



Appropriations Committee

Tuesday, October 10, 2017
3:00 PM – 5:00 PM
212 Knott Building

Meeting Packet

Richard Corcoran
Speaker

Carlos Trujillo
Chair



The Florida House of Representatives

Appropriations Committee

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AGENDA

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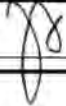
212 Knott Building

3:00 PM – 5:00 PM

- I. Call to Order/Roll Call
- II. Opening Remarks by Chair Trujillo
- III. Consideration of the following bill:
HB 6001 Traffic Infraction Detectors by Avila, Ingoglia
- IV. Presentation of the Long Range Financial Outlook by Amy Baker, Coordinator, Office of Economic & Demographic Research (EDR)
- V. Closing Remarks and Adjournment

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 6001 Traffic Infraction Detectors
SPONSOR(S): Avila and Ingoglia
TIED BILLS: **IDEN./SIM. BILLS:** SB 176

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|-----------------------------|--------|--|---|
| 1) Appropriations Committee | | Cobb  | Leznoff  |

SUMMARY ANALYSIS

The regulation and use of red light cameras for the purpose of enforcing the Florida Uniform Traffic Control law is preempted to the state. The Department of Highway Safety and Motor Vehicles (DHSMV), counties, and municipalities are authorized to employ red light camera programs.

Effective July 1, 2021, the bill removes the authorization for the DHSMV, counties, and municipalities to install and maintain red light cameras. The bill maintains s. 316.0076, F.S., which expressly preempts to the state regulation of the use of cameras for enforcing the Florida Uniform Traffic Control law. This means counties and municipalities will no longer have the authority to implement red light camera programs by local ordinance.

The bill also makes conforming changes.

The bill has a negative recurring impact even though it does not take effect until 2021. This is because revenues are considered nonrecurring until the effective date, given the prospective repeal of the law. Therefore, although there is no immediate loss of revenue, the accounting of those revenues as being temporary or time limited occurs immediately. The Revenue Estimating Conference met on September 22, 2017, and estimated that the bill has a recurring annual impact of \$63.8 million to general revenue, \$13.9 million to state trust funds, and \$76.8 million to local government revenues.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Red Light Cameras, Generally

Traffic infraction detectors,¹ more commonly known as “red light cameras,” are used to document traffic law violations by automatically photographing vehicles whose drivers have failed to yield at red lights. The cameras are connected to the traffic signal and to sensors that monitor traffic flow at the crosswalk or stop line. The system photographs vehicles that enter the intersection above a pre-set minimum speed after the signal has turned red; a second photograph typically shows the vehicle in the intersection. In some cases, video cameras are used. Red light cameras also record the license plate number, date and time of day, time elapsed since the beginning of the red signal, and the vehicle's speed.

Red Light Cameras in Florida

The regulation and use of red light cameras for the purpose of enforcing Ch. 316, F.S., which is the Florida Uniform Traffic Control Law, is preempted to the state.² The Department of Highway Safety and Motor Vehicles (DHSMV), counties, and municipalities are authorized to employ red light camera programs.³

Red light cameras are allowed on state roads if permitted by the Department of Transportation (DOT), and are allowed on streets and highways under the jurisdiction of counties or municipalities. However, the placement and installation of red light cameras on state roads, streets, and highways must meet placement and installation specifications developed by DOT.⁴

If DHSMV, a county, or a municipality installs a red light camera at an intersection, the respective governmental entity must notify the public that a camera is in use at that intersection, including specific notification of enforcement of right-on-red violations. The signage must meet specifications adopted by DOT pursuant to s. 316.0745, F.S.⁵

Notices and Citations

Current law allows DHSMV, a county, or a municipality to authorize a traffic infraction enforcement officer to issue a traffic citation for certain traffic infractions. If a red light camera captures an image of a vehicle running a red light, the visual information is reviewed by a traffic infraction enforcement officer. A notice of violation must be sent by first-class mail to the registered owner of the vehicle within 30 days of the alleged violation.⁶ The notice must specify the remedies available and must include a statement informing the owner of his or her right to review the photographic or video evidence upon which the violation is based, as well as the time and place or Internet location where the evidence may be reviewed.⁷

¹ Section 316.003(89), F.S., defines the term “traffic infraction detector” as a vehicle sensor installed to work in conjunction with a traffic control signal and a camera or cameras synchronized to automatically record two or more sequenced photographic or electronic images or streaming video of only the rear of a motor vehicle at the time the vehicle fails to stop behind the stop bar or clearly marked stop line when facing a traffic control signal steady red light. Any notification under s. 316.0083(1)(b), F.S., or traffic citation issued by the use of a traffic infraction detector must include a photograph or other recorded image showing both the license tag of the offending vehicle and the traffic control device being violated.

² Section 316.0076, F.S.

³ See s. 316.0083, F.S.

⁴ Section 316.0776(1), F.S.

⁵ Section 316.0776(2)(a), F.S.

⁶ Section 316.0083(1)(b)1.a., F.S.

⁷ Section 316.0083(1)(b)1.b., F.S.

Violations may not be issued if the vehicle is making a right-hand turn in a "careful and prudent manner"⁸ or if the vehicle comes to a complete stop⁹ before making a permissible right turn.

A person who receives a red light camera notice of violation may request a hearing within 60 days following the date of the notice or pay the penalty. No payment or fee may be required in order to receive the hearing.¹⁰ If a person elects to receive a hearing, the person waives his or her right to challenge delivery of the notice of violation.¹¹ If the notice of violation is upheld, the local hearing officer must require the petitioner to pay the \$158 penalty and may also require the petitioner to pay county or municipal costs, not to exceed \$250.¹²

If the registered owner of the vehicle does not pay the violation within 60 days following the date of notification, the traffic infraction enforcement officer must issue a uniform traffic citation (UTC) to the owner. The UTC must be sent by certified mail and, like the notice of violation, it must include the same statements described above regarding review of the photographic or video evidence.¹³

The images provided by a red light camera are admissible in court and provide a rebuttable presumption the vehicle was used to commit the violation.¹⁴

A traffic infraction enforcement officer must provide by electronic transmission a replica of the citation data to the court having jurisdiction over the alleged offense or its traffic violations bureau within five days after the issuance date of a UTC to the violator.¹⁵

Defenses

The registered owner of the motor vehicle involved in a red light camera violation is responsible for paying the UTC unless the owner can establish that the:

- Motor vehicle passed through the intersection in order to yield right-of-way to an emergency vehicle or as part of a funeral procession;
- Motor vehicle passed through the intersection at the direction of a law enforcement officer;
- Motor vehicle was, at the time of the violation, in the care, custody, or control of another person;
- Driver received a UTC issued by a law enforcement officer for the alleged violation; or
- Motor vehicle's owner was deceased on or before the date that the UTC was issued.¹⁶

Current law provides certain requirements that must be met when establishing one of the defenses, including furnishing an affidavit to the appropriate governmental entity that provides detailed information supporting the defense.¹⁷

Penalties

Red light camera citations carry a \$158 penalty. When the \$158 penalty is the result of local government enforcement, \$75 is retained by the local government and \$83 is deposited with the Department of Revenue (DOR). DOR subsequently distributes the penalty by depositing \$70 in the General Revenue Fund, \$10 in the Department of Health (DOH) Administrative Trust Fund, and \$3 in the Brain and Spinal Cord Injury Trust Fund.¹⁸

⁸ Section 316.0083(2), F.S.

