Assessment of property with restrictive covenants
(1) if a county or municipal government records in the public record an agreement with a property owner, which agreement contains a restrictive covenant running with the land for a term of at least 20 years, stating that the property will be used to

provide affordable housing to extremely-low-income, very-low-income, low-income or moderate income persons as defined in s. 420.004 or workforce housing as defined in s. 420.5095(3), the property appraiser shall consider the terms of the restrictive covenant, including any resale restriction and recorded amendments to the original recorded covenant, and the factors listed in s. 193.011, when arriving at just value.

Section 2: Description of Data and Sources

Internet Research
Survey sent by League of Cities and Association of Counties

Section 3: Methodology (Include Assumptions and Attach Details)

Through internet research and through the survey efforts of the Florida League of Cities and the Florida Association of Counties, numerous cities and counties were identified that had entered into agreements with land owners that authorized the county or municipality to enter a restrictive covenant stating that the property will be used to provide affordable housing for the groups specified within the proposed language. The covenants observed had durations ranging from 7 years up to perpetuity.

Under current law, there is no guidance as to the type of land use restrictions that the appraiser should consider other than the guidance for Low income tax credit properties in 193.017 and the guidance for community land trusts in section 193.018.
The proposed language provides that the appraiser shall consider the terms of the covenant when valuing property subject to covenants entered into between a city or county and a property owner with a term of at least 20 years.

Decision Box:

	Restrictive covenant at least 20 years	**Restrictive Covenant less than 20 years**
Restrictive Covenant Considered in the determination of value	**No Impact**	**Positive Impact**
Restrictive Covenant not considered in the determination of value	**Negative impact**	**No Impact**

Certain properties were identified that had restrictive covenants that were being recognized in determining just value. Identified were 430 properties that had a total taxable value impact of $7.3 M impact in recognizing the restrictive covenants
For the middle estimate, assume that all properties that would receive covenants under the new law would have been appraised similarly under current law. For the High, it was assumed that 10 times the identified value is currently recognized by the appraiser when the covenants are less than 15 years and would no longer be so recognized under the proposed language. For the low estimate, it was assumed that 10 times the value of the identified properties was not currently being recognized but would be in future years and that an additional amount equal to the identified value would enter into restrictive covenants each year of the forecast. The low was grown across the forecast period at the residential appreciation rates from the March 7, 2019 Ad Valorem Assessment Estimating Conference. For the high, it was also grown by these same appreciation rates.

Section 4: Proposed Fiscal Impact

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Affordable Housing Restrictive Covenants
Bill Number(s): Proposed amendment to HB 443

School Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$0	($0.5 M)	$0	$0	$0	$0.5 M
2020-21	($0.6 M)	($0.6 M)	$0	$0	$0.5 M	$0.5 M
2021-22	($0.6 M)	($0.6 M)	$0	$0	$0.5 M	$0.5 M
2022-23	($0.7 M)	($0.7 M)	$0	$0	$0.5 M	$0.5 M
2023-24	($0.7 M)	($0.7 M)	$0	$0	$0.6 M	$0.6 M

NonSchool Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$0	($0.8 M)	$0	$0	$0	$0.9 M
2020-21	($0.9 M)	($0.9 M)	$0	$0	$0.9 M	$0.9 M
2021-22	($1.0 M)	($1.0 M)	$0	$0	$1.0 M	$1.0 M
2022-23	($1.2 M)	($1.2 M)	$0	$0	$1.0 M	$1.0 M
2023-24	($1.3 M)	($1.3 M)	$0	$0	$1.0 M	$1.0 M

List of affected Trust Funds:
Ad Valorem Group

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted a +/- indeterminate impact except for the first year's cash, which they adopted as zero.

	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	+/-
2020-21	0.0	0.0	0.0	0.0	+/-	+/-	+/-	+/-
2021-22	0.0	0.0	0.0	0.0	+/-	+/-	+/-	+/-
2022-23	0.0	0.0	0.0	0.0	+/-	+/-	+/-	+/-
2023-24	0.0	0.0	0.0	0.0	+/-	+/-	+/-	+/-

	A	B	C	D	E	F	G
3	Identified properties with restrictive covenants currently recognized						
4	Count	Taxable Value Impact	Average TV Impact				Statewide Effective Millage Rates
5	430	$7,300,000	$16,977			School	6.4596
6						Non-School	10.8122
7		High	Middle	Low		Total	17.2718
8	Gross up factor	10	$0	10			
9							
10	School						
11		March 7, 2019 Ad Valorem Assessment Estimating Conference Residential Non-Homestead Appreciation Rates	High	Middle	Low		
12	2019-20	4.40%	-$492,299	$0	$492,299		
13	2020-21	3.60%	-$558,874	$0	$510,022		
14	2021-22	3.34%	-$626,271	$0	$527,057		
15	2022-23	3.25%	-$695,312	$0	$544,186		
16	2023-24	3.12%	-$765,632	$0	$561,164		
17							
18	NonSchool		High	Middle	Low		
19	2019-20	4.40%	-$824,019	$0	$906,421		
20	2020-21	3.60%	-$935,455	$0	$939,052		
21	2021-22	3.34%	-$1,048,264	$0	$970,417		
22	2022-23	3.25%	-$1,163,827	$0	$1,001,955		
23	2023-24	3.12%	-$1,281,530	$0	$1,033,216		

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem Tax
Issue: Assessment of Property
Bill Number(s): HB 443 section 2

☐ **Entire Bill**
☒ **Partial Bill**: HB 443 section 2
Sponsor(s): Rep. Rodriguez
Month/Year Impact Begins: July 1, 2019
Date of Analysis: March 22, 2019

Section 1: Narrative

a. Current Law:

Under section 196.183, Florida Statutes, "each tangible personal property tax return is eligible for an exemption from ad valorem taxation of up to $25,000 of assessed value." An annual return should be filed pursuant to s. 193.052. That annual requirement may be waived for taxpayers whose TPP's value does not exceed the exemption value, but the taxpayer must file an initial return.

S. 196.183(4) states "Owners of property previously assessed by the property appraiser without a return being filed may, at the option of the property appraiser, qualify for the exemption under this section without filing an initial return."

b. Proposed Change:

Section 2 of this bill would amend s. 196.183(4) to read "Owners of property ~~previously~~ assessed by the property appraiser without a return being filed may, at the option of the property appraiser, qualify for the exemption under this section without filing an initial return."

Section 2: Description of Data and Sources

2017-2018 Final Tangible Personal Property Rolls
2014-2018 Final Recapitulations of the Assessment Rolls (Recaps)
Ad Valorem Revenue Estimating Conference, March 2019

Section 3: Methodology (Include Assumptions and Attach Details)

The change in law would allow property appraisers to automatically apply the $25,000 exemption to any TPP account without a tax return in the first (or any) year of assessment. In conversations with property appraiser's staff, owners of accounts newly added to the rolls may not realize they must file a return until they receive a TRIM notice or bill. The taxpayer typically then files a return.

To estimate the impact of section 2, the final 2017 and 2018 TPP rolls were merged based on county number and account ID number. One county changed their account IDs between the two years, so the alternate key field was used for that county's merge. The statewide file containing two years of data was filtered to include only cases added to the rolls in 2018 (i.e., missing from the 2017 roll). As each property appraiser has the option to submit their rolls with either a zero or a missing value in the total exemption field, either of these two options are assumed to indicate that the account owner did not file a return. The statewide file was further filtered to include only those cases which did not file a return and had a non-zero taxable value.

To estimate the possible exemption value for the remaining cases, it was assumed that each account would receive the maximum exemption for which it was eligible. For cases with a taxable value greater-than or equal to $25,000, this would be $25,000. For cases with a taxable value less than $25,000, the maximum possible exemption is the account's current taxable value. These dollar amounts were then aggregated at the county and state levels to arrive at the 2018 roll impact.

The low and high estimates were calculated using two different methodologies. The low estimate is based on 2018's average exemption amount and the number of TPP accounts. The high estimate is based on the 2018 roll impact and the taxable value projections adopted by the most recent Ad Valorem Assessments REC. The middle estimate is the average of the low and high.

For the low estimate, the annual growth rate of all TPP accounts between 2017 and 2018 was calculated, as well as the percentage of TPP accounts in the cohort. Additionally, the average exemption was calculated for 2018 by dividing the potential exemption amount by the number of accounts in the cohort. It is assumed that the growth rate, the total share percentage and the average exemption amount will remain constant.

To estimate the number of TPP accounts in 2019, the 2017-2018 percent change in accounts was multiplied by the prior year's number of accounts. This step was repeated throughout the forecast period. The number of new accounts affected by the law change was estimated by multiplying the number of accounts by the percentage-share of non-filing

Tax: Ad Valorem Tax
Issue: Assessment of Property
Bill Number(s): HB 443 section 2

accounts in 2018. Finally, the taxable value impact was calculated by multiplying the average exemption for the 2018 cohort by each year's accounts.

The high estimate was calculated first by dividing 2018's newly exempted value by the total 2018 taxable value to create the percent of taxable value that could be removed from the roll. That percentage of taxable value was applied to the TPP taxable value estimates adopted during the most recent Ad Valorem REC for each year of the forecast period.

The middle estimate is the average of high and low estimates. The 2018 school and non-school statewide millage rates were then applied to each estimate's roll impact to calculate the fiscal impact.

These estimates all assume that every property appraiser will choose to grant the exemption to every new TPP account. As property appraisers have discretion on whether to allow this exemption without a return, the actual impact of this bill is zero/negative indeterminate.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$(3.3 M)	$(3.3 M)	$(3.2 M)	$(3.2 M)	$(3.2 M)	$(3.2 M)
2020-21	$(3.4 M)	$(3.4 M)	$(3.3 M)	$(3.3 M)	$(3.2 M)	$(3.2 M)
2021-22	$(3.5 M)	$(3.5 M)	$(3.3 M)	$(3.3 M)	$(3.2 M)	$(3.2 M)
2022-23	$(3.6 M)	$(3.6 M)	$(3.4 M)	$(3.4 M)	$(3.1 M)	$(3.1 M)
2023-24	$(3.8 M)	$(3.8 M)	$(3.4 M)	$(3.4 M)	$(3.1 M)	$(3.1 M)

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted the low but assumed that 25% of the revenue would be otherwise uncollectible. The first year's cash is zero.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	(0.9)	0.0	(1.5)	0.0	(2.4)
2020-21	(0.9)	(0.9)	(1.5)	(1.5)	(2.4)	(2.4)
2021-22	(0.9)	(0.9)	(1.5)	(1.5)	(2.4)	(2.4)
2022-23	(0.9)	(0.9)	(1.5)	(1.5)	(2.4)	(2.4)
2023-24	(0.9)	(0.9)	(1.5)	(1.5)	(2.3)	(2.3)

	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	(2.4)	0.0	(2.4)
2020-21	0.0	0.0	0.0	0.0	(2.4)	(2.4)	(2.4)	(2.4)
2021-22	0.0	0.0	0.0	0.0	(2.4)	(2.4)	(2.4)	(2.4)
2022-23	0.0	0.0	0.0	0.0	(2.4)	(2.4)	(2.4)	(2.4)
2023-24	0.0	0.0	0.0	0.0	(2.3)	(2.3)	(2.3)	(2.3)

Impact Estimate Methodology

Roll Data Steps

- Merge 2017 & 2018 TPP Rolls
- Filter, keeping only accounts added to the rolls in 2018
- Of all new accounts, filter again for accounts without any exemptions and with taxable value greater than zero.
- At the account level, calculate the maximum exemption amount available:
  -- Accounts with at least $25,000 in taxable value would receive the whole $25,000 exemption
  -- Accounts with less than $25,000 in taxable value would receive an exemption amount equal to their current taxable value.
- Aggregate the account data to the county level and calculate the statewide total.

2018 Roll Impact

	New Accounts with No Exemptions	
YEAR	Exemption Amount	# of Accounts w/ Available TV
2018	184,657,374	17,341

* Totals include new accounts with TV > 0 and no exemptions.
If an account has any exemption, the owner is presumed to have submitted a tax return.

Low Estimate

- Estimate based on 2018 average exemption amount and number of TPP accounts on the rolls.

Roll Year	All TPP Accounts	Percent Change
2014	1,202,124	
2015	1,208,521	0.53%
2016	1,210,063	0.13%
2017	1,204,607	-0.45%
2018	1,199,749	-0.40%
Projected TPP Account % Change		-0.40%

2018 Roll	TPP Accounts	Percent in Cohort
Total	1,199,749	
Cohort	17,341	1.45%

Average Exemption in 2018	10,649

Year	TPP Accounts	Future Cohort	TV Impact (Avg. * Cohort)
2019	1,194,911	17,271	183,912,678
2020	1,190,092	17,201	183,170,986
2021	1,185,292	17,132	182,432,285
2022	1,180,512	17,063	181,696,563
2023	1,175,751	16,994	180,963,808

	A	B	C	D	E	F	G
45	**High Estimate**						
46							
47		- Estimate based on percent of 2018 TPP taxable value exempted under bill and applied to future TV estimates.					
48							
49			TPP Taxable Value	Exempted by Bill			
50		2018 Roll	125,339,205,705	184,657,374			
51		Percent of TV Exempted		0.1473%			
52							
53		Year	TPP TV Estimates*	TV Impact (TV * % Exempted)			
54		2019	130,352,773,933	192,043,669			
55		2020	134,915,121,021	198,765,197			
56		2021	138,962,574,651	204,728,153			
57		2022	143,131,451,891	210,869,998			
58		2023	147,425,395,448	217,196,098			
59		* TPP taxable value estimates from March 2019 Ad Valorem Assessment REC.					
60							
61	**Taxable Value Impacts**						
62							
63		- Middle estimate is average of high and low.					
64							
65		Year	High	Middle	Low		
66		2019	192,043,669	187,978,174	183,912,678		
67		2020	198,765,197	190,968,092	183,170,986		
68		2021	204,728,153	193,580,219	182,432,285		
69		2022	210,869,998	196,283,280	181,696,563		
70		2023	217,196,098	199,079,953	180,963,808		
71							

	A	B	C	D	E	F	G
72	**Calculate Impact using the 2018 Statewide Effective Millage Rate**						
73							
74			School Millage	6.4596			
75		**School Impact**					
76		Year	High	Middle	Low		
77		2019	-1,240,531	-1,214,270	-1,188,008		
78		2020	-1,283,950	-1,233,584	-1,183,217		
79		2021	-1,322,469	-1,250,457	-1,178,445		
80		2022	-1,362,143	-1,267,918	-1,173,693		
81		2023	-1,403,007	-1,285,983	-1,168,960		
82							
83			Non-School Millage	10.8122			
84		**Non-School Impact**					
85		Year	High	Middle	Low		
86		2019	-2,076,411	-2,032,455	-1,988,498		
87		2020	-2,149,086	-2,064,782	-1,980,478		
88		2021	-2,213,558	-2,093,025	-1,972,491		
89		2022	-2,279,965	-2,122,251	-1,964,537		
90		2023	-2,348,364	-2,152,489	-1,956,614		
91							
92			Total Millage	17.2718			
93		**Total Impact**					
94		Year	High	Middle	Low		
95		2019	-3,316,943	-3,246,724	-3,176,506		
96		2020	-3,433,036	-3,298,366	-3,163,696		
97		2021	-3,536,027	-3,343,482	-3,150,937		
98		2022	-3,642,108	-3,390,169	-3,138,230		
99		2023	-3,751,371	-3,438,472	-3,125,574		
100							

	A	B	C	D	E	F	G
1	Impact Estimates						
2							
3	**School Impact**						
4		High		Middle		Low	
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
6	2019-20	$ (1.2 M)	$ (1.2 M)	$ (1.2 M)	$ (1.2 M)	$ (1.2 M)	$ (1.2 M)
7	2020-21	$ (1.3 M)	$ (1.3 M)	$ (1.2 M)	$ (1.2 M)	$ (1.2 M)	$ (1.2 M)
8	2021-22	$ (1.3 M)	$ (1.3 M)	$ (1.3 M)	$ (1.3 M)	$ (1.2 M)	$ (1.2 M)
9	2022-23	$ (1.4 M)	$ (1.4 M)	$ (1.3 M)	$ (1.3 M)	$ (1.2 M)	$ (1.2 M)
10	2023-24	$ (1.4 M)	$ (1.4 M)	$ (1.3 M)	$ (1.3 M)	$ (1.2 M)	$ (1.2 M)
11							
12	**Non-School Impact**						
13		High		Middle		Low	
14	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2019-20	$ (2.1 M)	$ (2.1 M)	$ (2.0 M)	$ (2.0 M)	$ (2.0 M)	$ (2.0 M)
16	2020-21	$ (2.1 M)	$ (2.1 M)	$ (2.1 M)	$ (2.1 M)	$ (2.0 M)	$ (2.0 M)
17	2021-22	$ (2.2 M)	$ (2.2 M)	$ (2.1 M)	$ (2.1 M)	$ (2.0 M)	$ (2.0 M)
18	2022-23	$ (2.3 M)	$ (2.3 M)	$ (2.1 M)	$ (2.1 M)	$ (2.0 M)	$ (2.0 M)
19	2023-24	$ (2.3 M)	$ (2.3 M)	$ (2.2 M)	$ (2.2 M)	$ (2.0 M)	$ (2.0 M)
20							
21	**Total Impact**						
22		High		Middle		Low	
23	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
24	2019-20	$ (3.3 M)	$ (3.3 M)	$ (3.2 M)	$ (3.2 M)	$ (3.2 M)	$ (3.2 M)
25	2020-21	$ (3.4 M)	$ (3.4 M)	$ (3.3 M)	$ (3.3 M)	$ (3.2 M)	$ (3.2 M)
26	2021-22	$ (3.5 M)	$ (3.5 M)	$ (3.3 M)	$ (3.3 M)	$ (3.2 M)	$ (3.2 M)
27	2022-23	$ (3.6 M)	$ (3.6 M)	$ (3.4 M)	$ (3.4 M)	$ (3.1 M)	$ (3.1 M)
28	2023-24	$ (3.8 M)	$ (3.8 M)	$ (3.4 M)	$ (3.4 M)	$ (3.1 M)	$ (3.1 M)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Homes for the Aged
Bill Number(s): HB 443 – Proposed Amendment

☐ **Entire Bill**
☒ **Partial Bill**: Section 3
Sponsor(s): N/A
Month/Year Impact Begins: 1/1/2019
Date of Analysis: 3/20/2019

Section 1: Narrative

a. Current Law: Section 196.1975, Florida Statutes reads (in part):
Nonprofit homes for the aged are exempt to the extent that they meet the following criteria: 1) The applicant must be a corporation not for profit pursuant to chapter 617 or a Florida limited partnership, the sole general partner of which is a corporation not for profit pursuant to chapter 617, and the corporation not for profit must have been exempt as of January 1 of the year for which exemption from ad valorem property taxes is requested from federal income taxation by having qualified as an exempt charitable organization under the provisions of s. 501(c)(3) of the Internal Revenue Code of 1954 or of the corresponding section of a subsequently enacted federal revenue act.