⁹ Section 316.0083(1)(a), F.S.

¹⁰ Section 316.0083(1)(b)1.c., F.S.

¹¹ Section 316.0083(1)(b)1.d., F.S.

¹² Sections 316.0083(5)(e) and 318.18(22), F.S.

¹³ Section 316.0083(1)(c), F.S.

¹⁴ Section 316.0083(1)(e), F.S.

¹⁵ Section 316.650(3)(c), F.S.

¹⁶ Section 316.0083(1)(d), F.S.

¹⁷ *Id.*

¹⁸ Sections 316.0083(1)(b)3. and 318.18(15), F.S.

When the \$158 penalty is the result of enforcement by DHSMV, \$45 is retained by the local government and \$113 is deposited with DOR.¹⁹ DOR subsequently distributes the penalty by depositing \$100 in the General Revenue Fund, \$10 in the DOH Administrative Trust Fund, and \$3 in the Brain and Spinal Cord Injury Trust Fund.²⁰ DHSMV does not currently operate any red light cameras.

If a law enforcement officer cites a motorist for the same offense, the penalty is still \$158, but the revenue is distributed from the clerk of court to DOR, where \$30 is distributed to the General Revenue Fund, \$65 is distributed to the DOH Administrative Trust Fund, and \$3 is distributed to the Brain and Spinal Cord Injury Trust Fund. The remaining \$60 is distributed in small percentages to a number of funds pursuant to s. 318.21, F.S.²¹

Red light camera citations may not result in points assessed against the driver's driver license and may not be used for the purpose of setting motor vehicle insurance rates.²²

Proceeds Retained by Local Government

Local governments contract with a vendor to provide red light camera services. The contract term generally ranges from three to five years.²³ Local governments typically pay between \$4,250 and \$4,750 per camera, per month.²⁴

In a survey of local governments that operate a red light camera program, the Office of Program Policy Analysis & Governmental Accountability (OPPAGA) reported that, over a three-year period: 49 percent of the total money collected was used to pay red light camera vendors; 78 percent reported excess revenue after payments to vendors and other program expenses; and 16 percent reported difficulty generating sufficient revenue to make vendor payments and as such, had accrued outstanding balances. Of those respondents reporting excess revenue, 76 percent was allocated to general fund, 14 percent to public safety/police, and 5 percent to road repair/maintenance.²⁵

2016 Red Light Camera Program Analysis

Current law requires each county or municipality operating a red light camera program to annually self-report data to DHSMV, which includes red light camera program results over the preceding fiscal year, the procedures for enforcement, and other statistical data and information required by DHSMV.²⁶ DHSMV must compile the information and submit a summary report to the Governor, the President of the Senate, and the Speaker of the House of Representatives.²⁷

In December 2016, DHSMV issued its report for the period between July 1, 2015, and June 30, 2016. According to the 2016 report, 59 jurisdictions responded that they had red light cameras in operation; 688 red light cameras were active, which was a reduction of 108 cameras from the previous year; and 430 intersections were equipped with red light cameras, which was a reduction of 48 from the previous year. Agencies issued 1,227,927 notices of violation and of the notices issued, 62 percent paid the fine and approximately 3.5 percent were contested and dismissed. Of those responding, 71 percent indicated they issue notices of violation for a right-on-red violation and 32 percent indicated they do not issue such notices. Six jurisdictions indicated they do not track the number of violations issued for right turns on red.²⁸

¹⁹ *Id.*

²⁰ *Id.*

²¹ Section 318.18(15), F.S.

²² Section 322.27(3)(d)6., F.S.

²³ OPPAGA Research Memorandum, *Florida Red Light Camera Programs*, (January 31, 2014) (Copy on file with the Transportation & Infrastructure Subcommittee).

²⁴ *Id.*

²⁵ *Id.*

²⁶ Section 316.0083(4), F.S. DHSMV uses an on-line questionnaire to facilitate data collection.

²⁷ *Id.*

²⁸ DHSMV Red Light Camera Report, December 31, 2016 (Copy on file with the Transportation & Infrastructure Subcommittee).

In its 2016 report, DHSMV provided the following breakdown of the number of crashes at red light camera (RLC) intersections before and after the cameras were installed.²⁹

| Crash | Before RLC Installed | After RLC Installed | Percentage Change |
|---------------------------------------|----------------------|---------------------|-------------------|
| Total Crashes | 5,107 | 5,625 | 10.14% |
| Angle Crashes | 1,383 | 1,476 | 6.72% |
| Rear-End Crashes | 3,724 | 4,149 | 11.41% |
| Non-Incapacitating Injuries | 399 | 392 | -1.75% |
| Incapacitating Injuries | 153 | 194 | 26.80% |
| Fatal Crashes | 5 | 10 | 100% |
| Crashes Involving Non-Motorists | 56 | 45 | -19.64% |
| Crashes Involving Running a Red Light | 191 | 185 | -3.14% |
| Possible Injury Crashes | 964 | 1,054 | 9.34% |

DHSMV's 2017 report is due on December 31, 2017.

Litigation

In October 2014, the Fourth District Court of Appeal dismissed a red light camera citation after finding that the local government had delegated an impermissible measure of discretion and control over its red light camera program to a private third-party vendor.³⁰ Under the terms of the contract, the vendor decided which infractions would be reviewed by the city, obtained the information needed to fill out a citation, completed the citation, issued the citation, and transmitted the citation information to the court.³¹ In Florida, only traffic infraction enforcement officers and sworn law enforcement officers are authorized to issue a traffic citation.³² The case was appealed; however, the Florida Supreme Court declined to accept jurisdiction on the case.³³

In July 2016, the Third District Court of Appeal determined that Florida law allows a vendor, as the municipality's agent, to review and sort red light camera images to forward to a law enforcement officer when:

- The vendor's decisions are strictly circumstanced by contract language, municipal guidelines, and actual practice;
- Ministerial decisions are further limited by automatically passing close calls to the police for review;
- The law enforcement officer makes the actual decision as to whether probable cause exists and whether a notice and citation should be issued; and
- The officer's decision that probable cause exists and the citation issued consists of a full, professional review by an identified officer who is responsible for that decision and does not merely acquiesce to any decision by the vendor.³⁴

In its decision, the Third District Court of Appeal distinguished its decision from that of the Fourth District Court of Appeal and certified the following three questions to the Florida Supreme Court regarding the legality of red light camera programs in Florida:

1. Does the review of red light camera images authorized by s. 316.0083(1)(a), F.S. (2014), allow a municipality's vendor, as its agent, to sort images to forward to the law enforcement officer,

²⁹ It should be noted that other factors may have contributed to the number of crashes.

³⁰ *City of Hollywood v. Arem*, 39 Fla. L. Weekly D2175 (Fla. 4th DCA October 15, 2014).

³¹ *Id.*

³² Sections 316.0083(1)(b)3. and 316.650(3)(c), F.S.

³³ Supreme Court of Florida, *City of Hollywood v. Arem*, Case No. SC15-236. Order Issued April 13, 2015.

³⁴ *State of Florida, by and through the City of Aventura, et al. v. Jimenez*, Case Nos. 3D15-2303 & 3D15-2271, Opinion filed July 27, 2016.

where the controlling contract and city guidelines limit the vendor to deciding whether the images contain certain easy-to-identify characteristics and where only the law enforcement officer makes the determination whether probable cause exists and whether to issue a Notice of Violation and citation?

2. Is it an illegal delegation of police power for the vendor to print and mail the notices and citations, through a totally automated process without human involvement, after the law enforcement officer makes the determination that probable cause exists and to issue a Notice of Violation and citation?
3. Does the fact that citation data is electronically transmitted to the Clerk of the Court from the vendor's server via a totally automated process without human involvement violate s. 316.650(3)(c), F.S., (2014), when it is the law enforcement officer who affirmatively authorizes the transmission process?

Parties are in the process of briefing the Florida Supreme Court on the above questions. Oral arguments have not been scheduled.³⁵

In October 2016, the Second District Court of Appeal issued a decision that generally agreed with that of the Third District Court of Appeal.³⁶

Proposed Changes

Effective July 1, 2021, the bill removes DHSMV and local government authorization to install and maintain red light cameras. The bill maintains s. 316.0076, F.S., which expressly preempts to the state regulation of the use of cameras for enforcing Ch. 316, F.S. This means local governments will not have the authority to implement red light camera programs by local ordinance.

Because the bill removes the authority of DHSMV and local governments to install and maintain red light cameras, it makes the following changes:

- Repeals the statutory definitions of "traffic infraction detector" and "local hearing officer."
- Repeals s. 316.0083, F.S., which is the Mark Wandall Traffic Safety Program.
- Repeals s. 316.00831, F.S., which provides for the distribution of penalties collected under s. 316.0083(1)(b), F.S.
- Repeals s. 316.07456, F.S., which provides the transitional implementation for red light cameras.
- Repeals s. 316.0776, F.S., which relates to the placement and installation of red light cameras.
- Repeals s. 318.15(3), F.S., which establishes penalties associated with the failure to pay red light camera fines.
- Removes DHSMV's authority to designate employees as traffic infraction enforcement officers for purposes of enforcing red light camera violations.
- Removes provisions regarding traffic citations issued pursuant to a red light camera violation.
- Removes provisions related to penalties associated with red light camera violations.
- Repeals s. 318.18(22), F.S., relating to the payment of county and municipal costs.
- Removes provisions regarding points and insurance rates related to red light camera violations.
- Conforms cross-references.

B. SECTION DIRECTORY:

Section 1 repeals ss. 316.0083(35) and (89), F.S., defining "local hearing officer" and "traffic infraction detector."

Section 2 repeals s. 316.008(8), F.S., authorizing municipalities and counties to use traffic infraction detectors.

³⁵ Florida Supreme Court Case No. SC16-1976.

³⁶ *City of Oldsmar and Pamela Jo Bondi, Attorney General v. Trinh*, Case No. 2D15-4898, Opinion filed October 28, 2016.

Section 3 repeals s. 316.0083, F.S., relating to the Mark Wandall Traffic Safety Program.

Section 4 repeals s. 316.00831, F.S., relating to the distribution of penalties collected under the Mark Wandall Traffic Safety Program.

Section 5 repeals s. 316.07456, F.S., relating to transitional implementation.

Section 6 repeals s. 316.0776, F.S., relating to the placement and installation of traffic infraction detectors.

Section 7 repeals s. 318.15(3), F.S., relating to failure to comply with a civil penalty or to appear.

Section 8 repeals s. 321.50, F.S., relating to the authorization for DHSMV to use traffic infraction detectors.

Sections 9 and 10 amend ss. 28.37 and 316.003, F.S., to conform cross-references.

Section 11 amends s. 316.640, F.S., relating to the enforcement of traffic laws.

Section 12 amends s. 316.650, F.S., relating to traffic citations.

Sections 13 and 14 amend ss. 318.121 and 318.14, F.S., to conform cross-references.

Section 15 amends s. 318.18, F.S., relating to the amount of penalties for traffic infractions.

Section 16 amends s. 320.03, F.S., to conform a cross-reference.

Section 17 amends s. 322.27, F.S., relating to DHSMV's authority to suspend or revoke a driver license or identification card.

Section 18 amends s. 655.960, F.S., to conform a cross-reference.

Section 19 provides an effective date of July 1, 2021.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

On September 22, 2017, the Revenue Estimating Conference reviewed the bill. The consensus estimate for that bill was that it would result in the following **negative** recurring fiscal impact to state government revenues:

| Fiscal Year | General Revenue | Trust Funds | Total |
|-------------|-----------------|----------------|----------------|
| 2018-2019 | \$63.8 million | \$13.9 million | \$77.7 million |
| 2019-2020 | \$64.5 million | \$14.0 million | \$78.5 million |
| 2020-2021 | \$65.1 million | \$14.1 million | \$79.2 million |
| 2021-2022 | \$65.7 million | \$14.3 million | \$80.0 million |
| 2022-2023 | \$66.2 million | \$14.4 million | \$80.6 million |

2. Expenditures:

DOR will no longer incur expenses associated with processing the payments from municipalities and counties and distributing the monies to the appropriate funds.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

On September 22, 2017, the Revenue Estimating Conference reviewed the bill. The consensus estimate for that bill was that it would result in the following **negative** recurring fiscal impact to local government revenues:

| Fiscal Year | Revenue |
|-------------|----------------|
| 2018-2019 | \$76.8 million |
| 2019-2020 | \$77.6 million |
| 2020-2021 | \$78.3 million |
| 2021-2022 | \$79.0 million |
| 2022-2023 | \$79.7 million |

2. Expenditures:

Municipalities and counties will no longer incur expenses associated with red light cameras; however, they may incur some expenses associated with removing existing cameras.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill removes the possibility of motor vehicle operators being issued a \$158 fine for a red light camera violation.

Each jurisdiction operating red light cameras has a unique contract with a vendor to provide some, if not all, of the following services: installation, maintenance, monitoring, and citation issuance. The value of these contracts and the specific stakeholders are not clear at this time, but the impact will be significant.³⁷

D. FISCAL COMMENTS:

The bill has a negative recurring impact even though it does not take effect until 2021. This is because revenues are considered nonrecurring until the effective date, given the prospective repeal of the law. Therefore, although there is no immediate loss of revenue, the accounting of those revenues as being temporary or time limited occurs immediately. The Revenue Estimating Conference met on September 22, 2017, and estimated that the bill has a recurring annual impact of \$63.8 million to general revenue, \$13.9 million to state trust funds, and \$76.8 million to local government revenues.

According to DHSMV, the bill would eliminate the annual survey, annual red light camera report, and vendor approval process for the issuance of red light camera notices of violation. Also, it would alleviate the workload related to handling red light camera disputes and for granting access and registration stops.³⁸

The bill eliminates the need for hearings to dispute the issuance of red light camera notices of violation, which should result in a reduction in court costs.³⁹

³⁷ DHSMV bill analysis of HB 4027 (2016), which removed the authorization for DHSMV and local governments to install red light cameras.

³⁸ *Id.*

³⁹ *Id.*

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

Municipalities or counties may have contracts that provide for the use of red light cameras beyond July 1, 2021. To the extent that these contracts do not contain provisions regarding the termination of the contract if authorization for such cameras is repealed, the bill could raise concerns regarding impairment of contracts. According to a 2014 research memorandum by OPPAGA, the duration of red light camera contracts is typically three to five years with the option to extend for an additional term. Often a provision in the contract authorizes termination in the event the law regarding red light cameras changes.⁴⁰

B. RULE-MAKING AUTHORITY:

DHSMV indicates that the bill will require it to change some of its procedures.⁴¹

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

⁴⁰ OPPAGA Research Memorandum, *Florida Red Light Camera Program*, February 7, 2014.