Significant court case – Lakeland Highlands Road Facility, LLC v. Marsha Faux
Circuit Court – 10th Judicial Circuit case 2015-CA-1733
Trial court found that Lakeland Highlands did not qualify for the exemption under 196.1975 as it was not a corporation not for profit or a Florida limited partnership, the sole general partner of which is a corporation not for profit as Lakeland Highlands ownership structure was that of a limited partnership the sole general partner of which was a limited liability company.

b. Proposed Change: Revises section 196.1975 (1) to read:
(1) The applicant must be:
(a) A corporation not for profit pursuant to chapter 617;
(b) A Florida limited partnership, the sole general partner of which is either a corporation not for profit pursuant to chapter 617 or a Florida limited liability company, the sole member of which is a corporation not for profit pursuant to chapter 617.

Section 2: Description of Data and Sources

Polk County Ad Valorem assessment data and millage rates as indicated on the Polk County Property Appraiser's website
March 7, 2019 Ad Valorem Assessment Estimating Conference NonResidential Appreciation Rates

Section 3: Methodology (Include Assumptions and Attach Details)

Identified the Lakeland Highlands Property on the 2018 Polk County tax roll. Taxable value was $3,808,729. Total school taxes were $23,808.36. Total non-school taxes were $31,706.90. For the low it was assumed this is the only parcel affected by the change. For the middle it was assumed 5 total parcels of like value and taxes would be affected by the change. For the high it was assumed 10 total parcels of like value and taxes were impacted. Future year impacts were derived by using the March 7, 2019 Ad Valorem Assessment Estimating Conference NonResidential Appreciation Rates. It was assumed the millage rates would stay constant across the forecast period.

Section 4: Proposed Fiscal Impact

NonSchool Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	($329,371)	($329,371)	($164,686)	($164,686)	($32,937)	($32,937)
2020-21	($339,845)	($339,845)	($169,923)	($169,923)	($33,985)	($33,985)
2021-22	($349,769)	($349,769)	($174,884)	($174,884)	($34,977)	($34,977)
2022-23	($359,737)	($359,737)	($179,869)	($179,869)	($35,974)	($35,974)
2023-24	($369,774)	($369,774)	($184,887)	($184,887)	($36,977)	($36,977)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Homes for the Aged
Bill Number(s): HB 443 – Proposed Amendment

School Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	($247,321)	($247,321)	($123,661)	($123,661)	($24,732)	($24,732)
2020-21	($255,186)	($255,186)	($127,593)	($127,593)	($25,519)	($25,519)
2021-22	($262,637)	($262,637)	($131,319)	($131,319)	($26,264)	($26,264)
2022-23	($270,123)	($270,123)	($135,061)	($135,061)	($27,012)	($27,012)
2023-24	($277,659)	($277,659)	($138,830)	($138,830)	($27,766)	($27,766)

List of affected Trust Funds: Ad Valorem Group

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted two times the low with the first year's cash impact being zero.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	(0.0)	0.0	(0.1)	0.0	(0.1)
2020-21	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
2021-22	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
2022-23	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
2023-24	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)

	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	(0.1)	0.0	(0.1)
2020-21	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)
2021-22	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)
2022-23	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)
2023-24	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)

	A	B	C	D	E	F	G
1				March 7, 2019 Ad Valorem Assessment			
2		2018 Taxable Value		NonResidential Appreciation Rates			
3	Lakeland Highlands Road Facility	$3,808,729.00		2019	3.88%		
4				2020	3.18%		
5	NonSchol Levies	$31,706.90		2021	2.92%		
6	School Levies	$23,808.36		2022	2.85%		
7				2023	2.79%		
8				2024	2.72%		
9							
10	NonSchool	High	Middle	Low			
11	2019-20	-$329,371	-$164,686	-$32,937			
12	2020-21	-$339,845	-$169,923	-$33,985			
13	2021-22	-$349,769	-$174,884	-$34,977			
14	2022-23	-$359,737	-$179,869	-$35,974			
15	2023-24	-$369,774	-$184,887	-$36,977			
16							
17	School	High	Middle	Low			
18	2019-20	-$247,321	-$123,661	-$24,732			
19	2020-21	-$255,186	-$127,593	-$25,519			
20	2021-22	-$262,637	-$131,319	-$26,264			
21	2022-23	-$270,123	-$135,061	-$27,012			
22	2023-24	-$277,659	-$138,830	-$27,766			

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: First Responder Exemption/Another State/Firefighters and Law Enforcement
Bill Number(s): SB 1490

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Sen. Simmons
Month/Year Impact Begins: January 1, 2020
Date of Analysis: March 22, 2019
Section 1: Narrative
a. Current Law:

Section 196.102, Florida Statutes, grants an exemption for certain totally and permanently disabled first responders and their surviving spouses. S. 196.102(1)(b) states "'First responder' has the same meaning as in s. 196.081." Subsection 2 states "(2) Any real estate that is owned and used as a homestead by a person who has a total and permanent disability as a result of an injury or injuries sustained in the line of duty while serving as a first responder in this state or during an operation in another state or country authorized by this state or a political subdivision of this state is exempt from taxation if the first responder is a permanent resident of this state on January 1 of the year for which the exemption is being claimed."

In s. 196.081, F.S., "first responder" is defined as "a law enforcement officer or correctional officer as defined in s. 943.10, a firefighter as defined in s. 633.102, or an emergency medical technician or paramedic as defined in s. 401.23 who is a full-time paid employee, part-time paid employee, or unpaid volunteer."

S. 943.10, F.S., defines "law enforcement officer" as "any person who is elected, appointed, or employed full time by any municipality or the state or any political subdivision thereof; who is vested with authority to bear arms and make arrests; and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of the state. This definition includes all certified supervisory and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time law enforcement officers, part-time law enforcement officers, or auxiliary law enforcement officers but does not include support personnel employed by the employing agency."

It defines "correctional officer" as "any person who is appointed or employed full time by the state or any political subdivision thereof, or by any private entity which has contracted with the state or county, and whose primary responsibility is the supervision, protection, care, custody, and control, or investigation, of inmates within a correctional institution; however, the term 'correctional officer' does not include any secretarial, clerical, or professionally trained personnel."

S. 633.102, F.S., defines "firefighter" as "an individual who holds a current and valid Firefighter Certificate of Compliance or Special Certificate of Compliance issued by the division under s. 633.408."

S. 401.23, F.S., defines "emergency medical technician" as "a person who is certified by the [Department of Health] to perform basic life support pursuant to this part" and "paramedic" as "a person who is certified by the [Department of Health] to perform basic and advanced life support pursuant to this part."

b. Proposed Change:

This bill expands the definition of "first responder" in s. 196.102(1)(b) to read "(b) "First responder" means either of the following:

"1. A law enforcement officer or correctional officer as defined in s. 943.10, a firefighter as defined in s. 633.102, or an emergency medical technician or paramedic as defined in s. 401.23 who is a full-time paid employee, part-time paid employee, or unpaid volunteer.

"2. A law enforcement officer or firefighter who, before becoming a resident of this state, sustained a total and permanent disability in the line of duty while serving as a full-time paid law enforcement officer or firefighter in another state. As used in this subparagraph, the term 'law enforcement officer' means a person who was employed full time by a municipality of another state, by another state, or by any political subdivision thereof; who was vested with authority to bear arms and make arrests; and whose primary responsibility was the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of that state."

Subsection (2) expands the eligibility requirement to those with a total and permanent disability stemming from a line of duty injury "while serving as a first responder in this state, in another state as provided under subparagraph (1)(b)2., or during an operation in another state or country authorized by this state or a political subdivision of this state."

Section 2: Description of Data and Sources

Property Tax Data Book (Final), 2012-2018
Bureau of Labor Statistics Occupational Employment Statistics (OES) Survey, May 2017
U.S. Census Bureau Population Estimates
Bureau of Justice Statistics 2008 Census of State and Local Law Enforcement Agencies

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: First Responder Exemption/Another State/Firefighters and Law Enforcement
Bill Number(s): SB 1490

Demographic Estimating Conference, February 2019
Ad Valorem Assessments Revenue Estimating Conference, March 2019

Section 3: Methodology (Include Assumptions and Attach Details)

The bill removes the employment requirement limiting first responders to those that worked in or for Florida. The expanded definition of "first responder" allows law enforcement officers and firefighters who worked and were injured in Florida or another state. This language does not include out-of-state corrections officers. For paramedics and emergency medical technicians, there is no full state to state reciprocity for licensing, but non-Floridian paramedics and emergency medical technicians certified by the National Registry of Emergency Medical Technicians can apply for Florida certification. This analysis assumes that out of state law enforcement officers, firefighters, paramedics, and EMTs that meet the other exemption requirements would receive the exemption. It is also assumed that the phrase "full-time paid" on line 28 refers to both law enforcement officers and firefighters, i.e., volunteer firefighters are excluded.

The estimate is based on the number of homesteads currently receiving this exemption. In 2018, there were 454. This includes some surviving spouses of first responders who died in the line of duty (granted under s. 196.081, F.S.), so 5% of the current exemption value was removed to estimate only exemptions under s. 196.102, F.S. That exemption value was grown throughout the forecast period using the homestead assessed value growth rate from the most recent Ad Valorem Assessments REC. The first year of taxable value impact is based on a similar exemption whose residency requirement was removed in 2013 (s. 196.082, F.S.). The subsequent years of taxable value impact are based on the estimated number of eligible migrants moving to Florida multiplied by the average exemption value.

The migration estimate was based on the most recent Demographic Estimating Conference net migration calendar year totals, US Census population totals, and employment data from the 2017 BLS Occupation Employment Statistics Survey was used. The population and employment totals for each eligible job type was aggregated into two groups: Florida and Not Florida. The percent of non-Floridians working in eligible careers is 0.351%. The ratio of Floridians working in eligible careers to those currently receiving this exemption (expressed as a percentage) is 0.34%. It is assumed that 0.34% of 0.351% of net migrants to Florida will be eligible for this exemption, which is an average of 4 per year.

Each individual year's taxable value impact is the difference between the new exemption value and the exemption value under current law, which is the 2018 exemption value grown by the homestead assessed value growth rate from the most recent Ad Valorem Assessments REC. Individual year taxable value impacts must be stacked. The prior year's impact is grown by the AV growth rate, reduced by 5% to account for decay (remarriage, death, or homestead abandonment), and added to the next year's new exemptions (migration). The non-school taxable value impact is multiplied by 120.5% to estimate the school taxable value impact.

The fiscal impact is calculated using the 2018 effective statewide millage rates for school and non-school purposes. The middle taxable value impact estimate is unadjusted. The low is reduced by 20% and the high is increased by 20%.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$ -	$ (4.8 M)	$ -	$ (3.3 M)	$ -	$ (3.2 M)
2020-21	$ (5.0 M)	$ (5.0 M)	$ (3.4 M)	$ (3.4 M)	$ (3.3 M)	$ (3.3 M)
2021-22	$ (5.1 M)	$ (5.1 M)	$ (3.5 M)	$ (3.5 M)	$ (3.4 M)	$ (3.4 M)
2022-23	$ (5.2 M)	$ (5.2 M)	$ (3.6 M)	$ (3.6 M)	$ (3.5 M)	$ (3.5 M)
2023-24	$ (5.3 M)	$ (5.3 M)	$ (3.7 M)	$ (3.7 M)	$ (3.6 M)	$ (3.6 M)

List of affected Trust Funds: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: First Responder Exemption/Another State/Firefighters and Law Enforcement
Bill Number(s): SB 1490

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted the middle estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	(1.4)	0.0	(1.9)	0.0	(3.3)
2020-21	(1.4)	(1.4)	(2.0)	(2.0)	(3.4)	(3.4)
2021-22	(1.5)	(1.5)	(2.0)	(2.0)	(3.5)	(3.5)
2022-23	(1.5)	(1.5)	(2.1)	(2.1)	(3.6)	(3.6)
2023-24	(1.5)	(1.5)	(2.1)	(2.1)	(3.7)	(3.7)

	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	(3.3)	0.0	(3.3)
2020-21	0.0	0.0	0.0	0.0	(3.4)	(3.4)	(3.4)	(3.4)
2021-22	0.0	0.0	0.0	0.0	(3.5)	(3.5)	(3.5)	(3.5)
2022-23	0.0	0.0	0.0	0.0	(3.6)	(3.6)	(3.6)	(3.6)
2023-24	0.0	0.0	0.0	0.0	(3.7)	(3.7)	(3.7)	(3.7)

	A	B	C	D	E	F	G	H
1	Impact Calculations							
2								
3	**Current Exemption**							
4								
5		An estimated 5% of the exemptions recoded under this exemption code on the rolls are from s. 196.081, F.S.						
6				Total	95%			
7			Exemption Value	82,903,030	78,757,879			
8			Exemption Count	454	431			
9								
10	**Assessed Value and Exemption Value Growth**							
11								
12		Roll Year	Homestead AV Total	Annual Growth	First Responders Exemption	Average Exemption Value Est.		
13		2018	816,413,017,373		78,757,879	182,606		
14		2019	876,422,276,365	7.35%	84,546,863	196,028		
15		2020	942,229,861,380	7.51%	90,895,201	210,747		
16		2021	1,008,389,659,849	7.02%	97,277,516	225,545		
17		2022	1,084,812,433,307	7.58%	104,649,882	242,638		
18		2023	1,163,898,764,461	7.29%	112,279,196	260,327		
19								

	A	B	C	D	E	F	G	H
20	**Estimated Out-of-State Employees in Eligible Careers**							
21								
22		- ~~EMTs, Paramedics,~~ Firefighters, and Law Enforcement Officers are included in the analysis. Non-Floridian corrections officers are excluded.						
23								
45				AREA				
46			Job Group	FL	Not FL	Total		
47			Emergency Medical Technicians and Paramedics	11,210		11,210		
48			Firefighters	28,370	364,180	392,550		
49			Law Enforcement Officers	49,810	815,030	864,840		
50			Corrections Officers	36,090		36,090		
51			Total	125,480	1,179,210	1,304,690		
52			Source: 2017 BLS Occupational Employment Statistics (OES) Survey, May 2017					
53								
54			Current Exemptions	431				
55			Current Exemptions as Percent of Current Employed	0.34%				
56								
57	**First Year Growth (based on residency requirement removal of related exemption)**							
58								
59		S. 196.082, F.S., Discount based on disability percentage -- Residency Requirement was removed for the 2013 roll						
60								
61			Total Data Book Value		Annual % Change		School as a % of	
62		Roll Year	School	Non-School	School	Non-School	Non-School	
63		2012F*	45,577,066	36,064,989			126.4%	
64		2013F	254,361,617	211,078,919	458.1%	485.3%	120.5%	
65								
66				Employed in Florida	Percent of Total			
67			Total	125,480				
68			Excluded Jobs (Corrections Officers, EMTs, & Paramedics)	47,300	37.70%			
69								
70			Reduced Expansion Percent		302.35%			
71								

	A	B	C	D	E	F	G	H
72	**Migration Estimate**							
73								
74				Total Employment				
75			USA	429,220,050				
76			FLORIDA	25,199,540				
77			Not Florida Total	404,020,510				
78			Not Florida, Eligible	1,179,210				
79								
80			Percent of Not-FL Eligible	0.292%				
81			Current Exemptions as Percent of Employed	0.34%				
82								
83		Calendar Year	Net Migration to Florida	Eligible & Migrating	Roll Year			
84		2018	334,200	3	2019			
85		2019	322,800	3	2020			
86		2020	317,000	3	2021			
87		2021	310,000	3	2022			
88		2022	303,500	3	2023			
89		2023	295,100	3	2024			
90		2024	282,700	3	2025			
91		Migration Estimates: February 2019 Demographic Conference						
92								
93	**Expanded Exemption Single Year Impact: Residency Requirement Removal for Current Residents & Migration**							
94								
95		Roll Year	Exemption Under Current Law	Non-School Growth	Expanded Exemption Value	Migrating & Eligible	Average Exmpt Value	TV Impact
96		2018	78,757,879					
97		2019*	84,546,863					-170,114,851
98		2020	90,895,201	302.3%	274,820,371			-183,925,170
99		2021	97,277,516			3	225,545	-717,274
100		2022	104,649,882			3	242,638	-754,595
101		2023	112,279,196			3	260,327	-792,631
102		* The 2019 impact is calculated for the recurring impact only. It is the 2020 estimate less growth from 2019-2020.						
103								

	A	B	C	D	E	F	G	H
104	**Stacked TV Impact**							
105								
106		Annual Decay	5%					
107		Non-School to School	120.5%					
108								
109			TV Impact					
110		Roll Year	Non-School	School				
111		2019*	-178,620,594	-215,247,564				
112		2020	-183,925,170	-221,639,868				
113		2021	-187,714,985	-226,206,802				
114		2022	-192,598,859	-232,092,136				
115		2023	-197,100,573	-237,516,947				
116		* The 2019 impact is calculated for the recurring impact only. Instead of a 5% decay, there is an additional 5% bonus.						
117								
118	**High, Middle, & Low**							
119								
120		Range	Adjustment					
121		High	20%					
122		Middle	0%					
123		Low	-20%					
124								
125	**Fiscal Impact**							
126								
127			Statewide Effective Millage Rates					
128		School	6.4596					
129		Non-School	10.8122					
130		Total	17.2718					
131								
132			HIGH		MIDDLE		LOW	
133		Roll Year	Non-School	School	Non-School	School	Non-School	School
134		2019	-2,317,538	-1,668,496	-1,931,282	-1,390,413	-1,545,025	-1,112,331
135		2020	-2,386,363	-1,718,046	-1,988,636	-1,431,705	-1,590,909	-1,145,364
136		2021	-2,435,534	-1,753,447	-2,029,612	-1,461,205	-1,623,690	-1,168,964
137		2022	-2,498,901	-1,799,067	-2,082,417	-1,499,222	-1,665,934	-1,199,378
138		2023	-2,557,309	-1,841,117	-2,131,091	-1,534,264	-1,704,873	-1,227,412