⁴¹ DHSMV Bill Analysis HB 4027 (2016).

1 A bill to be entitled
 2 An act relating to traffic infraction detectors;
 3 repealing s. 316.003(35) and (89), F.S., relating to
 4 the definitions of "local hearing officer" and
 5 "traffic infraction detector"; repealing ss.
 6 316.008(8), 316.0083, and 316.00831, F.S., relating to
 7 the installation and use of traffic infraction
 8 detectors to enforce specified provisions when a
 9 driver fails to stop at a traffic signal, provisions
 10 that authorize the Department of Highway Safety and
 11 Motor Vehicles, a county, or a municipality to use
 12 such detectors, and the distribution of penalties
 13 collected for specified violations; repealing s.
 14 316.07456, F.S., relating to transitional
 15 implementation of such detectors; repealing s.
 16 316.0776, F.S., relating to placement and installation
 17 of traffic infraction detectors; repealing s.
 18 318.15(3), F.S., relating to failure to comply with a
 19 civil penalty; repealing s. 321.50, F.S., relating to
 20 the authorization to use traffic infraction detectors;
 21 amending ss. 28.37, 316.003, 316.640, 316.650,
 22 318.121, 318.14, 318.18, 320.03, 322.27, and 655.960,
 23 F.S.; conforming cross-references and provisions to
 24 changes made by the act; providing an effective date.
 25

26 Be It Enacted by the Legislature of the State of Florida:

27

28 Section 1. Subsections (35) and (89) of section 316.003,
 29 Florida Statutes, are repealed.

30 Section 2. Subsection (8) of section 316.008, Florida
 31 Statutes, is repealed.

32 Section 3. Section 316.0083, Florida Statutes, is
 33 repealed.

34 Section 4. Section 316.00831, Florida Statutes, is
 35 repealed.

36 Section 5. Section 316.07456, Florida Statutes, is
 37 repealed.

38 Section 6. Section 316.0776, Florida Statutes, is
 39 repealed.

40 Section 7. Subsection (3) of section 318.15, Florida
 41 Statutes, is repealed.

42 Section 8. Section 321.50, Florida Statutes, is repealed.

43 Section 9. Subsection (5) of section 28.37, Florida
 44 Statutes, is amended to read:

45 28.37 Fines, fees, service charges, and costs remitted to
 46 the state.—

47 (5) Ten percent of all court-related fines collected by
 48 the clerk, except for penalties or fines distributed to counties
 49 or municipalities under s. 318.18(15) ~~316.0083(1)(b)3. or s.~~
 50 ~~318.18(15)(a)~~, shall be deposited into the fine and forfeiture

51 fund to be used exclusively for clerk court-related functions,
 52 as provided in s. 28.35(3)(a).

53 Section 10. Subsection (57) of section 316.003, Florida
 54 Statutes, is amended to read:

55 316.003 Definitions.—The following words and phrases, when
 56 used in this chapter, shall have the meanings respectively
 57 ascribed to them in this section, except where the context
 58 otherwise requires:

59 (56)~~(57)~~ PRIVATE ROAD OR DRIVEWAY.—Except as otherwise
 60 provided in paragraph (78)(b) ~~(79)(b)~~, any privately owned way
 61 or place used for vehicular travel by the owner and those having
 62 express or implied permission from the owner, but not by other
 63 persons.

64 Section 11. Paragraph (b) of subsection (1) and paragraph
 65 (a) of subsection (5) of section 316.640, Florida Statutes, are
 66 amended to read:

67 316.640 Enforcement.—The enforcement of the traffic laws
 68 of this state is vested as follows:

69 (1) STATE.—

70 (b)1. The Department of Transportation has authority to
 71 enforce on all the streets and highways of this state all laws
 72 applicable within its authority.

73 2.a. The Department of Transportation shall develop
 74 training and qualifications standards for toll enforcement
 75 officers whose sole authority is to enforce the payment of tolls

76 pursuant to s. 316.1001. Nothing in this subparagraph shall be
 77 construed to permit the carrying of firearms or other weapons,
 78 nor shall a toll enforcement officer have arrest authority.

79 b. For the purpose of enforcing s. 316.1001, governmental
 80 entities, as defined in s. 334.03, which own or operate a toll
 81 facility may employ independent contractors or designate
 82 employees as toll enforcement officers; however, any such toll
 83 enforcement officer must successfully meet the training and
 84 qualifications standards for toll enforcement officers
 85 established by the Department of Transportation.

86 ~~3. For the purpose of enforcing s. 316.0083, the~~
 87 ~~department may designate employees as traffic infraction~~
 88 ~~enforcement officers. A traffic infraction enforcement officer~~
 89 ~~must successfully complete instruction in traffic enforcement~~
 90 ~~procedures and court presentation through the Selective Traffic~~
 91 ~~Enforcement Program as approved by the Division of Criminal~~
 92 ~~Justice Standards and Training of the Department of Law~~
 93 ~~Enforcement, or through a similar program, but may not~~
 94 ~~necessarily otherwise meet the uniform minimum standards~~
 95 ~~established by the Criminal Justice Standards and Training~~
 96 ~~Commission for law enforcement officers or auxiliary law~~
 97 ~~enforcement officers under s. 943.13. This subparagraph does not~~
 98 ~~authorize the carrying of firearms or other weapons by a traffic~~
 99 ~~infraction enforcement officer and does not authorize a traffic~~
 100 ~~infraction enforcement officer to make arrests. The department's~~

101 ~~traffic infraction enforcement officers must be physically~~
 102 ~~located in the state.~~

103 (5) (a) Any sheriff's department or police department of a
 104 municipality may employ, as a traffic infraction enforcement
 105 officer, any individual who successfully completes instruction
 106 in traffic enforcement procedures and court presentation through
 107 the Selective Traffic Enforcement Program as approved by the
 108 Division of Criminal Justice Standards and Training of the
 109 Department of Law Enforcement, or through a similar program, but
 110 who does not necessarily otherwise meet the uniform minimum
 111 standards established by the Criminal Justice Standards and
 112 Training Commission for law enforcement officers or auxiliary
 113 law enforcement officers under s. 943.13. Any such traffic
 114 infraction enforcement officer who observes the commission of a
 115 traffic infraction or, in the case of a parking infraction, who
 116 observes an illegally parked vehicle may issue a traffic
 117 citation for the infraction when, based upon personal
 118 investigation, he or she has reasonable and probable grounds to
 119 believe that an offense has been committed which constitutes a
 120 noncriminal traffic infraction as defined in s. 318.14. ~~In~~
 121 ~~addition, any such traffic infraction enforcement officer may~~
 122 ~~issue a traffic citation under s. 316.0083. For purposes of~~
 123 ~~enforcing s. 316.0083, any sheriff's department or police~~
 124 ~~department of a municipality may designate employees as traffic~~
 125 ~~infraction enforcement officers.~~ The traffic infraction

126 enforcement officers must be physically located in the county of
 127 the respective sheriff's or police department.

128 Section 12. Paragraphs (a) and (c) of subsection (3) of
 129 section 316.650, Florida Statutes, are amended to read:

130 316.650 Traffic citations.—

131 (3)(a) Except for a traffic citation issued pursuant to s.
 132 316.1001 ~~or s. 316.0083~~, each traffic enforcement officer, upon
 133 issuing a traffic citation to an alleged violator of any
 134 provision of the motor vehicle laws of this state or of any
 135 traffic ordinance of any municipality or town, shall deposit the
 136 original traffic citation or, in the case of a traffic
 137 enforcement agency that has an automated citation issuance
 138 system, the chief administrative officer shall provide by an
 139 electronic transmission a replica of the citation data to a
 140 court having jurisdiction over the alleged offense or with its
 141 traffic violations bureau within 5 days after issuance to the
 142 violator.

143 ~~(c) If a traffic citation is issued under s. 316.0083, the~~
 144 ~~traffic infraction enforcement officer shall provide by~~
 145 ~~electronic transmission a replica of the traffic citation data~~
 146 ~~to the court having jurisdiction over the alleged offense or its~~
 147 ~~traffic violations bureau within 5 days after the date of~~
 148 ~~issuance of the traffic citation to the violator. If a hearing~~
 149 ~~is requested, the traffic infraction enforcement officer shall~~
 150 ~~provide a replica of the traffic notice of violation data to the~~

151 | ~~clerk for the local hearing officer having jurisdiction over the~~
 152 | ~~alleged offense within 14 days.~~

153 | Section 13. Section 318.121, Florida Statutes, is amended
 154 | to read:

155 | 318.121 Preemption of additional fees, fines, surcharges,
 156 | and costs.—Notwithstanding any general or special law, or
 157 | municipal or county ordinance, additional fees, fines,
 158 | surcharges, or costs other than the court costs and surcharges
 159 | assessed under s. 318.18(11), (13), (18), and (19), ~~and (22)~~ may
 160 | not be added to the civil traffic penalties assessed under this
 161 | chapter.

162 | Section 14. Subsection (2) of section 318.14, Florida
 163 | Statutes, is amended to read:

164 | 318.14 Noncriminal traffic infractions; exception;
 165 | procedures.—

166 | (2) Except as provided in s. 318.14 ~~ss. 316.1001(2) and 316.0083~~,
 167 | any person cited for a violation requiring a mandatory hearing
 168 | listed in s. 318.19 or any other criminal traffic violation
 169 | listed in chapter 316 must sign and accept a citation indicating
 170 | a promise to appear. The officer may indicate on the traffic
 171 | citation the time and location of the scheduled hearing and must
 172 | indicate the applicable civil penalty established in s. 318.18.
 173 | For all other infractions under this section, except for
 174 | infractions under s. 316.1001, the officer must certify by
 175 | electronic, electronic facsimile, or written signature that the

176 citation was delivered to the person cited. This certification
 177 is prima facie evidence that the person cited was served with
 178 the citation.

179 Section 15. Subsections (15) and (22) of section 318.18,
 180 Florida Statutes, are amended to read:

181 318.18 Amount of penalties.—The penalties required for a
 182 noncriminal disposition pursuant to s. 318.14 or a criminal
 183 offense listed in s. 318.17 are as follows:

184 (15) ~~(a)~~1. One hundred and fifty-eight dollars for a
 185 violation of s. 316.074(1) or s. 316.075(1)(c)1. when a driver
 186 has failed to stop at a traffic signal ~~and when enforced by a~~
 187 ~~law enforcement officer~~. Sixty dollars shall be distributed as
 188 provided in s. 318.21, \$30 shall be distributed to the General
 189 Revenue Fund, \$3 shall be remitted to the Department of Revenue
 190 for deposit into the Brain and Spinal Cord Injury Trust Fund,
 191 and the remaining \$65 shall be remitted to the Department of
 192 Revenue for deposit into the Emergency Medical Services Trust
 193 Fund of the Department of Health.

194 ~~2. One hundred and fifty-eight dollars for a violation of~~
 195 ~~s. 316.074(1) or s. 316.075(1)(c)1. when a driver has failed to~~
 196 ~~stop at a traffic signal and when enforced by the department's~~
 197 ~~traffic infraction enforcement officer. One hundred dollars~~
 198 ~~shall be remitted to the Department of Revenue for deposit into~~
 199 ~~the General Revenue Fund, \$45 shall be distributed to the county~~
 200 ~~for any violations occurring in any unincorporated areas of the~~

201 ~~county or to the municipality for any violations occurring in~~
 202 ~~the incorporated boundaries of the municipality in which the~~
 203 ~~infraction occurred, \$10 shall be remitted to the Department of~~
 204 ~~Revenue for deposit into the Department of Health Emergency~~
 205 ~~Medical Services Trust Fund for distribution as provided in s.~~
 206 ~~395.4036(1), and \$3 shall be remitted to the Department of~~
 207 ~~Revenue for deposit into the Brain and Spinal Cord Injury Trust~~
 208 ~~Fund.~~

209 ~~3. One hundred and fifty-eight dollars for a violation of~~
 210 ~~s. 316.074(1) or s. 316.075(1)(c)1. when a driver has failed to~~
 211 ~~stop at a traffic signal and when enforced by a county's or~~
 212 ~~municipality's traffic infraction enforcement officer. Seventy-~~
 213 ~~five dollars shall be distributed to the county or municipality~~
 214 ~~issuing the traffic citation, \$70 shall be remitted to the~~
 215 ~~Department of Revenue for deposit into the General Revenue Fund,~~
 216 ~~\$10 shall be remitted to the Department of Revenue for deposit~~
 217 ~~into the Department of Health Emergency Medical Services Trust~~
 218 ~~Fund for distribution as provided in s. 395.4036(1), and \$3~~
 219 ~~shall be remitted to the Department of Revenue for deposit into~~
 220 ~~the Brain and Spinal Cord Injury Trust Fund.~~

221 ~~(b)~~ Amounts deposited into the Brain and Spinal Cord
 222 Injury Trust Fund pursuant to this subsection shall be
 223 distributed quarterly to the Miami Project to Cure Paralysis and
 224 shall be used for brain and spinal cord research.

225 ~~(c) If a person who is mailed a notice of violation or~~

226 ~~cited for a violation of s. 316.074(1) or s. 316.075(1)(c)1., as~~
 227 ~~enforced by a traffic infraction enforcement officer under s.~~
 228 ~~316.0083, presents documentation from the appropriate~~
 229 ~~governmental entity that the notice of violation or traffic~~
 230 ~~citation was in error, the clerk of court or clerk to the local~~
 231 ~~hearing officer may dismiss the case. The clerk of court or~~
 232 ~~clerk to the local hearing officer may not charge for this~~
 233 ~~service.~~

234 ~~(d) An individual may not receive a commission or per-~~
 235 ~~ticket fee from any revenue collected from violations detected~~
 236 ~~through the use of a traffic infraction detector. A manufacturer~~
 237 ~~or vendor may not receive a fee or remuneration based upon the~~
 238 ~~number of violations detected through the use of a traffic~~
 239 ~~infraction detector.~~

240 ~~(e)~~ Funds deposited into the Department of Health
 241 Emergency Medical Services Trust Fund under this subsection
 242 shall be distributed as provided in s. 395.4036(1).