Impact Summary

School Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$ -	$ (1.7 M)	$ -	$ (1.4 M)	$ -	$ (1.1 M)
2020-21	$ (1.7 M)	$ (1.7 M)	$ (1.4 M)	$ (1.4 M)	$ (1.1 M)	$ (1.1 M)
2021-22	$ (1.8 M)	$ (1.8 M)	$ (1.5 M)	$ (1.5 M)	$ (1.2 M)	$ (1.2 M)
2022-23	$ (1.8 M)	$ (1.8 M)	$ (1.5 M)	$ (1.5 M)	$ (1.2 M)	$ (1.2 M)
2023-24	$ (1.8 M)	$ (1.8 M)	$ (1.5 M)	$ (1.5 M)	$ (1.2 M)	$ (1.2 M)

Non-School Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$ -	$ (2.3 M)	$ -	$ (1.9 M)	$ -	$ (1.5 M)
2020-21	$ (2.4 M)	$ (2.4 M)	$ (2.0 M)	$ (2.0 M)	$ (1.6 M)	$ (1.6 M)
2021-22	$ (2.4 M)	$ (2.4 M)	$ (2.0 M)	$ (2.0 M)	$ (1.6 M)	$ (1.6 M)
2022-23	$ (2.5 M)	$ (2.5 M)	$ (2.1 M)	$ (2.1 M)	$ (1.7 M)	$ (1.7 M)
2023-24	$ (2.6 M)	$ (2.6 M)	$ (2.1 M)	$ (2.1 M)	$ (1.7 M)	$ (1.7 M)

Total Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$ -	$ (4.0 M)	$ -	$ (3.3 M)	$ -	$ (2.7 M)
2020-21	$ (4.1 M)	$ (4.1 M)	$ (3.4 M)	$ (3.4 M)	$ (2.7 M)	$ (2.7 M)
2021-22	$ (4.2 M)	$ (4.2 M)	$ (3.5 M)	$ (3.5 M)	$ (2.8 M)	$ (2.8 M)
2022-23	$ (4.3 M)	$ (4.3 M)	$ (3.6 M)	$ (3.6 M)	$ (2.9 M)	$ (2.9 M)
2023-24	$ (4.4 M)	$ (4.4 M)	$ (3.7 M)	$ (3.7 M)	$ (2.9 M)	$ (2.9 M)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Charitable use exemption for hospitals
Bill Number(s): CS/HB 1295

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Caruso
Month/Year Impact Begins: July 1, 2019
Date of Analysis: March 21, 2019

Section 1: Narrative

a. Current Law:

196.197 Additional provisions for exempting property used by hospitals, nursing homes, and homes for special services.—In addition to criteria for granting exemptions for charitable use of property set forth in other sections of this chapter, hospitals, nursing homes, and homes for special services shall be exempt to the extent that they meet the following criteria:
(1) The applicant must be a Florida corporation not for profit that has been exempt as of January 1 of the year for which exemption from ad valorem property taxes is requested from federal income taxation by having qualified as an exempt organization under the provisions of s. 501(c)(3) of the Internal Revenue Code of 1954 or of the corresponding section of a subsequently enacted federal revenue act.
(2) In determining the extent of exemption to be granted to institutions licensed as hospitals, nursing homes, and homes for special services, portions of the property leased as parking lots or garages operated by private enterprise shall not be deemed to be serving an exempt purpose and shall not be exempt from taxation. Property or facilities which are leased to a nonprofit corporation which provides direct medical services to patients in a nonprofit or public hospital and qualifies under s. 196.196 of this chapter are excluded and shall be exempt from taxation.

196.012 Definitions.—For the purpose of this chapter, the following terms are defined as follows, except where the context clearly indicates otherwise:
(8) "Hospital" means an institution which possesses a valid license granted under chapter 395 on January 1 of the year for which exemption from ad valorem taxation is requested.
(9) "Nursing home" or "home for special services" means an institution that possesses a valid license under chapter 400 or part I of chapter 429 on January 1 of the year for which exemption from ad valorem taxation is requested.

b. Proposed Change:

The proposed language replaces the phrase "to the extent that" with the word "if' in fs. 197.196.

The bill also adds subsection three, which states that the extent of the exemption to be granted shall be determined by multiplying the unadjusted exempt value by a fraction less-than or equal-to one. The language defines the unadjusted exempt value as "the value exempted in a tax year for the charitable use of the property as provided in other sections of [chapter 196] and as limited by subsections (1) and (2)." The numerator of the fraction shall be the portion of the net community benefit expense as reported by the hospital owner on its most recently filed IRS Form 990, schedule H, attributable only to services and activities performed by the hospital using the property for which the exemption is being sought. The denominator of the fraction is the product of the unadjusted exempt value and the current millage rates applicable to the property.

Section 2: Description of Data and Sources

March 2019 Ad Valorem Assessment REC (EDR)
IRS Form 990 Schedule H data (https://www.guidestar.org)
2017 SOI Tax Statistics, Charities & Other Tax Exempt Organizations (IRS)
2019 Ad Valorem Assessment Rolls (DOR)

Section 3: Methodology (Include Assumptions and Attach Details)

For the low impact, it is assumed that properties currently receiving the exemption under 196.197 F.S.. will have sufficient net community benefit expenses such that the fraction described in subsection (3) will be greater-than or equal-to one, resulting in no impact.

For the middle and high, the total amount of real and personal property exemptions was totaled from the 2019 Ad Valorem Assessment Rolls Exemption Breakdown. As this number includes nursing homes, homes for special services, and institutions not licensed as hospitals, it was reduced by 75%. This reduction was based upon research done by the Property Tax Oversight staff to specifically identify properties owned by hospitals within the group of total exempt entities under 196.197, Florida Statutes. Growth rates of non-homestead, non-residential Ad Valorem values were calculated using estimates from the March 2019 Ad Valorem Assessment REC. These growth rates were used to project the total amount of real and personal property exemptions of qualifying hospitals into the future. For a middle impact, it was assumed that the exemption amount would decrease by 33%, and the high assumes that exemptions would decrease by 66%.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$42.2 M	$42.2 M	$21.1 M	$21.1 M	0	0
2020-21	$44.4 M	$44.4 M	$22.2 M	$22.2 M	0	0
2021-22	$46.6 M	$46.6 M	$23.3 M	$23.3 M	0	0
2022-23	$48.9 M	$48.9 M	$24.5 M	$24.5 M	0	0
2023-24	$51.3 M	$51.3 M	$25.6 M	$25.6 M	0	0

List of affected Trust Funds:
Ad Valorem

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted a positive indeterminate impact except for the first year's cash which is zero.

	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	**
2020-21	0.0	0.0	0.0	0.0	**	**	**	**
2021-22	0.0	0.0	0.0	0.0	**	**	**	**
2022-23	0.0	0.0	0.0	0.0	**	**	**	**
2023-24	0.0	0.0	0.0	0.0	**	**	**	**

	A	B	C	D	E	F
1						
2	Low					
3		Example fraction calculation for Total Community Contribution and exempt values across identified entity				
4			2017 IRS Form 990, Schedule H, Line 7k, Total Net Community Benefit Expense			
5		Orlando Health Inc	$ 244,659,961.00			
6						
7						
8						
9		Owner	Total Exemption A			
10		ORLANDO HEALTH INC	$ 102,128,137.00			
11		ORLANDO HEALTH INC	$ 315,410.00			
12		ORLANDO HEALTH INC	$ 159,089.00			
13		ORLANDO HEALTH INC	$ 7,800.00			
14		ORLANDO HEALTH INC	$ 50.00			
15		Total	$ 102,610,486.00			
16						
17						
18						
19			Statewide Effective Millage Rates			
20		School	6.4596			
21		Non-School	10.8122			
22		Total	17.2718			
23						
24						
25		Fraction	138			
26		c5/(c15*c22/1000)				
27						

	A	B	C	D	E	F
28	Middle/High		2018 DR-403EB LINE 11			
29		COUNTY	RP Count	RP Value	TPP Count	TPP Value
30		Alachua				
31		Baker	4	$ 619,100.00	1	$ 25,451,065.00
32		Bay	1	$ 667,326.00	5	$ 292,375.00
33		Bradford				
34		Brevard	41	$ 406,473,990.00		
35		Broward	77	$ 327,843,790.00	97	$ 103,562,367.00
36		Calhoun	5	$ 1,638,846.00		
37		Charlotte			2	$ 109,529.00
38		Citrus				
39		Clay		$ 3,307,440.00	1	$ 569,152.00
40		Collier				
41		Columbia	16	$ 807,058.00	1	$ 84,821.00
42		Miami-Dade	112	$ 1,192,746,717.00	79	$ 509,509,083.00
43		DeSoto	5	$ 9,957,134.00		
44		Dixie				
45		Duval	155	$ 1,351,104,018.00	76	$ 772,515,017.00
46		Escambia				
47		Flagler	22	$ 60,351,007.00	5	$ 74,136,295.00
48		Franklin				
49		Gadsden				
50		Gilchrist				
51		Glades				
52		Gulf	1	$ 74,400.00		
53		Hamilton	4	$ 444,036.00		
54		Hardee	3	$ 11,824,038.00	3	$ 262,923.00
55		Hendry				
56		Hernando	7	$ 7,757,305.00	8	$ 1,501,976.00
57		Highlands	27	$ 86,544,977.00	22	$ 3,459,211.00
58		Hillsborough	24	$ 360,960,313.00	35	$ 279,301,540.00
59		Holmes	1	$ 5,902,160.00		
60		Indian River	11	$ 104,824,308.00	9	$ 510,118.00
61		Jackson	15	$ 18,889,772.00		
62		Jefferson	1	$ 390,771.00		
63		Lafayette				
64		Lake	61	$ 157,249,569.00	13	$ 60,971,460.00
65		Lee	31	$ 182,149,128.00	33	$ 9,181,878.00
66		Leon	54	$ 47,073,037.00	2	$ 29,524.00
67		Levy	2	$ 1,058,458.00		
68		Liberty				
69		Madison	5	$ 7,600,426.00		
70		Manatee	22	$ 24,386,118.00	6	$ 1,416,102.00
71		Marion	3	$ 9,180,730.00	5	$ 1,392,507.00
72		Martin	40	$ 156,548,741.00	12	$ 58,906,557.00
73		Monroe	6	$ 14,754,449.00		
74		Nassau	3	$ 1,553,883.00	4	$ 29,704,467.00
75		Okaloosa	1	$ 897,050.00		
76		Okeechobee			3	$ 424,569.00
77		Orange	226	$ 2,205,043,978.00	204	$ 626,175,788.00
78		Osceola	14	$ 185,506,338.00	17	$ 80,731,713.00
79		Palm Beach	30	$ 402,720,802.00	52	$ 207,175,914.00
80		Pasco	10	$ 126,443,999.00	25	$ 42,841,857.00
81		Pinellas	108	$ 757,879,070.00	139	$ 689,025,388.00
82		Polk	61	$ 125,120,525.00	65	$ 109,152,821.00
83		Putnam	19	$ 13,261,030.00	209	$ 4,717,851.00
84		Saint Johns	7	$ 46,559,408.00	4	$ 25,695,737.00
85		Saint Lucie	9	$ 70,661,250.00	4	$ 1,560,803.00
86		Santa Rosa	2	$ 28,258,305.00		
87		Sarasota	13	$ 33,089,784.00	3	$ 887,622.00
88		Seminole	52	$ 168,276,352.00	43	$ 99,539,933.00
89		Sumter	106	$ 33,675,578.00	14	$ 30,381,249.00
90		Suwannee	36			
91		Taylor	3	$ 3,920,800.00	71	$ 2,122,949.00
92		Union				
93		Volusia	130	$ 518,239,795.00	35	$ 60,474,497.00
94		Wakulla	2	$ 731,329.00	0	$ -
95		Walton				
96		Washington				
97		Totals	1,588	$9,274,968,438	1,307	$3,913,776,658

Real Property	$	9,274,968,438.00
Tangible Personal	$	3,913,776,658.00
Total	$	13,188,745,096.00

% of total that are Hospitals		25%
Real Property	$	2,318,742,109.50
Tangible Personal	$	978,444,164.50
Total	$	3,297,186,274.00

	Statewide Effective Millage Rates	Revenue
School	6.4596	$ 21,298,504.46
Non-School	10.8122	$ 35,649,837.43
Total	17.2718	$ 56,948,341.89

Middle Increase in Tax Base
33%

High Increase in Tax Base
66%

School

	Non-Res Assessed Value	Non-Res Assessed Value Growth	Exemption Total Estimate	High Impact	Middle Impact
2018	$677,266,816,750		$21,298,504		
2019	$720,637,860,224	6.40%	$22,662,425		
2020	$760,494,700,539	5.53%	$23,915,833	$15,784,449	$7,892,225
2021	$799,942,880,890	5.19%	$25,156,388	$16,603,216	$8,301,608
2022	$840,591,961,270	5.08%	$26,434,710	$17,446,908	$8,723,454
2023	$882,009,196,063	4.93%	$27,737,188	$18,306,544	$9,153,272
2024	$924,093,630,231	4.77%	$29,060,648	$19,180,027	$9,590,014

Non-School

	Non-Res Assessed Value	Non-Res Assessed Value Growth	Exemption Total Estimate	High Impact	Middle Impact
2018	$677,266,816,750		$35,649,837		
2019	$720,637,860,224	6.40%	$37,932,794		
2020	$760,494,700,539	5.53%	$40,030,770	$26,420,308	$13,210,154
2021	$799,942,880,890	5.19%	$42,107,236	$27,790,776	$13,895,388
2022	$840,591,961,270	5.08%	$44,246,914	$29,202,963	$14,601,482
2023	$882,009,196,063	4.93%	$46,427,027	$30,641,837	$15,320,919
2024	$924,093,630,231	4.77%	$48,642,259	$32,103,891	$16,051,945

Total

	Non-Res Assessed Value	Non-Res Assessed Value Growth	Exemption Total Estimate	High Impact	Middle Impact
2018	$677,266,816,750		$56,948,342		
2019	$720,637,860,224	6.40%	$60,595,219		
2020	$760,494,700,539	5.53%	$63,946,603	$42,204,758	$21,102,379
2021	$799,942,880,890	5.19%	$67,263,624	$44,393,992	$22,196,996
2022	$840,591,961,270	5.08%	$70,681,624	$46,649,872	$23,324,936
2023	$882,009,196,063	4.93%	$74,164,214	$48,948,381	$24,474,191
2024	$924,093,630,231	4.77%	$77,702,906	$51,283,918	$25,641,959

	A	B	C	D	E	F	G
1	Impact Summary						
2							
3	**School Impact**						
4		High		Middle		Low	
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
6	2019-20	$ 15.8 M	$ 15.8 M	$ 7.9 M	$ 7.9 M	$ -	$ -
7	2020-21	$ 16.6 M	$ 16.6 M	$ 8.3 M	$ 8.3 M	$ -	$ -
8	2021-22	$ 17.4 M	$ 17.4 M	$ 8.7 M	$ 8.7 M	$ -	$ -
9	2022-23	$ 18.3 M	$ 18.3 M	$ 9.2 M	$ 9.2 M	$ -	$ -
10	2023-24	$ 19.2 M	$ 19.2 M	$ 9.6 M	$ 9.6 M	$ -	$ -
11							
12	**Non-School Impact**						
13		High		Middle		Low	
14	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2019-20	$ 26.4 M	$ 26.4 M	$ 13.2 M	$ 13.2 M	$ -	$ -
16	2020-21	$ 27.8 M	$ 27.8 M	$ 13.9 M	$ 13.9 M	$ -	$ -
17	2021-22	$ 29.2 M	$ 29.2 M	$ 14.6 M	$ 14.6 M	$ -	$ -
18	2022-23	$ 30.6 M	$ 30.6 M	$ 15.3 M	$ 15.3 M	$ -	$ -
19	2023-24	$ 32.1 M	$ 32.1 M	$ 16.1 M	$ 16.1 M	$ -	$ -
20							
21	**Total Impact**						
22		High		Middle		Low	
23	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
24	2019-20	$ 42.2 M	$ 42.2 M	$ 21.1 M	$ 21.1 M	$ -	$ -
25	2020-21	$ 44.4 M	$ 44.4 M	$ 22.2 M	$ 22.2 M	$ -	$ -
26	2021-22	$ 46.6 M	$ 46.6 M	$ 23.3 M	$ 23.3 M	$ -	$ -
27	2022-23	$ 48.9 M	$ 48.9 M	$ 24.5 M	$ 24.5 M	$ -	$ -
28	2023-24	$ 51.3 M	$ 51.3 M	$ 25.6 M	$ 25.6 M	$ -	$ -

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Hurricane Damage TPP Assessments
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: January 1, 2019
Date of Analysis: March 22, 2019

Section 1: Narrative

a. Current Law:

There is no current law.

b. Proposed Change:

This language would create s. 193.4517, Florida Statutes, which reads “193.4517 —Assessment of agriculture equipment rendered unable to be used due to Hurricane Michael.—

“(1) For purposes of ad valorem taxation, and applying to the 2019 tax roll only, tangible personal property owned and operated by a farm, farm operation, or agriculture processing facility located in Okaloosa, Walton, Holmes, Washington, Bay, Jackson, Calhoun, Gulf, Gadsden, Liberty, Franklin, Leon, or Wakulla County is deemed to have a market value no greater than its value for salvage, provided the tangible personal property was unable to be used for at least 60 days due to the effects of Hurricane Michael. For purposes of this section, "unable to be used" means the tangible personal property was damaged or the farm, farm operation, or agricultural processing facility was affected to such a degree that the tangible personal property could not be used for its intended purpose.