243 ~~(22) In addition to the penalty prescribed under s.~~
 244 ~~316.0083 for violations enforced under s. 316.0083 which are~~
 245 ~~upheld, the local hearing officer may also order the payment of~~
 246 ~~county or municipal costs, not to exceed \$250.~~

247 Section 16. Subsection (8) of section 320.03, Florida
 248 Statutes, is amended to read:

249 320.03 Registration; duties of tax collectors;
 250 International Registration Plan.—

251 (8) If the applicant's name appears on the list referred
 252 to in s. 316.1001(4), s. 316.1967(6), ~~s. 318.15(3)~~, or s.
 253 713.78(13), a license plate or revalidation sticker may not be
 254 issued until that person's name no longer appears on the list or
 255 until the person presents a receipt from the governmental entity
 256 or the clerk of court that provided the data showing that the
 257 fines outstanding have been paid. This subsection does not apply
 258 to the owner of a leased vehicle if the vehicle is registered in
 259 the name of the lessee of the vehicle. The tax collector and the
 260 clerk of the court are each entitled to receive monthly, as
 261 costs for implementing and administering this subsection, 10
 262 percent of the civil penalties and fines recovered from such
 263 persons. As used in this subsection, the term "civil penalties
 264 and fines" does not include a wrecker operator's lien as
 265 described in s. 713.78(13). If the tax collector has private tag
 266 agents, such tag agents are entitled to receive a pro rata share
 267 of the amount paid to the tax collector, based upon the
 268 percentage of license plates and revalidation stickers issued by
 269 the tag agent compared to the total issued within the county.
 270 The authority of any private agent to issue license plates shall
 271 be revoked, after notice and a hearing as provided in chapter
 272 120, if he or she issues any license plate or revalidation
 273 sticker contrary to the provisions of this subsection. This
 274 section applies only to the annual renewal in the owner's birth
 275 month of a motor vehicle registration and does not apply to the

276 | transfer of a registration of a motor vehicle sold by a motor
 277 | vehicle dealer licensed under this chapter, except for the
 278 | transfer of registrations which includes the annual renewals.
 279 | This section does not affect the issuance of the title to a
 280 | motor vehicle, notwithstanding s. 319.23(8)(b).

281 | Section 17. Paragraph (d) of subsection (3) of section
 282 | 322.27, Florida Statutes, is amended to read:

283 | 322.27 Authority of department to suspend or revoke driver
 284 | license or identification card.—

285 | (3) There is established a point system for evaluation of
 286 | convictions of violations of motor vehicle laws or ordinances,
 287 | and violations of applicable provisions of s. 403.413(6)(b) when
 288 | such violations involve the use of motor vehicles, for the
 289 | determination of the continuing qualification of any person to
 290 | operate a motor vehicle. The department is authorized to suspend
 291 | the license of any person upon showing of its records or other
 292 | good and sufficient evidence that the licensee has been
 293 | convicted of violation of motor vehicle laws or ordinances, or
 294 | applicable provisions of s. 403.413(6)(b), amounting to 12 or
 295 | more points as determined by the point system. The suspension
 296 | shall be for a period of not more than 1 year.

297 | (d) The point system shall have as its basic element a
 298 | graduated scale of points assigning relative values to
 299 | convictions of the following violations:

- 300 | 1. Reckless driving, willful and wanton—4 points.

- 301 2. Leaving the scene of a crash resulting in property
 302 damage of more than \$50-6 points.
- 303 3. Unlawful speed, or unlawful use of a wireless
 304 communications device, resulting in a crash-6 points.
- 305 4. Passing a stopped school bus:
- 306 a. Not causing or resulting in serious bodily injury to or
 307 death of another-4 points.
- 308 b. Causing or resulting in serious bodily injury to or
 309 death of another-6 points.
- 310 5. Unlawful speed:
- 311 a. Not in excess of 15 miles per hour of lawful or posted
 312 speed-3 points.
- 313 b. In excess of 15 miles per hour of lawful or posted
 314 speed-4 points.
- 315 6. A violation of a traffic control signal device as
 316 provided in s. 316.074(1) or s. 316.075(1)(c)1.-4 points.
 317 ~~However, no points shall be imposed for a violation of s.~~
 318 ~~316.074(1) or s. 316.075(1)(c)1. when a driver has failed to~~
 319 ~~stop at a traffic signal and when enforced by a traffic~~
 320 ~~infraction enforcement officer. In addition, a violation of s.~~
 321 ~~316.074(1) or s. 316.075(1)(c)1. when a driver has failed to~~
 322 ~~stop at a traffic signal and when enforced by a traffic~~
 323 ~~infraction enforcement officer may not be used for purposes of~~
 324 ~~setting motor vehicle insurance rates.~~
- 325 7. All other moving violations (including parking on a

326 highway outside the limits of a municipality)-3 points. However,
 327 no points shall be imposed for a violation of s. 316.0741 or s.
 328 316.2065(11); and points shall be imposed for a violation of s.
 329 316.1001 only when imposed by the court after a hearing pursuant
 330 to s. 318.14(5).

331 8. Any moving violation covered in this paragraph,
 332 excluding unlawful speed and unlawful use of a wireless
 333 communications device, resulting in a crash-4 points.

334 9. Any conviction under s. 403.413(6)(b)-3 points.

335 10. Any conviction under s. 316.0775(2)-4 points.

336 11. A moving violation covered in this paragraph which is
 337 committed in conjunction with the unlawful use of a wireless
 338 communications device within a school safety zone-2 points, in
 339 addition to the points assigned for the moving violation.

340 Section 18. Subsection (1) of section 655.960, Florida
 341 Statutes, is amended to read:

342 655.960 Definitions; ss. 655.960-655.965.-As used in this
 343 section and ss. 655.961-655.965, unless the context otherwise
 344 requires:

345 (1) "Access area" means any paved walkway or sidewalk
 346 which is within 50 feet of any automated teller machine. The
 347 term does not include any street or highway open to the use of
 348 the public, as defined in s. 316.003(78)(a) ~~316.003(79)(a)~~ or
 349 (b), including any adjacent sidewalk, as defined in s. 316.003.

350 Section 19. This act shall take effect July 1, 2021.

**Long Range Financial
Outlook Presentation**

Florida: Long-Range Financial Outlook

Original Presentation: September 15, 2017
Updated October 10, 2017

Presented by:



The Florida Legislature
Office of Economic and
Demographic Research
850.487.1402
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Economy Recovering

Florida growth rates are returning to more typical levels and continue to show healthy progress. The drags—particularly construction—are more persistent than past events, but the strength in tourism is compensating for this. In the various forecasts, normalcy was largely achieved by the end of FY 2016-17. Overall...

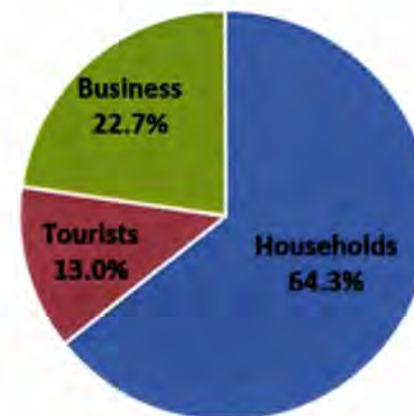
- The recovery in the national economy is near completion on all fronts.
- By the close of the 2016-17 fiscal year, most measures of the Florida economy had returned to or surpassed their prior peaks.
 - All personal income metrics and about half of the employment sectors had exceeded their prior peaks. Still other measures were posting solid year-over-year improvements, even if they were not yet back to peak performance levels.
 - Florida's tourism industry set a new record of 114.25 million visitors in FY 2016-17 and is likely to see 119.02 million visitors in FY 2017-18. This strong tourism growth continues throughout the years covered by the Outlook. The Economic Estimating Conference projects that the number of tourists will grow by 4.5 percent per year during the 2018-19, 2019-20, and 2020-21 fiscal years.
 - The key construction metrics do not show a return to their peak levels until FY 2020-21 (total construction expenditures) and FY 2023-24 (private residential construction expenditures). The rest either do not return to their peak at all during the forecast horizon (single and multi-family starts) or very late in the period (construction employment in FY 2025-26).