“(2) As used in this section, the term "farm" has the same meaning as provided in s. 823.14(3)(a) and "farm operation" has the same meaning as provided in s. 823.14(3)(b).

“Section 2. This act shall take effect July 1, 2019, and applies retroactively to the January 1, 2019, tax roll.”

Section 2: Description of Data and Sources

2018 Final Tangible Personal Property Rolls

Section 3: Methodology (Include Assumptions and Attach Details)

The impact estimate is based on estimated 2019 tangible personal property (TPP) roll values calculated at the account level and aggregated by NAICS code and county. Using the 2018 rolls, each account’s just and assessed values were grown 4% to estimate the 2019 values. The assessed value was then reduced by 90% to calculate salvage value. A reduction of 90% was assumed because TPP accounts assessed on their salvage value under s. 193.4516, F.S., have the same percent of their just value removed to calculate their assessed value. Under that law, “tangible personal property owned and operated by a citrus fruit packing or processing facility is deemed to have a market value no greater than its value for salvage, provided the tangible personal property is no longer used in the operation of the facility due to the effects of Hurricane Irma or to citrus greening.”

Each account’s applicable exemptions were maxed out (based on which exemptions the account received in 2018) with separate exemption totals calculated for the 2019 assessed value under current law and the reduced salvage value. The full and salvage taxable values were calculated and the difference between the two equals the taxable value impact.

The account-level estimates were then aggregated with the totals separated by county and NAICS subsector. As the 13 included counties had varying levels of damage from Hurricane Michael, each county’s TPP inclusion rate can be adjusted individually. The adjusted values are aggregated by NAICS subsector or industry group. Because the proposed language limits value reduction to TPP “owned and operated by a farm, farm operation, or agriculture processing facility,” only certain NAICS codes were included in the analysis. These codes include everything in the agricultural sector (11), the food manufacturing (311) and wood product manufacturing (321) subsectors, and the pulp, paper, and paperboard mill industry group (3221).

The total taxable value impact for the included TPP in the relevant industries is $203.1 million. The high, middle, and low estimates include varying percentages of each industry’s value. For the agricultural sector, the high estimate assumes 50% of the remaining tangible personal property “unable to be used for at least 60 days due to the effects of Hurricane Michael.” The middle estimate includes 20% of agricultural TPP and the low estimate includes 10%. The included manufacturing NAICS subsectors and industries have lower portions of their value included, as these NAICS codes include TPP not used on farms, farm operations, or in agriculture processing facilities. The inclusion rates for these codes are 25% for the high, 15% for the middle, and 10% for the low estimate.

The 2018 school and non-school statewide effective millage rates are applied to the final taxable value impact to calculate the 2019-20 fiscal impact.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Hurricane Damage TPP Assessments
Bill Number(s): Proposed Language

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$ (1.2 M)	$ -	$ (0.6 M)	$ -	$ (0.4 M)	$ -
2020-21	$ -	$ -	$ -	$ -	$ -	$ -
2021-22	$ -	$ -	$ -	$ -	$ -	$ -
2022-23	$ -	$ -	$ -	$ -	$ -	$ -
2023-24	$ -	$ -	$ -	$ -	$ -	$ -

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted the middle estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(0.2)	0.0	(0.3)	0.0	(0.5)	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

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	(0.5)	0.0	(0.5)	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

Impact Calculations

County Base Inclusion Rates

CO_NO	County	Percent of TPP Included
13	Bay	100%
17	Calhoun	100%
29	Franklin	75%
30	Gadsden	75%
33	Gulf	100%
40	Holmes	100%
42	Jackson	100%
47	Leon	10%
49	Liberty	75%
56	Okaloosa	100%
75	Wakulla	10%
76	Walton	100%
77	Washington	100%

Taxable Value Impact

- The 2018 roll's just and assessed values were grown 4% to estimate 2019 values under current law.
- Assessed value was reduced by 90% to estimate salvage value. This reduction is identical to the salvage values recorded on the rolls for citrus fruit packing and processing equipment rendered unused by citrus greening or Hurricane Irma under s. 193.4516, F.S.
- Applicable exemptions were maxed out for both the full and salvage value estimates (if no exemption was granted in 2018, none was granted in 2019).

	2019 Estimate, Current Law				2019 Salvage Value Estimate			Difference	
SUBSECTOR_DESCRIPTION_INDUSTRY_GROUP*	Just Value	Assessed Value	Exempt Value	Taxable Value	Assessed Value	Exempt Value	Taxable Value	Taxable Value Impact	TPP Accts.
111: Crop Production	36,578,126	36,578,126	16,539,546	20,038,580	3,657,813	2,705,620	952,192	-19,086,387	1,950
112: Animal Production and Aquaculture	7,003,593	7,003,593	1,640,861	5,362,732	700,359	317,563	382,796	-4,979,936	149
113: Forestry and Logging	33,153,171	33,153,171	1,756,110	31,397,061	3,315,317	660,623	2,654,694	-28,742,367	99
114: Fishing, Hunting and Trapping	266,085	266,085	92,042	174,043	26,608	24,860	1,749	-172,294	17
115: Support Activities for Agriculture and Forestry	3,955,568	3,955,568	611,730	3,343,839	395,557	262,374	133,183	-3,210,655	41
311: Food Manufacturing	2,923,508	2,923,508	431,204	2,492,304	292,351	144,983	147,367	-2,344,937	55
321: Wood Product Manufacturing	75,258,382	75,257,680	780,819	74,476,861	7,525,768	366,616	7,159,152	-67,317,709	53
3221: Pulp, Paper, and Paperboard Mills	176,020,234	75,306,300	27,759	75,278,541	7,530,630	25,276	7,505,354	-67,773,187	3
TOTAL	335,158,667	234,444,031	21,880,071	212,563,960	23,444,403	4,507,915	18,936,488	-193,627,472	2,368

* Converted paper product manufacturing was excluded from the Paper Manufacturing subsector.

	A	B–D	E	F	G	H	I	J	K	L	M	N
40	**High, Middle, Low Estimates**											
41				Percent of TPP Included								
42				HIGH	MIDDLE	LOW						
43		Agriculture Sector (11)		50%	20%	10%						
44		Manufacturing related to agriculture (311, 321, 3221)		25%	15%	10%						
45												
46				HIGH		MIDDLE		LOW				
47		SUBSECTOR_DESCRIPTION_INDUSTRY_GROUP*		Inclusion Percent	TV Impact	Inclusion Percent	TV Impact	Inclusion Percent	TV Impact			
48		111: Crop Production		50%	-9,543,194	20%	-3,817,277	10%	-1,908,639			
49		112: Animal Production and Aquaculture		50%	-2,489,968	20%	-995,987	10%	-497,994			
50		113: Forestry and Logging		50%	-14,371,184	20%	-5,748,473	10%	-2,874,237			
51		114: Fishing, Hunting and Trapping		50%	-86,147	20%	-34,459	10%	-17,229			
52		115: Support Activities for Agriculture and Forestry		50%	-1,605,328	20%	-642,131	10%	-321,066			
53		311: Food Manufacturing		25%	-586,234	15%	-351,741	10%	-234,494			
54		321: Wood Product Manufacturing		25%	-16,829,427	15%	-10,097,656	10%	-6,731,771			
55		3221: Pulp, Paper, and Paperboard Mills		25%	-16,943,297	15%	-10,165,978	10%	-6,777,319			
56												
57		TOTAL		32%	-62,454,778	16%	-31,853,703	10%	-19,362,747			
58												
59	**Apply Millage Rate to Calculate Impact**											
60												
61		Statewide Effective Millage Rates	Rate	HIGH	MIDDLE	LOW						
62		School	6.4596	-403,433	-205,762	-125,076						
63		Non-School	10.8122	-675,274	-344,409	-209,354						
64		Total	17.2718	-1,078,706	-550,171	-334,429						

	A	B	C	D	E	F	G
1	**Impact Summary**						
2							
3	**School Impact**						
4		High		Middle		Low	
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
6	2019-20	$ (0.4 M)	$ (0.4 M)	$ (0.2 M)	$ (0.2 M)	$ (0.1 M)	$ (0.1 M)
7	2020-21	$ -	$ -	$ -	$ -	$ -	$ -
8	2021-22	$ -	$ -	$ -	$ -	$ -	$ -
9	2022-23	$ -	$ -	$ -	$ -	$ -	$ -
10	2023-24	$ -	$ -	$ -	$ -	$ -	$ -
11							
12	**Non-School Impact**						
13		High		Middle		Low	
14	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2019-20	$ (0.7 M)	$ (0.7 M)	$ (0.3 M)	$ (0.3 M)	$ (0.2 M)	$ (0.2 M)
16	2020-21	$ -	$ -	$ -	$ -	$ -	$ -
17	2021-22	$ -	$ -	$ -	$ -	$ -	$ -
18	2022-23	$ -	$ -	$ -	$ -	$ -	$ -
19	2023-24	$ -	$ -	$ -	$ -	$ -	$ -
20							
21	**Total Impact**						
22		High		Middle		Low	
23	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
24	2019-20	$ (1.1 M)	$ (1.1 M)	$ (0.6 M)	$ (0.6 M)	$ (0.3 M)	$ (0.3 M)
25	2020-21	$ -	$ -	$ -	$ -	$ -	$ -
26	2021-22	$ -	$ -	$ -	$ -	$ -	$ -
27	2022-23	$ -	$ -	$ -	$ -	$ -	$ -
28	2023-24	$ -	$ -	$ -	$ -	$ -	$ -

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: School Taxes/Elderly Long Term Residents
Bill Number(s): CS/SJR 344

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Sen. Diaz
Month/Year Impact Begins: January 1, 2021
Date of Analysis: March 22, 2019
Section 1: Narrative
a. Current Law:
Article VII, section 4 of the Florida Constitution states (in part) that the assessment value of a homestead shall change on January 1 of each year "but those changes in assessments shall not exceed the lower of the following:
"a. Three percent (3%) of the assessment for the prior year.
"b. The percent change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics."
b. Proposed Change:
This joint resolution would add subsection (k) to section 4. It reads "(k) By general law, and subject to conditions specified therein, the legislature may, for school district levy purposes, prohibit increases in the assessed value of property qualifying for a homestead exemption under section 6 of this article, if the legal or equitable title to the property is held by a person who:
"(1) Has attained age sixty-five; and
"(2) Has held legal or equitable title to the property and maintained permanent residence thereon for at least twenty-five years."
Article XII is amended to include "Assessment limitation for school district levy purposes for certain persons who have attained age sixty-five.—This section and the amendment to Section 4 of Article VII authorizing the legislature, for school district levy purposes, to prohibit increases in the assessed value of homestead property if the legal or equitable title to the property is held by a person who has attained age sixty-five and if he or she has held legal or equitable title to the property and maintained permanent residence thereon for at least twenty-five years, shall take effect January 1, 2021."
The ballot measure to amend the constitution will state "HOMESTEAD ASSESSMENT LIMITATION FOR SCHOOL DISTRICT LEVY PURPOSES FOR CERTAIN PERSONS AGE 65 OR OLDER.—Authorizes the Legislature, by general law, to prohibit increases in the assessed value of homestead property, for school district levy purposes, if the legal or equitable title to the property is held by a person who is 65 years of age or older and if he or she has held such title and maintained permanent residence on the property for at least 25 years. This amendment takes effect January 1, 2021."

Section 2: Description of Data and Sources
2008-2018 Real Property Assessment Rolls
Tenure by Age of Householder by Year Householder Moved into Unit, U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates
Ad Valorem Assessments Revenue Estimating Conference, March 2019

Section 3: Methodology (Include Assumptions and Attach Details)
The estimate's methodology is identical to the analysis for SB 562, though this proposed fiscal impact is indeterminate as the joint resolution must be approved by voters and legislation implemented.
The final assessment rolls for each year between 2008 and 2018 were used to create a single merged dataset containing only parcels that had some value classified as homestead for the past 11 years. The 2.7 million parcels in this dataset include parcels whose ownership changed, so parcels with reported sales had to be excluded. Current (post-2008) assessment rolls include up to two sales that have occurred since the January 1 prior to the roll year. The 2008 rolls contained the two most recent sales, regardless of sale year. Flags were created to flag sales over $100 for 2008-2018. The sale year for the most recent sale over $100 on the 2008 roll was calculated. Any parcels that were sold for more than $100 in or after 1996 were removed, leaving 975,928 homesteads. The base cohort consisted of this group of parcels. (Any sales on or after January 1, 1996, would mean the homeowner could not have maintained residence for at least 25 years when the amendment takes effect on January 1, 2021.)
The 2018 assessed value for the homestead portions of these parcels had to be projected throughout the next two years before the law goes into effect, including annual decay and assessment value growth. Annual decay is assumed to be 2.30%. This percentage is based on the number of parcels from the full dataset without a sale recorded from 1993-2017 (867,189). Of those, an estimated 19,938 were sold in 2018 (the actual number sold was increased by one-sixth to account for two months of

sales that took place after the rolls were received by the department). The estimated assessed value of the eligible cohort is the prior year's value increased by the assessment cap rate and decreased by the decay rate. Starting in 2021, a second assessed value projection with no assessment limitation increase was calculated.

After 2022, a cohort growth rate is also folded in. The cohort growth rate is the annual percent change in the number of homesteads that haven't sold for at least 25 years. The estimated cohort growth between 2021 and 2022, for example, is the percent change between homesteads whose most recent sale was 1995 or earlier (975,928) and the number of homesteads whose most recent sale was 1996 or earlier (1,046,921), which is 6.78%. This growth rate was calculated for each year throughout the forecast period. The projections for 2022-2025 include both cohort decay and growth. The assessed value impact is the difference between the estimated values under current law and without assessed value increases beginning in 2021.

The annual assessed value impacts include anyone who has maintained a homestead for at least 25 years, not just those over 65. Using data from the 2017 5-year American Community Survey, non-seniors were excluded by reducing the impact by 62%. Of owner-occupied Floridian households whose householder was, in 2017, 35 years or older and moved into their residence before 1999, 54% of householders were over 65. After an 80% reduction in the number of householders that moved into their residence from 1990-1999 (to remove those that moved in from 1992-1999, leaving only those who maintained their residence for at least 25 years as of 2017), an estimated 62% of householders were over 65, owned their residence, and moved in at least 25 years ago.

The high, middle, and low estimates are differentiated by the percent of assessed value that flows through to taxable value (that is, the percent of the assessed value that will not be exempted). The high assumes that the taxable value impact includes 85% of the assessed value impact. The middle estimate is 80%, and the low estimate is 70%. The 2018 effective statewide millage rate for school purposes is then applied to the 2021-2025 taxable value impacts to calculate the fiscal year impact. The 2025 fiscal year impact is used for the recurring estimate.

As the joint resolution is dependent on the ballot outcome and implementing legislation, the proposed fiscal impact is indeterminate.

Section 4: Proposed Fiscal Impact

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

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted a zero / negative indeterminate impact since this is a joint resolution proposing an amendment to be submitted to the voters. If the constitutional amendment does not pass, the impact is zero.

If approved, the Conference adopted the following impact, which is the middle impact with a 4% decay rate:

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	(51.8)	0.0	0.0	0.0	(51.8)
2020-21	0.0	(51.8)	0.0	0.0	0.0	(51.8)
2021-22	(6.8)	(51.8)	0.0	0.0	(6.8)	(51.8)
2022-23	(17.3)	(51.8)	0.0	0.0	(17.3)	(51.8)
2023-24	(27.9)	(51.8)	0.0	0.0	(27.9)	(51.8)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: School Taxes/Elderly Long Term Residents
Bill Number(s): CS/SJR 344

	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/**)
2020-21	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/**)
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/**)

	A	B	C	D	E	F
1	**Cohort Decay Rate**					
2						
3		Historic Homestead Sales				
4		Group	Count	% Sold in 2018		
5		All HX w/ no Sales from 1993-2017	867,189	2.30%		
6		Sold HX in 2018 (for first time in at least 25 years)*	19,938			
7		* Sales in 2018 recorded on October rolls have been adjusted upwards by 1/6, assuming 2 months of sales are unrecorded.				
8						
9		Typical Homestead Sale Rate				
10		2016	4.26%			
11		2017	4.32%			
12		Average	4.29%			
13						
14		Homestead Sale Rate - First Sale in at least 25 Years				
15		Sold in 2018 (for first time in at least 25 years)	**2.30%**			
16		Average of Decay Rates (not used)	3.29%			
17						
18	**Cohort Growth Rate**					
19						
20		Last Recorded Sale Year	Roll Year Eligible	Parcel Count	Total Parcels	Percent Added That Year
21		1994 or before		913,551		
22		1995	2021	62,377	975,928	6.39%
23		1996	2022	70,993	1,046,921	6.78%
24		1997	2023	75,679	1,122,600	6.74%
25		1998	2024	86,860	1,209,460	7.18%
26		1999	2025	97,485	1,306,945	7.46%

	A	B	C	D	E	F	G
1	Census Data						
2							
3	**Owner Occupied Households by Age Group of Householder**						
4							
5			Households				
6		Age Group of Householder	15 to 34 years	35 to 64 Years	65 or older		
7		Move In Year					
8		- Moved in 2015 or later	62,693	178,492	82,823		
9		- Moved in 2010 to 2014	174,428	615,449	299,890		
10		- Moved in 2000 to 2009	92,532	1,092,086	640,340		
11		- Moved in 1990 to 1999	9,209	520,334	420,110		
12		- Moved in 1980 to 1989	3,771	167,718	233,777		
13		- Moved in 1979 or earlier	88	53,739	221,348		
14		Source: U.S. Census Bureau, 2017 5-Year American Community Survey, Table ACS_17_5YR_B25128					
15							
16	**Age Limit Calculation**						
17							
18		Florida	Householder Age Group				
19		Move In Year	35 to 64	65 years and over	Total		
20		- Moved in 1990 to 1999	520,334	420,110	940,444		
21		- Moved in 1980 to 1989	167,718	233,777	401,495		
22		- Moved in 1979 or earlier	53,739	221,348	275,087		
23		Moved in 1999 or earlier	741,791	875,235	1,617,026		
24		Percent of Total	45.87%	54.13%			
25							
26		Reduction to remove move-ins from 1992-1999	80%				
27							
28			Householder Age Group				
29		Move In Year	35 to 64	65 years and over	All Ages Total		
30		- Moved in 1990 to 1991	104,067	84,022	188,089		
31		- Moved in 1980 to 1989	167,718	233,777	401,495		
32		- Moved in 1979 or earlier	53,739	221,348	275,087		
33		Moved in 1995 or earlier	325,524	539,147	864,671		
34		Percent of Total	37.65%	**62.35%**			

	A	B	C	D	E	F	G	H	I	J
1	Impact Calculations									
2										
3	**Cohort Estimate**									
4										
5		- Parcels had some value classified as homestead on every final roll from 2008 to 2018.								
6		- Any sales over $100 were flagged. The last flagged sale (on the 2008 roll) was before January 1, 1996. There were no flagged sales after that.								
7		- There is an assumed decay in the cohort until 2021 and both decay and new parcels joining the cohort after 2021.								
8										
9		New to Cohort					6.78%	6.74%	7.18%	7.46%
10		Decay		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
11		Homestead Cap		1.90%	2.19%	1.77%	2.56%	2.40%	2.41%	2.38%
12		Roll Year	2018	2019	2020	2021	2022	2023	2024	2025
13		PARCELS:	975,928							
19		JV_HMSTD	218,726,520,765							
20		AV_HMSTD	129,838,334,664							
21										
22	**Projected AV (including cohort decay and growth)**									
23										
24		Roll Year		2019	2020	2021	2022	2023	2024	2025
25		AV Homestead, Capped under current law		127,013,052,502	124,602,852,817	121,735,990,380	127,986,075,467	134,297,158,021	141,514,562,572	149,461,823,928
26		AV Homestead, Cap frozen at 0 beginning in 2021		127,013,052,502	124,602,852,817	119,618,738,705	122,621,023,128	125,651,905,482	129,288,835,505	133,375,187,539
27		AV Impact		0	0	-2,117,251,675	-5,365,052,339	-8,645,252,540	-12,225,727,068	-16,086,636,389
28										
29	**Reduction for Age Limitation**									
30										
31		Reduction for Age Limitation	62%							
32										
33		Roll Year		2019	2020	2021	2022	2023	2024	2025
34		AV Impact, Homeowner 65+		0	0	-1,320,167,038	-3,345,263,739	-5,390,562,479	-7,623,090,859	-10,030,478,362
35										

High, Middle, and Low Estimates of AV flowing through to TV

Percent of AV that flows to TV		
HIGH	MIDDLE	LOW
85%	80%	70%

TV Impact			
Roll Year	HIGH	MIDDLE	LOW
2019	0	0	0
2020	0	0	0
2021	-1,122,141,982	-1,056,133,630	-924,116,927
2022	-2,843,474,178	-2,676,210,991	-2,341,684,617
2023	-4,581,978,107	-4,312,449,983	-3,773,393,735
2024	-6,479,627,230	-6,098,472,687	-5,336,163,601
2025	-8,525,906,607	-8,024,382,689	-7,021,334,853

Fiscal Year Impact

2018 School Millage	6.4596

Fiscal Year	HIGH	MIDDLE	LOW
2019-2020	0	0	0
2020	0	0	0
2021	-7,248,588	-6,822,201	-5,969,426
2022	-18,367,706	-17,287,253	-15,126,346
2023	-29,597,746	-27,856,702	-24,374,614
2024	-41,855,800	-39,393,694	-34,469,482
2025	-55,073,946	-51,834,302	-45,355,015

Impact Summary

School Impact

	High		Middle		Low	
Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$ -	$ (55.1 M)	$ -	$ (51.8 M)	$ -	$ (45.4 M)
2020-21	$ -	$ (55.1 M)	$ -	$ (51.8 M)	$ -	$ (45.4 M)
2021-22	$ (7.2 M)	$ (55.1 M)	$ (6.8 M)	$ (51.8 M)	$ (6.0 M)	$ (45.4 M)
2022-23	$ (18.4 M)	$ (55.1 M)	$ (17.3 M)	$ (51.8 M)	$ (15.1 M)	$ (45.4 M)
2023-24	$ (29.6 M)	$ (55.1 M)	$ (27.9 M)	$ (51.8 M)	$ (24.4 M)	$ (45.4 M)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: School Taxes/Elderly Long Term Residents
Bill Number(s): CS/SB 562

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Sen. Diaz
Month/Year Impact Begins: January 1, 2021
Date of Analysis: March 22, 2019

Section 1: Narrative

a. Current Law:

Article VII, section 4 of the Florida Constitution states (in part) that the assessment value of a homestead shall change on January 1 of each year "but those changes in assessments shall not exceed the lower of the following:

"a. Three percent (3%) of the assessment for the prior year.

"b. The percent change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics."

b. Proposed Change:

This bill creates s. 193.626, F.S., to read: "193.626 Homestead assessment limitation for school district levy purposes for certain persons age 65 years or older.—

"(1) For purposes of school district levies, the assessed value of real estate used as a homestead by a person age 65 years or older who has legal or equitable title to the property and who has held legal or equitable title to the property and maintained permanent residence thereon for at least 25 years shall not increase above the assessed value on the January 1 immediately following the date the property owner becomes eligible for treatment under this section.

"(2) Those persons entitled to and receiving the homestead exemption under s. 196.031 may apply for and receive the assessment limitation provided under this section.

"(3) If title is held jointly with right of survivorship, the person residing on the property and otherwise qualifying may receive the entire amount of the assessment limitation provided under this section.

"(4) If a property appraiser determines that, for any year within the immediately previous 10 years, a person who was not entitled to the assessment limitation under this section was granted such limitation, the property appraiser shall serve upon the owner a notice of intent to record in the public records of the county a notice of tax lien against any property owned by that person in the county, which property must be identified in the notice of tax lien. Any property that is owned by the taxpayer and that is situated in this state is subject to the taxes limited by the improper assessment limitation, plus a penalty of 50 percent of the unpaid taxes for each year and interest at a rate of 15 percent per annum. However, if such assessment limitation is improperly granted as a result of a clerical error or omission by the property appraiser, the person who improperly received the limitation may not be assessed the penalty and interest. Before any such lien is filed, the owner must be given 30 days within which to pay the taxes, penalties, and interest. Such a lien is subject to the procedures and provisions set forth in s. 196.161(3).

"(5) This section first applies to the 2021 property tax roll."

Section 2 states "Section 2. This act shall take effect on the effective date of the amendment to the State Constitution proposed by SJR 344 or a joint resolution having substantially the same specific intent and purpose, if such amendment to the State Constitution is approved at the general election held in November 2020 or at an earlier special election specifically authorized by law for that purpose."

Section 2: Description of Data and Sources

2008-2018 Real Property Assessment Rolls
Tenure by Age of Householder by Year Householder Moved into Unit, U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates
Ad Valorem Assessments Revenue Estimating Conference, March 2019

Section 3: Methodology (Include Assumptions and Attach Details)

The estimate's methodology is identical to the analysis for SJR 344, though that proposed fiscal impact is indeterminate and this bill's proposed impact is negative.

The final assessment rolls for each year between 2008 and 2018 were used to create a single merged dataset containing only parcels that had some value classified as homestead for the past 11 years. The 2.7 million parcels in this dataset include parcels whose ownership changed, so parcels with reported sales had to be excluded. Current (post-2008) assessment rolls include up to two sales that have occurred since the January 1 prior to the roll year. The 2008 rolls contained the two most recent sales, regardless of sale year. Flags were created to flag sales over $100 for 2008-2018. The sale year for the most recent sale over $100 on the 2008 roll was calculated. Any parcels that were sold for more than $100 in or after 1996 were removed, leaving 975,928 homesteads. The base cohort consisted of this group of parcels. (Any sales on or after January 1, 1996, would mean the homeowner could not have maintained residence for at least 25 years when the amendment takes effect on January 1, 2021.)

The 2018 assessed value for the homestead portions of these parcels had to be projected throughout the next two years before the law goes into effect, including annual decay and assessment value growth. Annual decay is assumed to be 2.30%. This percentage is based on the number of parcels from the full dataset without a sale recorded from 1993-2017 (867,189). Of those, an estimated 19,938 were sold in 2018 (the actual number sold was increased by one-sixth to account for two months of sales that took place after the rolls were received by the department). The estimated assessed value of the eligible cohort is the prior year's value increased by the assessment cap rate and decreased by the decay rate. Starting in 2021, a second assessed value projection with no assessment limitation increase was calculated.

After 2022, a cohort growth rate is also folded in. The cohort growth rate is the annual percent change in the number of homesteads that haven't sold for at least 25 years. The estimated cohort growth between 2021 and 2022, for example, is the percent change between homesteads whose most recent sale was 1995 or earlier (975,928) and the number of homesteads whose most recent sale was 1996 or earlier (1,046,921), which is 6.78%. This growth rate was calculated for each year throughout the forecast period. The projections for 2022-2025 include both cohort decay and growth. The assessed value impact is the difference between the estimated values under current law and without assessed value increases beginning in 2021.

The annual assessed value impacts include anyone who has maintained a homestead for at least 25 years, not just those over 65. Using data from the 2017 5-year American Community Survey, non-seniors were excluded by reducing the impact by 62%. Of owner-occupied Floridian households whose householder was, in 2017, 35 years or older and moved into their residence before 1999, 54% of householders were over 65. After an 80% reduction in the number of householders that moved into their residence from 1990-1999 (to remove those that moved in from 1992-1999, leaving only those who maintained their residence for at least 25 years as of 2017), an estimated 62% of householders were over 65, owned their residence, and moved in at least 25 years ago.

The high, middle, and low estimates are differentiated by the percent of assessed value that flows through to taxable value (that is, the percent of the assessed value that will not be exempted). The high assumes that the taxable value impact includes 85% of the assessed value impact. The middle estimate is 80%, and the low estimate is 70%. The 2018 effective statewide millage rate for school purposes is then applied to the 2021-2025 taxable value impacts to calculate the fiscal year impact. The 2025 fiscal year impact is used for the recurring estimate.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$ -	$ (62.3 M)	$ -	$ (58.6 M)	$ -	$ (51.3 M)
2020-21	$ -	$ (62.3 M)	$ -	$ (58.6 M)	$ -	$ (51.3 M)
2021-22	$ (7.6 M)	$ (62.3 M)	$ (7.2 M)	$ (58.6 M)	$ (6.3 M)	$ (51.3 M)
2022-23	$ (19.7 M)	$ (62.3 M)	$ (18.5 M)	$ (58.6 M)	$ (16.2 M)	$ (51.3 M)
2023-24	$ (32.3 M)	$ (62.3 M)	$ (30.4 M)	$ (58.6 M)	$ (26.6 M)	$ (51.3 M)

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 03/22/2019): The impact of the implementing bill to the constitutional amendment is zero/negative indeterminate due to the requirement for a statewide referendum. If the constitutional amendment does not pass, the impact is zero.

If approved, the Conference adopted the following impact, which is the middle impact with a 4% decay rate:

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: School Taxes/Elderly Long Term Residents
Bill Number(s): CS/SB 562

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	(51.8)	0.0	0.0	0.0	(51.8)
2020-21	0.0	(51.8)	0.0	0.0	0.0	(51.8)
2021-22	(6.8)	(51.8)	0.0	0.0	(6.8)	(51.8)
2022-23	(17.3)	(51.8)	0.0	0.0	(17.3)	(51.8)
2023-24	(27.9)	(51.8)	0.0	0.0	(27.9)	(51.8)

	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/**)
2020-21	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/**)
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/**)

	A	B	C	D	E	F
1	**Cohort Decay Rate**					
2						
3		Historic Homestead Sales				
4		Group	Count	% Sold in 2018		
5		All HX w/ no Sales from 1993-2017	867,189	2.30%		
6		Sold HX in 2018 (for first time in at least 25 years)*	19,938			
7		* Sales in 2018 recorded on October rolls have been adjusted upwards by 1/6, assuming 2 months of sales are unrecorded.				
8						
9		Typical Homestead Sale Rate				
10		2016	4.26%			
11		2017	4.32%			
12		Average	4.29%			
13						
14		Homestead Sale Rate - First Sale in at least 25 Years				
15		Sold in 2018 (for first time in at least 25 years)	**2.30%**			
16		Average of Decay Rates (not used)	3.29%			
17						
18	**Cohort Growth Rate**					
19						
20		Last Recorded Sale Year	Roll Year Eligible	Parcel Count	Total Parcels	Percent Added That Year
21		1994 or before		913,551		
22		1995	2021	62,377	975,928	6.39%
23		1996	2022	70,993	1,046,921	6.78%
24		1997	2023	75,679	1,122,600	6.74%
25		1998	2024	86,860	1,209,460	7.18%
26		1999	2025	97,485	1,306,945	7.46%

	A	B	C	D	E	F	G
1	Census Data						
2							
3	**Owner Occupied Households by Age Group of Householder**						
4							
5			Households				
6		Age Group of Householder	15 to 34 years	35 to 64 Years	65 or older		
7		Move In Year					
8		- Moved in 2015 or later	62,693	178,492	82,823		
9		- Moved in 2010 to 2014	174,428	615,449	299,890		
10		- Moved in 2000 to 2009	92,532	1,092,086	640,340		
11		- Moved in 1990 to 1999	9,209	520,334	420,110		
12		- Moved in 1980 to 1989	3,771	167,718	233,777		
13		- Moved in 1979 or earlier	88	53,739	221,348		
14		Source: U.S. Census Bureau, 2017 5-Year American Community Survey, Table ACS_17_5YR_B25128					
15							
16	**Age Limit Calculation**						
17							
18		Florida	Householder Age Group				
19		Move In Year	35 to 64	65 years and over	Total		
20		- Moved in 1990 to 1999	520,334	420,110	940,444		
21		- Moved in 1980 to 1989	167,718	233,777	401,495		
22		- Moved in 1979 or earlier	53,739	221,348	275,087		
23		Moved in 1999 or earlier	741,791	875,235	1,617,026		
24		Percent of Total	45.87%	54.13%			
25							
26		Reduction to remove move-ins from 1992-1999	80%				
27							
28			Householder Age Group				
29		Move In Year	35 to 64	65 years and over	All Ages Total		
30		- Moved in 1990 to 1991	104,067	84,022	188,089		
31		- Moved in 1980 to 1989	167,718	233,777	401,495		
32		- Moved in 1979 or earlier	53,739	221,348	275,087		
33		Moved in 1995 or earlier	325,524	539,147	864,671		
34		Percent of Total	37.65%	**62.35%**			

	A	B	C	D	E	F	G	H	I	J
1	Impact Calculations									
2										
3	**Cohort Estimate**									
4										
5		- Parcels had some value classified as homestead on every final roll from 2008 to 2018.								
6		- Any sales over $100 were flagged. The last flagged sale (on the 2008 roll) was before January 1, 1996. There were no flagged sales after that.								
7		- There is an assumed decay in the cohort until 2021 and both decay and new parcels joining the cohort after 2021.								
8										
9		New to Cohort					6.78%	6.74%	7.18%	7.46%
10		Decay		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
11		Homestead Cap		1.90%	2.19%	1.77%	2.56%	2.40%	2.41%	2.38%
12		Roll Year	2018	2019	2020	2021	2022	2023	2024	2025
13		PARCELS:	975,928							
19		JV_HMSTD	218,726,520,765							
20		AV_HMSTD	129,838,334,664							
21										
22	**Projected AV (including cohort decay and growth)**									
23										
24		Roll Year		2019	2020	2021	2022	2023	2024	2025
25		AV Homestead, Capped under current law		127,013,052,502	124,602,852,817	121,735,990,380	127,986,075,467	134,297,158,021	141,514,562,572	149,461,823,928
26		AV Homestead, Cap frozen at 0 beginning in 2021		127,013,052,502	124,602,852,817	119,618,738,705	122,621,023,128	125,651,905,482	129,288,835,505	133,375,187,539
27		AV Impact		0	0	-2,117,251,675	-5,365,052,339	-8,645,252,540	-12,225,727,068	-16,086,636,389
28										
29	**Reduction for Age Limitation**									
30										
31		Reduction for Age Limitation	62%							
32										
33		Roll Year		2019	2020	2021	2022	2023	2024	2025
34		AV Impact, Homeowner 65+		0	0	-1,320,167,038	-3,345,263,739	-5,390,562,479	-7,623,090,859	-10,030,478,362
35										

High, Middle, and Low Estimates of AV flowing through to TV

Percent of AV that flows to TV		
HIGH	MIDDLE	LOW
85%	80%	70%

TV Impact			
Roll Year	HIGH	MIDDLE	LOW
2019	0	0	0
2020	0	0	0
2021	-1,122,141,982	-1,056,133,630	-924,116,927
2022	-2,843,474,178	-2,676,210,991	-2,341,684,617
2023	-4,581,978,107	-4,312,449,983	-3,773,393,735
2024	-6,479,627,230	-6,098,472,687	-5,336,163,601
2025	-8,525,906,607	-8,024,382,689	-7,021,334,853

Fiscal Year Impact

2018 School Millage	6.4596

Fiscal Year	HIGH	MIDDLE	LOW
2019-2020	0	0	0
2020	0	0	0
2021	-7,248,588	-6,822,201	-5,969,426
2022	-18,367,706	-17,287,253	-15,126,346
2023	-29,597,746	-27,856,702	-24,374,614
2024	-41,855,800	-39,393,694	-34,469,482
2025	-55,073,946	-51,834,302	-45,355,015

Impact Summary

School Impact

	High		Middle		Low	
Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$ -	$ (55.1 M)	$ -	$ (51.8 M)	$ -	$ (45.4 M)
2020-21	$ -	$ (55.1 M)	$ -	$ (51.8 M)	$ -	$ (45.4 M)
2021-22	$ (7.2 M)	$ (55.1 M)	$ (6.8 M)	$ (51.8 M)	$ (6.0 M)	$ (45.4 M)
2022-23	$ (18.4 M)	$ (55.1 M)	$ (17.3 M)	$ (51.8 M)	$ (15.1 M)	$ (45.4 M)
2023-24	$ (29.6 M)	$ (55.1 M)	$ (27.9 M)	$ (51.8 M)	$ (24.4 M)	$ (45.4 M)

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax
Issue: Tax Rate Cut/Refund Mechanism Extension - REVISED
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: July 2020
Date of Analysis: 3/21/2019

Section 1: Narrative

a. Current Law: Section 220.1105, Florida Statutes, provides for rate reduction and refunds if the net collections for 2018-19 exceed the amount of forecasted revenues for 2018-19 as forecast by the Revenue Estimating Conference on February 23, 2018 multiplied by 1.07. Any revenues that exceed the forecast collection amount by 1.07% would be refunded to taxpayers. In 2019-20. The tax rate for tax years beginning on or after January 1, 2019 would be reduced by the following factor: ((forecast collections as of 2/23/2018 x 1.07)/collections 2018-19) x 5.5%. The rate reduction was repealed for all tax years beginning January 1, 2020, returning the rate to 5.5% for all future years.

b. Proposed Change:
The proposed change would extend the rate reduction and refunds provisions for two additional liability years. Collections for 2019-20 and 2020-21 would be compared to the forecast revenues (February 23, 2018 GR estimate x 1.07). if the collections in either year exceeded the forecast amount by more than 7%, automatic refunds and a rate reduction would be triggered. If the collections did not exceed the forecasted amount by more than 7% for 2019-20 collections, the rate would remain at whatever rate was in place for liabilities beginning January 1, 2019. For tax years beginning on or after January 1, 2022, the rate would remain at whatever rate was in place for tax years beginning January 1, 2021.