Florida-Based Downside Risk

- The most recent sales tax forecast relies heavily on strong tourism growth. It makes no adjustments for the occurrence of adverse events having significant repercussions on tourism—such as natural disasters—during the forecast window.
 - Currently, tourism-related revenue losses pose the greatest potential risk to the economic outlook.
 - Previous economic studies of disease outbreaks and natural or manmade disasters have shown that tourism demand is very sensitive to such events.

**Contributions to General Revenue from Sales Tax (with CST)
Collections in FY 2015-16, By Source**

The Legislative Office of Economic and Demographic Research has updated and refined an empirical analysis of the various sources of the state's sales tax collections. In FY 2015-16, sales tax collections provided \$22.0 billion or 76.4% of Florida's total General Revenue collections. Of this amount, an estimated 13.0% (nearly \$2.86 billion) was attributable to purchases made by tourists.

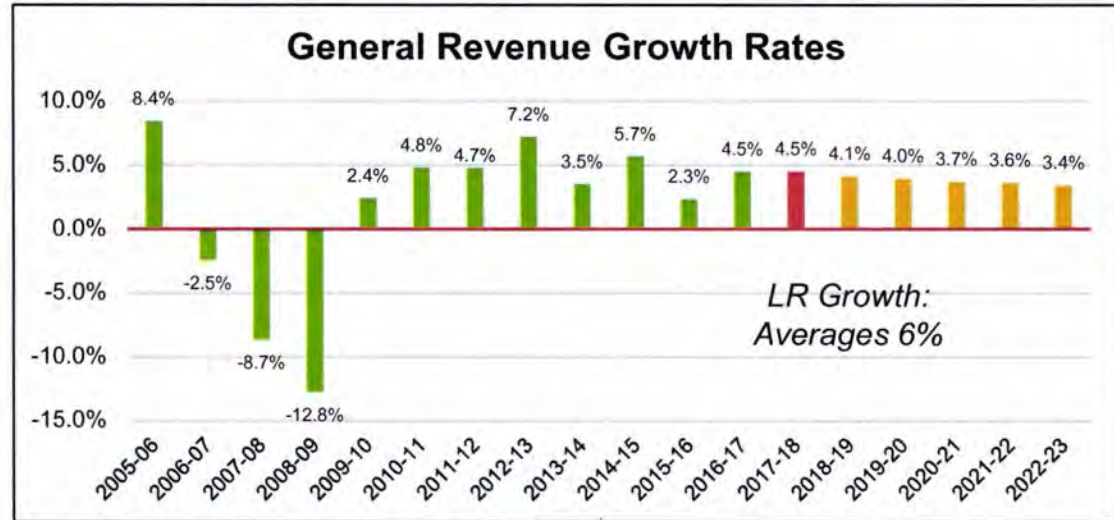


External Risk to the Economy

- The national baseline forecast that underpins the Florida economic forecast heavily relies on the assumption that the pace of recovery will pick up in 2018 as fiscal stimulus from personal income and corporate income tax cuts, along with a boost in infrastructure spending, kick in. As of the release of this Outlook, no action has occurred on any of these fronts.
- Further, critical deadlines are looming for the omnibus budget bill and debt ceiling extension in September and early October. Among other things, the budget agreement is assumed to include a change to the automatic sequester provisions that are scheduled to kick back in at the start of the 2018 federal fiscal year.
UPDATE: Agreement is now in place to fund the US government at current spending levels through December 8, 2017, as well as a short-term (3 months) increase in the debt ceiling.
- If any of these deadlines are missed by an extended period of time or the anticipated fiscal stimulus fails to materialize, there will be negative repercussions to consumer, business, and investor confidence that would adversely impact expected economic performance in the nation and in Florida.

General Revenue Forecast

Growth from the beginning to the end of the Outlook Period is \$3.79 billion for a combined total of an additional \$7.61 billion available for expenditure over the Outlook period as one year stacks on the next.



| Fiscal Year | Post-Session Forecast | August Forecast | Difference (Aug - PS) | Incremental Growth | Growth |
|-------------|-----------------------|-----------------|-----------------------|--------------------|--------|
| 2005-06 | 27,074.8 | | | | 8.4% |
| 2006-07 | 26,404.1 | | | | -2.5% |
| 2007-08 | 24,112.1 | | | | -8.7% |
| 2008-09 | 21,025.6 | | | | -12.8% |
| 2009-10 | 21,523.1 | | | | 2.4% |
| 2010-11 | 22,551.6 | | | | 4.8% |
| 2011-12 | 23,618.8 | | | | 4.7% |
| 2012-13 | 25,314.6 | | | | 7.2% |
| 2013-14 | 26,198.0 | | | | 3.5% |
| 2014-15 | 27,681.1 | | | | 5.7% |
| 2015-16 | 28,325.4 | | | | 2.3% |
| 2016-17 | 29,558.9 | 29,594.5 | 35.6 | 1,269.1 | 4.5% |
| 2017-18 | 30,793.8 | 30,926.0 | 132.2 | 1,331.5 | 4.5% |
| 2018-19 | 32,013.3 | 32,201.4 | 188.1 | 1,275.4 | 4.1% |
| 2019-20 | 33,278.9 | 33,474.9 | 196.0 | 1,273.5 | 4.0% |
| 2020-21 | 34,461.7 | 34,714.5 | 252.8 | 1,239.6 | 3.7% |
| 2021-22 | 35,667.1 | 35,977.9 | 310.8 | 1,263.4 | 3.6% |
| 2022-23 | n/a | 37,214.0 | n/a | 1,236.1 | 3.4% |

The August forecast would have essentially matched the old forecast in the short-term; however, recognition of Indian Gaming revenue share payments associated with banked card games resulted in a net increase in the estimate.

State Reserves Are Strong

| Outlook Year | Baseline Fiscal Year | Unallocated General Revenue | Budget Stabilization Fund | Lawton Chiles Endowment Fund | Total Reserves | GR Summer Revenue Estimate* | % of GR Estimate |
|--------------|----------------------|-----------------------------|---------------------------|------------------------------|----------------|-----------------------------|------------------|
| 2011 | 2011-12 | 1,357.5 | 493.6 | 696.2 | 2,547.3 | 23,795.1 | 10.7% |
| 2012 | 2012-13 | 1,577.7 | 708.1 | 426.1 | 2,711.9 | 24,631.6 | 11.0% |
| 2013 | 2013-14 | 1,893.5 | 924.8 | 536.3 | 3,354.6 | 26,184.2 | 12.8% |
| 2014 | 2014-15 | 1,589.0 | 1,139.2 | 629.3 | 3,357.5 | 27,189.4 | 12.3% |
| 2015 | 2015-16 | 1,709.1 | 1,353.7 | 590.2 | 3,653.0 | 28,414.1 | 12.9% |
| 2016 | 2016-17 | 1,414.2 | 1,384.4 | 637.5 | 3,436.1 | 29,732.8 | 11.6% |
| 2017 | 2017-18 | 1,458.5 | 1,416.5 | 713.4 | 3,588.4 | 31,152.8 | 11.5% |

**Reflects the General Revenue forecast adopted by the Revenue Estimating Conference in the summer preceding the adoption of each Long-Range Financial Outlook. The Fiscal Year 2016-17 amount includes the \$400 million payment associated with the BP Settlement Agreement. The Fiscal Year 2017-18 amount includes the \$226.8 million Indian Gaming reserve release.*

- Unallocated General Revenue, the Budget Stabilization Fund, and the Lawton Chiles Endowment Fund are generally considered to comprise the state's reserves.
- At the time each of the previous six Outlooks was adopted, total state reserves have ranged from 10.7% up to 12.9% of the General Revenue estimate.
- For the current year, total state reserves are \$3,588.4 million or 11.5% of the General Revenue estimate for FY 2017-18.