Section 2: Description of Data and Sources
February 23, 2018 General Estimating Conference Workpapers
March 14, 2019 General Estimating Conference Workpapers
March 14, 2019 General Revenue Estimating Conference - HB 70093 (2018) Adjustment Supporting Material
CIT Payment File data

Section 3: Methodology (Include Assumptions and Attach Details)
The proposed change imposed the reduced rate of 5.133% underlying the current adopted CIT forecast for tax years beginning on or after 1/1/2020. In order to estimate the impact of this reduced rate, collection amounts had to be converted into their various underlying liability years. The conversion was based upon the liability for tax years beginning on or after January 1, 2015. Payment data with applied period ending 12/2015 to 11/2016 were examined to determine what fiscal years those receipts were received. Payments for tax years beginning on or after January 1, 2015 were spread across the years in the following pattern:

2014-15	26.9%
2015-16	61%
2016-17	10%
2017-18	1%
2018-19	0.3%

It was also observed that the 26.9% share of the 2015 liability was 29.5% of the total collections in 2014-15. As such, the observed relationship between payments received in 2014-15 and 2015 liability was (payments received in 2014-15 x 29.5%)/26.9% = 2015 liability. This relationship was assumed to hold for all future years and was used to simulate liability for years 2016 to 2023. The above distribution of collections associated with 2015 liability was also assumed to hold with respect to each liability year from 2016 to 2023. This assumption was used to convert assumed liability to implied collections for years 2020-21 to 2023-24 of the forecast period. These calculated implied collections were compared to the forecast collections in order to later scale results of simulated rate changes back to the forecast amounts.

The proposed language provides for tiered rate changes to potentially take place based upon revenues received in 2019-20 and 2020-21. The current forecast includes the effect of the current law rate reduction in 2019 on the revenues in 2019-20 and reveals that the second tier rate change is not triggered. Under the proposed language, the rate of 5.133% would then stay in place unless the trigger was hit for 2021 revenues received.

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax
Issue: Tax Rate Cut/Refund Mechanism Extension - REVISED
Bill Number(s): Proposed Language

Next the rate change of 5.133% was modeled for liability years 2020 to 2023. This was referred to as the first tier rate cut. The impact of allowing this rate to stay in place was modeled across the liability years. The liability calculated using the lower rate for the applicable periods was then converted back to revenues received to model the impact of extending the reduced rate of 5.133%. It was also used to determine whether the 2020-21 trigger was hit.

In the simulation, the 2020-21 trigger was hit, requiring additional refunds and further rate reduction. The rate reduction was referred to as the third tier rate reduction. The impact of the third year rate reduction was again modeled across the liability years and converted back to collection periods to measure the impacts. Required refund amounts were measured and timed in the same fashion as was used to model the impact and timing of refunds for the March 14, 2019 General Revenue Estimating Conference.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			$0	($246.0 M)		
2020-21			($95.2 M)	($246.0 M)		
2021-22			($248.0 M)	($246.0 M)		
2022-23			($227.1 M)	($246.0 M)		
2023-24			($246.0 M)	($246.0 M)		

List of affected Trust Funds:
CIT Group

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	(246.0)	0.0	0.0	0.0	0.0	0.0	(246.0)
2020-21	(95.2)	(246.0)	0.0	0.0	0.0	0.0	(95.2)	(246.0)
2021-22	(248.0)	(246.0)	0.0	0.0	0.0	0.0	(248.0)	(246.0)
2022-23	(227.1)	(246.0)	0.0	0.0	0.0	0.0	(227.1)	(246.0)
2023-24	(246.0)	(246.0)	0.0	0.0	0.0	0.0	(246.0)	(246.0)

	A	B	C	D	E	F	G
1	February 23, 2018 Corporate Income Tax Forecast						
2		Net Collections	Net collections * 1.07	Forecast/ Simulated Collections	Is Trigger hit	Rate	Tax year new rate begins to apply
3	2019-20	$2,185.50	$2,338.49	$2,259.80	No	5.133%	2019
4	2020-21	$2,234.40	$2,390.81	$2,473.09	Yes	4.962%	2021
5	2021-22	$2,288.00	$2,448.16				
6	2022-23	$2,359.50	$2,524.67				
7							
8							
9	March 14, 2019 Corporate Income Tax Forecast						
10		Total Collections	Refunds	Unadjusted Net Collections	Excess collection from prior period refund	Effect of Rate Reduction on collections	Total forecast collections
11	2016-17	$2,366.4	$193.9	$2,172.5			
12	2017-18	$2,413.0	$230.0	$2,183.0			
13	2018-19	$2,754.8	$262.7	$2,492.1			
14	2019-20	$2,816.1	$268.5	$2,547.6	$166.3	$121.5	$2,259.8
15	2020-21	$2,856.7	$272.5	$2,584.2		$57.8	$2,526.4
16	2021-22	$2,919.8	$268.6	$2,651.2		$3.0	$2,648.2
17	2022-23	$3,001.9	$276.2	$2,725.7			$2,725.7
18	2023-24	$3,074.5	$282.9	$2,791.6			$2,791.6
19							
20	Conversion to liability year						
21	For 2016 Liability					Estimated total 2016 Liability	
22	Collection year	Share of collections	total 2016-17 forecast	2016 Liability	Share of total 2016 liability	$2,382.0	
23	2016-17	29.45%	$2,172.5	$639.8	26.9%		
24	2017-18			$1,462.09	61.4%		
25	2018-19			$240.35	10.1%		
26	2019-20			$31.46	1.3%		
27	2020-21			$7.15	0.3%		
28							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
29	For 2017 Liability					Estimated total 2017 Liability								
30	Collection year	Share of collections	total 2017-18 forecast	2017 Liability	Share of total 2017 liability	$2,393.5								
31	2017-18	29.45%	$2,183.0	$642.9	26.9%									
32	2018-19			$1,469.15	61.4%									
33	2019-20			$241.51	10.1%									
34	2020-21			$31.61	1.3%									
35	2021-22			$7.18	0.3%									
36														
37	For 2018 Liability					Estimated total 2018 Liability								
38	Collection year	Share of collections	total 2018-19 forecast	2018 Liability	Share of total 2018 liability	$2,732.4								
39	2018-19	29.45%	$2,492.1	$733.9	26.9%									
40	2019-20			$1,677.18	61.4%									
41	2020-21			$275.71	10.1%									
42	2021-22			$36.08	1.3%									
43	2022-23			$8.20	0.3%									
44														
45	Conversion to liability year													
46	For 2019 Liability													
47	Collection year	Share of collections	total 2019-20 forecast plus Excess Collections refund	2019 Liability	Share of total 2019 liability	Estimated total 2019 Liability								
48	2019-20	29.45%	$2,426.1	$714.5	26.9%	$2,660.0								
49	2020-21			$1,632.8	61.4%									
50	2021-22			$268.4	10.1%									
51	2022-23			$35.1	1.3%									
52	2023-24			$8.0	0.3%									
53														

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
54							First tier rate reduction							
55	For 2020 Liability					Estimated total 2020 Liability	2020 total Liability at 5.133%							
56	Collection year	Share of collections	total 2020-21 forecast	2020 Liability	Share of total 2020 liability	$2,770.00	$2,585.17	Revised Share of total 2020 liability						
57	2020-21	29.45%	$2,526.40	$744.02	26.9%			$694.38						
58	2021-22			$1,700.26	61.4%			$1,586.81						
59	2022-23			$279.50	10.1%			$260.85						
60	2023-24			$36.58	1.3%			$34.14						
61	Outside forecast period			$8.31	0.3%			$7.76						
62														
63							First tier rate reduction		Third tier rate reduction					
64	For 2021 Liability					Estimated total 2021 Liability	2021 total Liability at 5.133%		2021 Total Liability at 4.962					
65	Collection year	Share of collections	total 2021-22 forecast	2021 Liability	Share of total 2021 liability	$2,903.55	$2,709.80	Revised Share of total 2021 liability	$2,619.53	Revised Share of total 2021 liability				
66	2021-22	29.45%	2648.2	$779.89	26.9%			$727.85		$703.61				
67	2022-23			$1,782.23	61.4%			$1,663.31		$1,607.90				
68	2023-24			$292.98	10.1%			$273.43		$264.32				
69	Outside forecast period			$46.46	1.6%			$43.36		$41.91				
70														
71							First tier rate reduction		Third tier rate reduction					
72	For 2022 Liability					Estimated total 2022 Liability	2022 total Liability at 5.133%		2022 Total Liability at 4.962					
73	Collection year	Share of collections	total 2022-23 forecast	2022 Liability	Share of total 2022 liability	$2,988.52	$2,789.10	Revised Share of total 2022 liability	$2,696.19	Revised Share of total 2022 liability				
74	2022-23	29.45%	$2,725.7	$802.72	26.9%			$749.16		$724.20				
75	2023-24			$1,834.39	61.4%			$1,711.98		$1,654.95				
76	Outside forecast period			$349.66	11.7%			$326.33		$315.45				
77														
78							First tier rate reduction		Third tier rate reduction					
79	For 2023 Liability					Estimated total 2023 Liability	2023 total Liability at 5.133%		2023 Total Liability at 4.962					
80	Collection year	Share of collections	total 2023-24 forecast	2022 Liability	Share of total 2023 liability	$3,060.77	$2,856.54	Revised Share of total 2023 liability	$2,761.38	Revised Share of total 2023 liability				
81	2023-24	29.45%	$2,791.6	$822.13	26.9%			$767.27		$741.71				
82	Outside forecast period			$2,184.61	73.1%			$2,088.13		$2,018.57				

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
83														
84		Implied collections	forecast collections	Implied as a % of forecast	Implied collections at 5.133%	Adjusted by implied as a % of forecast at 5.133%	Reduced Revenues from first tier rate reduction	Trigger amount	Additional Refunds in 2021-22	Implied Collections at 4.962%	Adjusted by implied as a % of forecast	Rate reductions realized as refunds	Reduced revenues from third tier rate reduction	Total Impact
85	2020-21	$2,691.25	$2,526.4	106.5%	$2,634.45	$2,473.1	$53.3	$2,390.81						-$53.3
86	2021-22	$2,791.83	$2,648.2	105.4%	$2,626.33	$2,491.2	$157.0		$82.28	$2,602.1	$2,468.2		$23.0	-$262.3
87	2022-23	$2,907.78	$2,725.7	106.7%	$2,673.32	$2,505.9	$219.8			$2,636.3	$2,471.2	4.08	$34.7	-$258.6
88	2023-24	$2,994.06	$2,791.6	107.3%	$2,786.82	$2,598.4	$193.2			$2,703.1	$2,520.3		$78.1	-$271.3
89														

90	2020-21 Tax Rate calculations	
91	2020-21 Trigger Amount	$2,390.8
92	2021 Simulated Collections	$2,473.1
93	Rate Reduction Factor	96.7%
94	Prior Rate	5.133%
95	New Rate	4.962%
96		

97 Summary

98		Current Forecast	Simulated Forecast	Impact
99	2019-20	$2,259.8	$2,259.8	0
100	2020-21	$2,526.4	$2,473.1	-$53.3
101	2021-22	$2,648.2	$2,385.9	-$262.3
102	2022-23	$2,725.7	$2,467.1	-$258.6
103	2023-24	$2,791.6	$2,520.3	-$271.3

REVENUE ESTIMATING CONFERENCE

Tax: Sales & Use Tax
Issue: Donations to 501(c)(3) Organizations
Bill Number(s): Proposed Language

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: July 1, 2019
Date of Analysis: March 22, 2019

Section 1: Narrative

a. Current Law: Donations of taxable tangible personal property made to any person, to a federal or state governmental unit, or to any religious, educational or charitable institution are exempt; however, the donor is required to pay tax on the acquisition cost of the tangible personal property since the donor is the consumer thereof, unless the donor is an exempt entity under Chapter 212, F.S

b. Proposed Change: S. 212.08 (7)(p)2 F.S., is added: <u>Exempt from the tax imposed by this chapter is tangible personal property purchased for resale by a dealer and subsequently donated to an organization determined by the Internal Revenue Service to be currently exempt from federal income tax pursuant to s. 501(c)(3) of the Internal Revenue Code of 1986, as amended, unless such organization is subject to a final disqualification order issued by the Department of Agriculture and Consumer Services pursuant to s. 496.430. For the purpose of this paragraph, the term “donate” means any transfer of title or possession of tangible personal property to a Section 501(c)(3) organization for no consideration.</u>

Section 2: Description of Data and Sources

National Center for Charitable Statistics and Giving USA
Internal Revenue Service Form 990 Statistics of Income Form 990 and Schedule M: Non-Cash donations.

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses the conferences adjustments to taxable categories, business donation, and purchases for resale as adopted on 1/05/2018. The main difference is that the baseline for corporate donations is set to 5% based on the best available information for 2015 calendar year charitable contributions. This percentage was no available for the 2014 data and represents a significant difference from the 28% baseline used previously. The 5% baseline has been used to replace any instances of the 28% baseline used for the % Business Donation category (column J) on the reductions worksheet.

The starting point for this analysis is a sample of Schedule M Non-Cash Donations as reported by 501 (c)(3) Organizations. This data is available at the National and State level. Any donations of items that would otherwise be exempt under Chapter 212, F.S. would not be a part of this impact. The Schedule M data shows different classes of non-cash donations, and some of these can be excluded completely. The Medical Supplies non-cash donations should be a mix of taxable and exempt items. The taxable donations amounts are reduced for this category. The rest of the categories have few, if any, exemptions, and are left at 100% taxable. The requirement that the donated good must have been purchased as a sale for resale removes any donations made by individuals from the impact. The charitable giving statistics indicate that approximately 5% of all donations are made by corporations. This is used as the baseline for the percent of taxable donation made by businesses. Some of the classes of non-cash donations use a different split based on the nature of the taxable item(s) in that category. If the taxable item is more likely to be donated by a business than an individual, then a higher percentage of business donations is used. If the non-cash donation comes from a business that doesn’t have a resale certificate, then the exemption would not be available to that business. There is final reduction made to get to the share of taxable donations, made by businesses, that have also been purchased under a resale certificate. Total charitable contributions have been growing, at a decreasing rate, for the most recent five years available (2011-2015). The most recent drop in year over year contributions was steeper than expected when this issue was reviewed in 2018, but this estimate is not taking the growth rate negative. The starting point growth rate in 2015 is reduced by 0.25% per year going into the estimate period. The cash value is equal to the recurring in the first year based on the potential for donations to be delayed thereby taking advantage of the exemption.

REVENUE ESTIMATING CONFERENCE

Tax: Sales & Use Tax
Issue: Donations to 501(c)(3) Organizations
Bill Number(s): Proposed Language

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			$(4.0 M)	$(4.0 M)		
2020-21			$(4.1 M)	$(4.1 M)		
2021-22			$(4.2 M)	$(4.2 M)		
2022-23			$(4.3 M)	$(4.3 M)		
2023-24			$(4.4 M)	$(4.4 M)		

List of affected Trust Funds:
Sales and Use Tax Group

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted the proposed estimate but with no decay in the growth rate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(3.7)	(3.7)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)
2020-21	(3.8)	(3.8)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)
2021-22	(4.0)	(4.0)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)
2022-23	(4.1)	(4.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)
2023-24	(4.3)	(4.3)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(0.7)	(0.7)	(1.2)	(1.2)	(4.9)	(4.9)
2020-21	(0.7)	(0.7)	(1.2)	(1.2)	(5.0)	(5.0)
2021-22	(0.7)	(0.7)	(1.2)	(1.2)	(5.2)	(5.2)
2022-23	(0.8)	(0.8)	(1.3)	(1.3)	(5.4)	(5.4)
2023-24	(0.8)	(0.8)	(1.3)	(1.3)	(5.6)	(5.6)

Proposed Language- Donations
Reduction Steps

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2		2015		National	FL	Exempt	Taxable	National	FL	% Business Donation	FL Business Donations	Items purchased for resale later donated (%)	Items purchased for resale later donated ($)
3	1	Art—Works of art	Taxable	217,843,378	1,501,304	0%	100%	$ 217,843,378	$ 1,501,304	60%	$ 900,782.40	40%	$ 360,312.96
4	2	Art—Historical treasures ...	Taxable	60,247,160	-	0%	100%	$ 60,247,160	$ -	5%	$ -		$ -
5	3	Art—Fractional interests ...	Taxable	-	-	0%	100%	$ -	$ -	5%	$ -		$ -
6	4	Books and publications ...	Taxable	185,781,088	5,991,545	0%	100%	$ 185,781,088	$ 5,991,545	5%	$ 299,577.24	50%	$ 149,788.62
7	5	Clothing and household goods	Taxable	3,451,193,789	136,690,163	0%	100%	$ 3,451,193,789	$ 136,690,163	5%	$ 6,834,508.13	50%	$ 3,417,254.07
8	6	Cars and other vehicles ...	Taxable	58,361,329	10,651,550	0%	100%	$ 58,361,329	$ 10,651,550	50%	$ 5,325,775.19	50%	$ 2,662,887.60
9	7	Boats and planes	Taxable below a cap	72,990,203	47,009,265	0%	100%	$ 72,990,203	$ 47,009,265	50%	$ 23,504,632.50	50%	$ 11,752,316.25
10	8	Intellectual property	N/A	15,674,873	-	[redacted]	[redacted]	$ -	$ -		$ -		$ -
11	9	Securities—Publicly traded ..	N/A	9,312,718,956	115,753,186	[redacted]	[redacted]	$ -	$ -		$ -		$ -
12	10	Securities—Closely held stock .	N/A	681,840,990	115,305,227	[redacted]	[redacted]	$ -	$ -		$ -		$ -
13	11	Securities—Partnership, LLC, or trust interests	N/A	1,576,702,224	175,056,816	[redacted]	[redacted]	$ -	$ -		$ -		$ -
14	12	Securities—Miscellaneous ..	N/A	75,734,479	-	[redacted]	[redacted]	$ -	$ -		$ -		$ -
15	13	Qualified conservation cont.—Historic structures	N/A	174	-	[redacted]	[redacted]	$ -	$ -		$ -		$ -
16	14	Qualified conservation contribution—Other	N/A	68,143,004	-	[redacted]	[redacted]	$ -	$ -		$ -		$ -
17	15	Real estate—Residential ...	N/A	186,473,633	9,051,914	[redacted]	[redacted]	$ -	$ -		$ -		$ -
18	16	Real estate—Commercial ..	N/A	332,479,791	30,419,436	[redacted]	[redacted]	$ -	$ -		$ -		$ -
19	17	Real estate—Other	N/A	735,594,016	903,448	[redacted]	[redacted]	$ -	$ -		$ -		$ -
20	18	Collectibles	Taxable	47,152,445	-	0%	100%	$ 47,152,445	$ -	5%	$ -	50%	$ -
21	19	Food inventory	Partially Exempt	2,026,092,468	53,256,641	100%	0%	$ -	$ -	80%	$ -	80%	$ -
22	20	Drugs and medical supplies ..	Partially Exempt	3,523,761,702	-	90%	10%	$ 352,376,170	$ -	80%	$ -	80%	$ -
23	21	Taxidermy	Taxable	68,777	-	0%	100%	$ 68,777	$ -	5%	$ -		$ -
24	22	Historical artifacts	Taxable	4,294,468	-	0%	100%	$ 4,294,468	$ -	5%	$ -		$ -
25	23	Scientific specimens	Taxable	3,780,795	-	0%	100%	$ 3,780,795	$ -	50%	$ -	80%	$ -
26	24	Archeological artifacts ...	Taxable	48,032,324	-	0%	100%	$ 48,032,324	$ -	60%	$ -	40%	$ -
27	25	Other Contributions ...	Taxable	3,570,007,884	163,236,007	0%	100%	$ 3,570,007,884	$ 163,236,007	50%	$ 81,618,003.55	50%	$ 40,809,001.78
28		Total		$ 26,254,969,950	$ 864,826,502			$ 8,072,129,811	$ 365,079,834		$ 118,483,279		$ 59,151,561

Proposed Language-Donations
Impact

	A	B	C	D
1	**Per 2015 IRS SOI Sample Data for Schedule M ($M)**			
2	Total Potentially Taxable In Kind Donations U.S.			26,255.0
3	Total Potentially Taxable In Kind Florida Donations			864.8
4	% FL			3.29%
5				
6	**Amount Remaining after all reductions have been made ($M)**			
7	Estimated Florida Taxable Donations purchased as Resale			59.2
8				
9	**Data from 501 (c)(3) Return 990 Line- All other contributions, gifts, etc.**			
10		All other contributions, gifts, etc.	Growth Rates	
11	2011	164,945,919,000		
12	2012	179,838,212,000	9.03%	
13	2013	195,176,086,000	8.53%	
14	2014	210,351,749,000	7.78%	
15	2015	217,999,055,000	3.64%	
16	4 year Avg. Growth rate		7.2%	
17				
18				
19		0.00%		6%
20		% Growth in total contributions with decay	Estimated Florida Taxable Donations purchased as Resale ($M)	Sales Tax
21	2015	3.64%	$ 59.2	$ 3.5
22	2016	3.64%	$ 61.3	$ 3.7
23	2017	3.64%	$ 63.5	$ 3.8
24	2018	3.64%	$ 65.8	$ 4.0
25	2019	3.64%	$ 68.2	$ 4.1
26	2020	3.64%	$ 70.7	$ 4.2
27	2021	3.64%	$ 73.3	$ 4.4
28	2022	3.64%	$ 75.9	$ 4.6
29	2023	3.64%	$ 78.7	$ 4.7
30	2024	3.64%	$ 81.6	$ 4.9
31				
32	**CY to FY**			
33		**Middle**		
34		**Cash**	**Recurring**	
35	2019-20	$ (4.2 M)	$ (4.2 M)	
36	2020-21	$ (4.3 M)	$ (4.3 M)	
37	2021-22	$ (4.5 M)	$ (4.5 M)	
38	2022-23	$ (4.6 M)	$ (4.6 M)	
39	2023-24	$ (4.8 M)	$ (4.8 M)	

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Reduce Tax Rate to 4% for Aircraft Sales and Leases
Bill Number(s): SB 580

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Bean
Month/Year Impact Begins: July 1, 2019
Date of Analysis: March 22, 2019

Section 1: Narrative

a. Current Law: Sub-subparagraph 212.05 (1)(a)1.a. F.S. reads: At the rate of 6 percent of the sales price of each item or article of tangible personal property when sold at retail in this state, computed on each taxable sale for the purpose of remitting the amount of tax due the state, and including each and every retail sale.

Paragraph 212.08 (11)(c) F.S., reads: The maximum tax collectible under this subsection may not exceed 6 percent of the sales price of such aircraft. No Florida tax may be imposed on the sale of such aircraft if the state in which the aircraft will be domiciled does not allow Florida sales or use tax to be credited against its sales or use tax. Furthermore, no tax may be imposed on the sale of such aircraft if the state in which the aircraft will be domiciled has enacted a sales and use tax exemption for or if the aircraft will be domiciled outside the United States.

b. Proposed Change: Modifies sub-subparagraph 212.05 (1)(a)1.a. F.S. to read: At the rate of 6 percent of the sales price of each item or article of tangible personal property when sold at retail in this state, computed on each taxable sale for the purpose of remitting the amount of tax due the state, and including each and every retail sale<u>; except that a sale or lease of an aircraft is subject to tax at the rate of 4 percent</u>.

The Sales and Use Tax rate of 6% is also reduced to 4% in Paragraph 212.08 (11)(c) F.S.

Section 2: Description of Data and Sources
Department of Revenue Discovery and Voluntary Disclosure Data
December 2018 Revenue Estimating Conference
Department of Revenue monthly sales data

Section 3: Methodology (Include Assumptions and Attach Details)
The estimate consists of Department of Revenue Monthly Sales Data for kind code 27, and Department of Revenue Discovery and Voluntary Disclosure (D&VD) Data. The D&VD amounts for 2017-18 were used in the high estimate and the three-year average for 2015-16 to 2017-18 were used in the low estimate. The same kind code 27 data is used in both the high and the low estimates. The starting year is grown by the percentage growth in Other Durables from the General Revenue Estimating Conference (12/18).

The cash values for 2019-20 are calculated separately for kind code 27-based sales tax data and for the D&VD data. Some of the collections that come in as D&VD data in each fiscal year are from sales made in prior periods. The 2017-18 ratio of same period collections to prior period collections was used to calculate an effective rate that was used to generate the cash values for the D&VD data. The kind code data is primarily composed of payments from leasing arrangements. For prior estimates on this issue, it has been assumed that plane purchases may be delayed to take advantage of a tax rate differential. In the case of lease arrangements there should be less ability and/or motivation to shift travel plans to effectively make use of a tax rate discount. For this reason, the cash value for the kind code data is equal to 11 months of activity.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$(9.3 M)	$(10.3 M)	$(7.4 M)	$(8.3 M)	$(5.6 M)	$(6.3 M)
2020-21	$(10.5 M)	$(10.5 M)	$(8.5 M)	$(8.5 M)	$(6.5 M)	$(6.5 M)
2021-22	$(10.8 M)	$(10.8 M)	$(8.8 M)	$(8.8 M)	$(6.7 M)	$(6.7 M)
2022-23	$(11.1 M)	$(11.1 M)	$(9.0 M)	$(9.0 M)	$(6.9 M)	$(6.9 M)
2023-24	$(11.4 M)	$(11.4 M)	$(9.2 M)	$(9.2 M)	$(7.0 M)	$(7.0 M)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Reduce Tax Rate to 4% for Aircraft Sales and Leases
Bill Number(s): SB 580

List of affected Trust Funds:
Sales and Use Tax Fund

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted the high but with a 45% reduction for non-sales in the Kind Code 27 data series.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(5.8)	(6.6)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.6)	(0.6)
2020-21	(6.8)	(6.8)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.6)	(0.6)
2021-22	(6.9)	(6.9)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.7)	(0.7)
2022-23	(7.1)	(7.1)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.7)	(0.7)
2023-24	(7.3)	(7.3)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.7)	(0.7)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	(0.8)	(0.8)	(6.6)	(7.4)
2020-21	0.0	0.0	(0.8)	(0.8)	(7.6)	(7.6)
2021-22	0.0	0.0	(0.9)	(0.9)	(7.8)	(7.8)
2022-23	0.0	0.0	(0.9)	(0.9)	(8.0)	(8.0)
2023-24	0.0	0.0	(0.9)	(0.9)	(8.2)	(8.2)

Reduce Tax Rate to 4% for Aircraft Sales and Leases

	A	B	C	D	E	F	G
1	**Monthly sales tax data Kind Code 27**						
2	Fiscal Year		Sales Tax Collected	Taxable Sales			
3	2016-17		$ 17,158,380	$ 292,617,350			
4	2017-18		$ 18,483,847	$ 304,617,403			
5	Reduction Factor (Non-Sales or Lease %)			0%			
6	2017-18 Taxable Sales (D4*1-D5)			$ 304,617,403			
7							
8	**Historic Discovery Data**						
9	Year	Liability Amount (Voluntary Disclosure)	Liability Amount (Discovery)	Liability (Total)			
10	2012-13	$ 2,171,325	$ 2,247,413	$ 4,418,738			
11	2013-14	$ 7,401,668	$ 4,833,623	$ 12,235,291			
12	2014-15	$ 4,803,384	$ 6,623,884	$ 11,427,268			
13	2015-16	$ 2,703,397	$ 7,873,284	$ 10,576,681			
14	2016-17	$ 6,631,287	$ 2,686,890	$ 9,318,177			
15	2017-18	$ 7,866,259	$ 3,332,781	$ 11,199,040			
16	2018-19 Ytd	$ 2,831,700	$ 2,203,139	$ 5,034,839			
17	average of 3 complete years	$ 5,733,648	$ 4,630,985	$ 10,364,633			
18							
19							
20	**Historic Discovery Data (Converted to Tax Base)**						
21	Year	Liability Amount (Voluntary Disclosure)	Liability Amount (Discovery)	Liability (Total)			
22	2012-13	$ 36,188,757	$ 37,456,878	$ 73,645,635			
23	2013-14	$ 123,361,136	$ 80,560,379	$ 203,921,515			
24	2014-15	$ 80,056,402	$ 110,398,071	$ 190,454,473			
25	2015-16	$ 45,056,611	$ 131,221,403	$ 176,278,014			
26	2016-17	$ 110,521,445	$ 44,781,504	$ 155,302,949			
27	2017-18	$ 131,104,323	$ 55,546,352	$ 186,650,675			
28	2018-19 Ytd	$ 47,194,996	$ 36,718,988	$ 83,913,984			
29	average of 3 complete years	$ 95,560,793	$ 77,183,086	$ 172,743,879			

Reduce Tax Rate to 4% for Aircraft Sales and Leases

	A	B	C	D	E	F	G
31	**Year of collection by applied period**						
32	Fiscal Year of Collection	2017-18	2017-18				
33	% Collected from prior periods	7.94%	21.58%				
34	% Collected from current period	92.06%	78.42%				
35	Effective tax rate for first year	4.16%	4.43%				
37	**Tax Base numbers used below**			**High**		**Low**	
38		Growth rate for Other Durables	Monthly data	2017-18 Voluntary Disclosure data	2017-18 Discovery data	3 Year average of Voluntary Disclosure data	3 Year average of Discovery data
39	2017-18		$ 304,617,403	$ 131,104,323	$ 55,546,352	$ 95,560,793	$ 77,183,086
40	2018-19	1.0%	$ 307,663,577	$ 132,415,366	$ 56,101,815	$ 96,516,401	$ 77,954,917
41	2019-20	3.4%	$ 318,124,138	$ 136,917,489	$ 58,009,277	$ 99,797,959	$ 80,605,384
42	2020-21	2.8%	$ 327,031,614	$ 140,751,178	$ 59,633,537	$ 102,592,301	$ 82,862,335
43	2021-22	2.8%	$ 336,188,499	$ 144,692,211	$ 61,303,276	$ 105,464,886	$ 85,182,480
44	2022-23	2.6%	$ 344,929,400	$ 148,454,209	$ 62,897,161	$ 108,206,973	$ 87,397,225
45	2023-24	2.3%	$ 352,862,777	$ 151,868,656	$ 64,343,796	$ 110,695,733	$ 89,407,361
46							
47		**Tax Base Totals**		**Tax Collection 6%**		**Tax Collection 4%**	
48		High	Low	High	Low	High	Low
49	2019-20	$ 513,050,904	$ 498,527,481	$ 30,783,054	$ 29,911,649	$ 20,522,036	$ 19,941,099
50	2020-21	$ 527,416,329	$ 512,486,250	$ 31,644,980	$ 30,749,175	$ 21,096,653	$ 20,499,450
51	2021-22	$ 542,183,986	$ 526,835,865	$ 32,531,039	$ 31,610,152	$ 21,687,359	$ 21,073,435
52	2022-23	$ 556,280,770	$ 540,533,598	$ 33,376,846	$ 32,432,016	$ 22,251,231	$ 21,621,344
53	2023-24	$ 569,075,228	$ 552,965,871	$ 34,144,514	$ 33,177,952	$ 22,763,009	$ 22,118,635
54	2019-20 Cash (uses effective rates from Row 33)					$ 21,520,036	$ 20,977,678
56	**Proposed Revenue Impact**						
57		**High**		**Low**			
58	**Year**	**Cash**	**Recurring**	**Cash**	**Recurring**		
59	2019-20	$ (9.3 M)	$ (10.3 M)	$ (8.9 M)	$ (10.0 M)		
60	2020-21	$ (10.5 M)	$ (10.5 M)	$ (10.2 M)	$ (10.2 M)		
61	2021-22	$ (10.8 M)	$ (10.8 M)	$ (10.5 M)	$ (10.5 M)		
62	2022-23	$ (11.1 M)	$ (11.1 M)	$ (10.8 M)	$ (10.8 M)		
63	2023-24	$ (11.4 M)	$ (11.4 M)	$ (11.1 M)	$ (11.1 M)		

Reduce Tax Rate to 4% for Aircraft Sales and Leases 57% Repair

	A	B	C	D	E	F	G
1	**Monthly sales tax data Kind Code 27**						
2	Fiscal Year		Sales Tax Collected	Taxable Sales			
3	2016-17		$ 17,158,380	$ 292,617,350			
4	2017-18		$ 18,483,847	$ 304,617,403			
5	Reduction Factor (Non-Sales or Lease %)			45%			
6	2017-18 Taxable Sales (D4*1-D5)			$ 167,539,571			
7							
8	**Historic Discovery Data**						
9	Year	Liability Amount (Voluntary Disclosure)	Liability Amount (Discovery)	Liability (Total)			
10	2012-13	$ 2,171,325	$ 2,247,413	$ 4,418,738			
11	2013-14	$ 7,401,668	$ 4,833,623	$ 12,235,291			
12	2014-15	$ 4,803,384	$ 6,623,884	$ 11,427,268			
13	2015-16	$ 2,703,397	$ 7,873,284	$ 10,576,681			
14	2016-17	$ 6,631,287	$ 2,686,890	$ 9,318,177			
15	2017-18	$ 7,866,259	$ 3,332,781	$ 11,199,040			
16	2018-19 Ytd	$ 2,831,700	$ 2,203,139	$ 5,034,839			
17	average of 3 complete years	$ 5,733,648	$ 4,630,985	$ 10,364,633			
18							
19							
20	**Historic Discovery Data (Converted to Tax Base)**						
21	Year	Liability Amount (Voluntary Disclosure)	Liability Amount (Discovery)	Liability (Total)			
22	2012-13	$ 36,188,757	$ 37,456,878	$ 73,645,635			
23	2013-14	$ 123,361,136	$ 80,560,379	$ 203,921,515			
24	2014-15	$ 80,056,402	$ 110,398,071	$ 190,454,473			
25	2015-16	$ 45,056,611	$ 131,221,403	$ 176,278,014			
26	2016-17	$ 110,521,445	$ 44,781,504	$ 155,302,949			
27	2017-18	$ 131,104,323	$ 55,546,352	$ 186,650,675			
28	2018-19 Ytd	$ 47,194,996	$ 36,718,988	$ 83,913,984			
29	average of 3 complete years	$ 95,560,793	$ 77,183,086	$ 172,743,879			

	A	B	C	D	E	F	G
31	**Year of collection by applied period**						
32	Fiscal Year of Collection	2017-18	2017-18				
33	% Collected from prior periods	7.94%	21.58%				
34	% Collected from current period	92.06%	78.42%				
35	Effective tax rate for first year	4.16%	4.43%				
37	**Tax Base numbers used below**			**High**		**Low**	
38		Growth rate for Other Durables	Monthly data	2017-18 Voluntary Disclosure data	2017-18 Discovery data	3 Year average of Voluntary Disclosure data	3 Year average of Discovery data
39	2017-18		$ 167,539,571	$ 131,104,323	$ 55,546,352	$ 95,560,793	$ 77,183,086
40	2018-19	1.0%	$ 169,214,967	$ 132,415,366	$ 56,101,815	$ 96,516,401	$ 77,954,917
41	2019-20	3.4%	$ 174,968,276	$ 136,917,489	$ 58,009,277	$ 99,797,959	$ 80,605,384
42	2020-21	2.8%	$ 179,867,388	$ 140,751,178	$ 59,633,537	$ 102,592,301	$ 82,862,335
43	2021-22	2.8%	$ 184,903,675	$ 144,692,211	$ 61,303,276	$ 105,464,886	$ 85,182,480
44	2022-23	2.6%	$ 189,711,170	$ 148,454,209	$ 62,897,161	$ 108,206,973	$ 87,397,225
45	2023-24	2.3%	$ 194,074,527	$ 151,868,656	$ 64,343,796	$ 110,695,733	$ 89,407,361
46							
47		**Tax Base Totals**		**Tax Collection 6%**		**Tax Collection 4%**	
48		High	Low	High	Low	High	Low
49	2019-20	$ 369,895,042	$ 355,371,619	$ 22,193,702	$ 21,322,297	$ 14,795,802	$ 14,214,865
50	2020-21	$ 380,252,103	$ 365,322,024	$ 22,815,126	$ 21,919,321	$ 15,210,084	$ 14,612,881
51	2021-22	$ 390,899,162	$ 375,551,041	$ 23,453,950	$ 22,533,062	$ 15,635,966	$ 15,022,042
52	2022-23	$ 401,062,540	$ 385,315,368	$ 24,063,752	$ 23,118,922	$ 16,042,502	$ 15,412,615
53	2023-24	$ 410,286,978	$ 394,177,621	$ 24,617,219	$ 23,650,657	$ 16,411,479	$ 15,767,105
54	2019-20 Cash (uses effective rates from Row 33)					$ 15,555,208	$ 15,012,851
56	**Proposed Revenue Impact**						
57		**High**		**Low**			
58	**Year**	**Cash**	**Recurring**	**Cash**	**Recurring**		
59	2019-20	$ (6.6 M)	$ (7.4 M)	$ (6.3 M)	$ (7.1 M)		
60	2020-21	$ (7.6 M)	$ (7.6 M)	$ (7.3 M)	$ (7.3 M)		
61	2021-22	$ (7.8 M)	$ (7.8 M)	$ (7.5 M)	$ (7.5 M)		
62	2022-23	$ (8.0 M)	$ (8.0 M)	$ (7.7 M)	$ (7.7 M)		
63	2023-24	$ (8.2 M)	$ (8.2 M)	$ (7.9 M)	$ (7.9 M)		

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax/Motor Fuel Tax
Issue: Fencing, Building Materials and Fuel
Bill Number(s): Proposed Language

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: July 1, 2019
Date of Analysis: March 22, 2019

Section 1: Narrative

a. **Current Law**: Florida law currently allows a refund of sales and use tax paid on fencing materials used in the repair of farm fences and building materials that become a component part of the repair of a nonresidential farm building damaged as a direct result of the impact of Hurricane Irma located on land classified as agricultural land by the county property appraiser. This refund is available if the materials were purchased during the period of September 10, 2017 through May 31, 2018.
Florida law currently allows any person who purchased tax-paid fuel from September 10, 2017 through June 30, 2018 and used the fuel to transport agricultural products to an agricultural processing or storage facility to apply for a refund.

b. **Proposed Change**: The proposed language would apply the same current law refund provisions to materials purchased to repair fencing and non-residential farm buildings from October 10, 2018 through June 30, 2019 for fences and nonresidential farm buildings damaged by Hurricane Michael. The proposed language would also apply the same current law refund on fuel used for agricultural shipments to motor fuel purchases made from October 10, 2018 through June 30, 2019. But the motor fuel refund would be restricted to: <u>"Agricultural shipment" means the transport of any agricultural product from a farm, nursery, forest, grove, orchard, vineyard, garden, or apiary located in Okaloosa, Walton, Holmes, Washington, Bay, Jackson, Calhoun, Gulf, Gadsden, Liberty, Franklin, Leon, or Wakulla County to an agricultural processing or storage facility.</u> The motor fuel refund has also been extended to include: <u>"Hurricane debris removal" means the transport of Hurricane Michael debris from a farm, nursery, forest, grove, orchard, vineyard, or apiary located in Okaloosa, Walton, Holmes, Washington, Bay, Jackson, Calhoun, Gulf, Gadsden, Liberty, Franklin, Leon or Wakulla County.</u> The refund operates similarly to the Hurricane Irma Refund otherwise.

Section 2: Description of Data and Sources

Department of Revenue Refund Data:

Form DR-26SIAG	Application for Refund - Certain Farming Materials Damaged by Hurricane Irma
Form DR-26IF	Application for Refund - Fuel Used for Agricultural Shipments

2018 Ad Valorem Tax Roll Data

Section 3: Methodology (Include Assumptions and Attach Details)

This estimate was able to use the data from the refunds that were in effect under the current law provisions to estimate the expected refunds under the proposed language. All counties in the state placed into 5 groups; Individual Assistance, Public Assistance, Panhandle, Irma SUT Refund, and Rest of State. The Irma SUT Refund group is based on the counties that had farms with requested refunds for the fencing or building materials. The refund data from the Sales and Use Tax refund for certain building materials does not differentiate between fencing and building materials. The Motor Fuel Tax refund data only provides total refund amounts requested and total amounts approved.

Sales and Use Tax Refunds Based Impact:
The refunds refund amounts were converted into an implied tax base of refunds by dividing by the 6% Sales and Use Tax rate. The implied bases were used to calculate a ratio of requested and approved refunds relative to the value of Improvements and Special Features on Ag Parcels for the Irma SUT Refund group. This ratio was then applied to the value of Improvements and Special Features on Ag Parcels for the Individual Assistance, Public Assistance, and Panhandle county groups. The ratio of requested refunds is used as the high estimate and the ratio of approved refunds is used as the low estimate. Adjustments for percent of value and storm intensity are made to reflect some of the differences between Hurricane Irma and Hurricane Michael. The refund will occur during the 2019-20 fiscal year and the cash is equal to the recurring.

Motor Fuel Tax Refund Based Impact:
The Motor Fuel Tax Refund will be applied statewide as is the case in current law. The total refunds requested and approved are used as the high and low starting points, respectively. The Hurricane Irma refunds do not appear to include refunds for affected Timber operations. The timber acreage relative to farm acreage was used to approximate what the statewide fuel refund would look like if had been used for timber operations at the same rate it was used for other farming operations. The relationship between the

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax/Motor Fuel Tax
Issue: Fencing, Building Materials and Fuel
Bill Number(s): Proposed Language

listed counties farm and timber acreages and Florida Farm and timber acreages was used to apportion the Hurricane Irma refund amounts to the smaller area. The high estimate assumes that 75% of the timber acreage was affected in the listed counties, the middle estimate assumes 50%, and the low estimate assumes 25%. The effective period of the current law was 293 days and the effective period of the proposed language is 263 days. The total refunds applied for is reduced by the ratio of current law days to proposed language days. The impact is increased to reflect the possibility of increased participation or awareness due to prior experience with the current law refund. The impact is further increased to reflect the inclusion of motor fuel used to remove debris from farms in the listed counties. The high assumes an additional 90% increase in refunds, the middle assumes 60%, and the low assumes 30%.

Section 4: Proposed Fiscal Impact

Sales and Use Tax Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$(0.2 M)	$(0.2 M)			$(0.1 M)	$(0.1 M)
2020-21						
2021-22						
2022-23						
2023-24						

Motor Fuel Tax Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	$(0.7 M)	$(0.7 M)	$(0.4 M)	$(0.4 M)	$(0.2 M)	$(0.2 M)
2020-21						
2021-22						
2022-23						
2023-24						

List of affected Trust Funds:
Sales and Use Tax
Motor Fuel Tax

Section 5: Consensus Estimate (Adopted: 03/22/2019): The Conference adopted the high estimate for motor fuel but with a 45% discount factor to account for the time restraint of completing by June 30th. The Conference adopted the low for the rest of the impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(0.1)	0.0	(0.3)	0.0	(0.1)	0.0	(0.5)	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

	A	B	C	D	E
1	**Summary of Refunds for Certain Farming Materials Damaged by Hurricane Irma**				
2	**Includes both Materials for Fencing and Non-residential Farm Buildings**				
3		**Refund Amounts**	**Base Amounts**		
4	Amount of Refunds requested	$ 681,719	$ 11,361,981		
5	Amount of Refunds Approved	$ 390,505	$ 6,508,420		
6	Average Amount Requested	$ 10,175	$ 169,582		
7	Average Amount Approved	$ 5,828	$ 97,141		
8	Number of Refunds	67			
9					
10	Improvements & Special Features on Ag Parcels from 2018 Tax Roll Data				
11	**County Groups**		**Irma SUT Refund**		
12	Imp. & Spec. Feat. Ag Parcels		$ 1,900,879,192		
13	Number of Farms (2012)		16,281		
14	**% refunds Irma SUT Refund**				
15	Tax Base of $ Requested		0.598%		
16	Tax Base of $ Approved		0.342%		
17	Refunds vs. Number of Farms		0.412%		
18					
19	**County Groups**	**Individual Assistance**	**Public Assistance**	**Panhandle**	
20	Imp. & Spec. Feat. Ag Parcels	$ 269,143,810	$ 184,513,778	$ 140,209,870	
21	Number of Farms (2012)	3,872	3,991	3,346	
22					
23	**SUT Tax Base of Potential Refunds Based on Irma Refunds % of Ag Parcel Improvements and Special Features**				
24	County Groups	Individual Assistance	Public Assistance	Panhandle	Total
25	High Estimate	$ 1,608,733	$ 1,102,880	$ 838,066	$ 3,549,678.80
26	Low Estimate	$ 921,521	$ 631,757	$ 480,065	$ 2,033,342.60
27					

	A	B	C	D	E
28	**Adjustments for different nature of Storm Impacts**				
29	% of Value Affected	100%	50%	5%	
30	Storm Intensity	100%	1%	0%	
31					
32	**Adjusted SUT Tax Base of Potential refunds**				
33	County Groups	Individual Assistance	Public Assistance	Panhandle	Total
34	High Estimate	$ 3,217,465.66	$ 562,468.89	$ 41,903.29	$ 3,821,837.84
35	Low Estimate	$ 1,843,042.81	$ 322,195.90	$ 24,003.23	$ 2,189,241.94
36					
37	**Applied 6% Sales Tax Rate**				
38	County Groups	Individual Assistance	Public Assistance	Panhandle	Total
39	High Estimate	$ 193,047.94	$ 33,748.13	$ 2,514.20	$ 229,310.27
40	Low Estimate	$ 110,582.57	$ 19,331.75	$ 1,440.19	$ 131,354.52
41					
42					
43	**Proposed Revenue Impact**				
44		**High**		**Low**	
45	**Year**	**Cash**	**Recurring**	**Cash**	**Recurring**
46	2019-20	$ (0.2 M)	$ (0.2 M)	$ (0.1 M)	$ (0.1 M)
47	2020-21				
48	2021-22				
49	2022-23				
50	2023-24				

	A	B	C	D	E	F
1	**Summary of Refunds for Fuel Used for Agricultural Shipments**					
2	**2018 Refund Applied to Fuel Used for Agricultural Shipments from 9/10/2017 through 6/30/2018**					
3		**Refund Amounts**				
4	Amount of Refunds requested	$ 938,000				
5	Amount of Refunds Approved	$ 836,172				
6	Average Amount Requested	$ 21,318				
7	Average Amount Approved	$ 19,004				
8	Number of Refunds	44				
9	Number of Eligible Days	293				
10						
11	**Refund Period for Proposed Language 10/10/2018 through 6/30/2019**					
12	Number of Eligible Days	263				
13						
14						
15	**Lack of timber Refunds in Historic data**	2017				
16	Florida Farm Acreage (Non-timber)	9,450,000				
17	Florida Timber Acreage	15,409,000				
18	Timber Acreage as a % of Farm Acreage	163%				
19	Potential refunds Requested for Timber	1,529,486				
20	Potential Refunds approved For Timber	1,363,448				
21						
22	**2017 Refunds w/ added Timber Fuel Refunds Statewide simulation**					
23	Amount of Refunds requested	$ 2,467,486				
24	Amount of Refunds Approved	$ 2,199,620				
25						
26	**Adjustments**	High	Middle	Low		
27	Listed Counties % of total Farm Acreage	9.1%	9.1%	9.1%		
28	Listed Counties Farm and Timber % Total F. and T.	22.0%	22.0%	22.0%		
29	Timber losses	75.0%	50.0%	25.0%		
30	Increased Awareness/Participation	20.0%	20.0%	20.0%		
31	Shorter Eligible Period	89.8%	89.8%	89.8%		
32	Farm Debris	90.0%	60.0%	30.0%		

	A	B	C	D	E	F
33						
34	**Impact Estimate**					
35		High Estimate (Requested)	Middle Estimate (Approved)	Low Estimate (Approved)		
36		$ 691,406	$ 389,913	$ 211,896		
37						
38						
39						
40	**Proposed Revenue Impact**					
41		**High**		**Middle**		**Lo**
42	**Year**	**Cash**	**Recurring**	**Cash**	**Recurring**	**Cash**
43	2019-20	$ (0.7 M)	$ (0.7 M)	$ (0.4 M)	$ (0.4 M)	$ (0.2 M)
44	2020-21					
45	2021-22					
46	2022-23					
47	2023-24					

REVENUE ESTIMATING CONFERENCE

Tax: Tolls
Issue: Exemption When Average Speeds is Low
Bill Number(s): HB 1069

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Rodriguez
Month/Year Impact Begins: 07/01/2019
Date of Analysis: 03/22/2019

Section 1: Narrative

a. Current Law: Per section 338.166(5), F.S., if a customer's average travel speed for a trip in an express toll lane falls below 40 miles per hour, the customer must be charged the minimum express lane toll. There is currently no toll exemption if the average speed of traffic on express or non-express toll lanes falls below 40 miles per hour.

b. Proposed Change: Section 338.157, F.S. is created to exempt from paying a toll any person operating a motor vehicle on an expressway while the average speed of traffic falls below 40 miles per hour. The toll exemption shall continue if the average speed remains under 40 miles per hour. Sections 316.1001 and 338.155, F.S are revised to conform to this change.

Section 2: Description of Data and Sources

Correspondence with staff from FDOT
Florida Turnpike 2018 Comprehensive Annual Financial Report
Florida Turnpike 2018 Toll Operations Annual Report
FDOT District Express Lanes 2017 Annual Report
Transportation Authority Monitoring and Oversight FY 2017 Report by the Florida Transportation Commission
Tampa Hillsborough Expressway Authority 2017 Traffic and Revenue Report

Section 3: Methodology (Include Assumptions and Attach Details)

There will be a negative impact to the State Transportation Trust Fund, Florida Turnpike Trust Funds, and various local trust funds from exempting customers from paying tolls when the average speed falls under 40 miles per hour. The potential loss is not quantifiable because the various state and local toll facilities provide no data related to how often the average speed falls below 40 miles per hour, how many vehicles would be traveling during that time, and trip length under 40 miles per hour. Further, the infrastructure needed to track average speed isn't in place on most toll roads. There is uncertainty whether this could be implemented by the effective date of the bill. To provide an understanding of potential scope, the attached table shows 0.5%, 2%, and 5% reductions for various toll facilities. Based on these exercises, even a very minor adjustment to total toll revenue results in an impact that exceeds the $50,000 significance threshold.

Section 4: Proposed Fiscal Impact

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

List of affected Trust Funds:

State Transportation Trust Fund
Turnpike Trust Funds
Local Trust Funds

REVENUE ESTIMATING CONFERENCE

Tax: Tolls
Issue: Exemption When Average Speeds is Low
Bill Number(s): HB 1069

Section 5: Consensus Estimate (Adopted: 03/22/2019): The conference adopted an indeterminate negative impact. While the exact amount of the loss is not quantifiable, the potential magnitude is substantial. For example, a toll revenue reduction of 5% would have a $95.7 million impact on state trust funds and expressway authorities.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	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	(**)	(**)	(**)	(**)	(**)	(**)

	A	B	C	D	E	F
1	**HB 1069 Scope of Potential Impacts**					
2	**Turnpike, DOT Owned, and DOT Operated Facilities**					
3	Facility	FY 2017-18 Toll Revenue (millions)	Loss at 0.5%	Loss at 2.0%	Loss at 5.0%	
4	Florida Turnpike	$ 1,017.3	$ (5.1)	$ (20.3)	$ (50.9)	
5	Alligator Alley	$ 32.8	$ (0.2)	$ (0.7)	$ (1.6)	
6	Pinellas Bayway	$ 5.1	$ (0.0)	$ (0.1)	$ (0.3)	
7	Sunshine Skyway	$ 26.7	$ (0.1)	$ (0.5)	$ (1.3)	
8	Wekiva Parkway	$ 0.9	$ (0.0)	$ (0.0)	$ (0.0)	
9	Garcon Point Bridge	$ 7.5	$ (0.0)	$ (0.2)	$ (0.4)	
10	Mid-Bay Bridge	$ 26.5	$ (0.1)	$ (0.5)	$ (1.3)	
11	95-Express (FY 17)	$ 47.8	$ (0.2)	$ (1.0)	$ (2.4)	
12	595-Express (FY 17)	$ 2.0	$ (0.0)	$ (0.0)	$ (0.1)	
13						
14		**Total**	**$ (5.8)**	**$ (23.3)**	**$ (58.3)**	
15						
16	**Major Expressway Authorities**					
17	Facility	FY 2016-17 Toll Revenue (millions)	Loss at 0.5%	Loss at 2.0%	Loss at 5.0%	
18	Miami-Dade Expressway	$ 236.9	$ (1.2)	$ (4.7)	$ (11.8)	
19	Central Florida Expressway	$ 424.0	$ (2.1)	$ (8.5)	$ (21.2)	
20	Tampa-Hillsborough Expressway	$ 87.7	$ (0.4)	$ (1.8)	$ (4.4)	
21						
22		**Total**	**$ (3.7)**	**$ (15.0)**	**$ (37.4)**	
23						
24						
25						