GR Outlook Balance for FY 2017-18

| | REC | N/R | TOTAL | |
|---|--------------|----------------|----------------|--|
| 2017-18 Ending Balance on Post-Session Outlook | 113.1 | 932.5 | 1,045.6 | |
| -PLUS- Revenue Surplus from 2016-17 | 0.0 | 35.6 | 35.6 | |
| -PLUS- FEMA Reimbursement from 2016-17 | 0.0 | 19.5 | 19.5 | |
| -PLUS- Indian Gaming Reserve Release | 0.0 | 226.8 | 226.8 | |
| -PLUS- Indian Gaming Forecast Change | -113.7 | 272.5 | 158.8 | |
| -MINUS- All Other Forecast Changes | -26.6 | 0 | -26.6 | |
| -MINUS- Miscellaneous Outlook Adjustments | -3.3 | 2.1 | -1.2 | |
| BALANCE ON CURRENT OFFICIAL OUTLOOK | -30.5 | 1,489.0 | 1,458.5 | |
| | | | | |
| -MINUS- Current Year Estimating Conference Operating Deficits | 0.0 | -29.6 | -29.6 | |
| ADJUSTED BALANCE | -30.5 | 1,459.4 | 1,428.9 | |

\$385.6 million

BALANCE FOR LONG-RANGE FINANCIAL OUTLOOK **1,428.9**

The projected remaining balance of \$1.4 billion in nonrecurring dollars is assumed in the Outlook to be available for use in FY 2018-19. However, this projection does not include any expenditures related to budget amendments arising from Hurricane Irma which will reduce the bottom line.

Budget Drivers

- Tier 1 – Includes only Critical Needs, which are mandatory increases based on estimating conferences and other essential items. The **18** Critical Needs drivers represent the minimum cost to fund the budget without significant programmatic changes. For the General Revenue Fund, the greatest burden occurs in FY 2019-20 when projected expenditures jump sharply from FY 2018-19, largely due to the depletion of one-time trust fund balances that reduced the General Revenue need in FY 2018-19. The jump is also caused by the scheduled reduction in the federal match rate for the Kidcare program beginning October 1, 2019.
- Tier 2 – Other High Priority Needs are added to the Critical Needs. Other High Priority Needs reflect issues that have been funded in most, if not all, of the recent budget years. Both types of drivers are combined to represent a more complete, yet still conservative, approach to estimating future expenditures. In contrast to Critical Needs, the General Revenue burden for the **35** Other High Priority Needs is spread fairly evenly across the fiscal years but declines slightly over time.

DOLLAR VALUE OF CRITICAL AND OTHER HIGH PRIORITY NEEDS

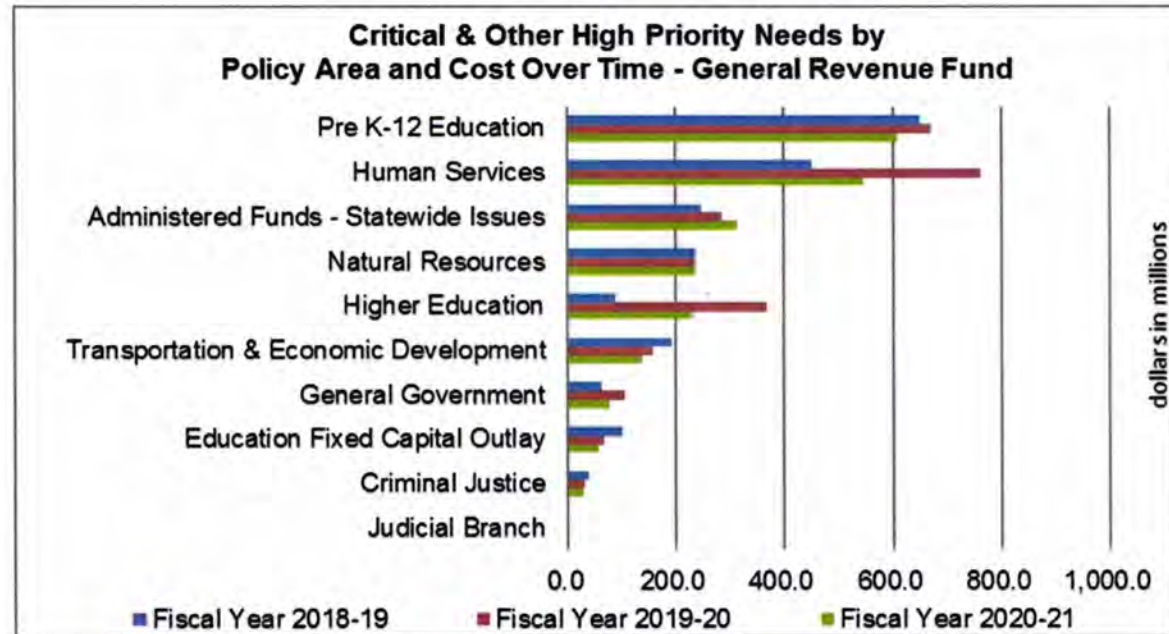
| GENERAL REVENUE FUND | Fiscal Year 2018-19 | Fiscal Year 2019-20 | Fiscal Year 2020-21 |
|---|------------------------|------------------------|------------------------|
| Total Tier 1 - Critical Needs | 17.8 | 753.4 | 317.4 |
| Total - Other High Priority Needs | 2,042.8 | 1,925.1 | 1,911.3 |
| Total Tier 2 - Critical and Other High Priority Needs | 2,060.6 | 2,678.5 | 2,228.7 |

PERCENTAGE OF TOTAL CRITICAL AND OTHER HIGH PRIORITY NEEDS

| GENERAL REVENUE FUND | Fiscal Year 2018-19 | Fiscal Year 2019-20 | Fiscal Year 2020-21 |
|---|------------------------|------------------------|------------------------|
| Total Tier 1 - Critical Needs | 0.9% | 28.1% | 14.2% |
| Total - Other High Priority Needs | 99.1% | 71.9% | 85.8% |
| Total Tier 2 - Critical and Other High Priority Needs | 100.0% | 100.0% | 100.0% |

GR Drivers by Policy Area

Two policy areas, Higher Education and Human Services, have their greatest needs in the second year of the Outlook, requiring significantly more General Revenue than in the first year of the Outlook. These are the areas most affected by the depletion of the trust fund balances. Other areas, including Natural Resources and Administered Funds-Statewide Issues, have more balanced needs across the three years of the Outlook.



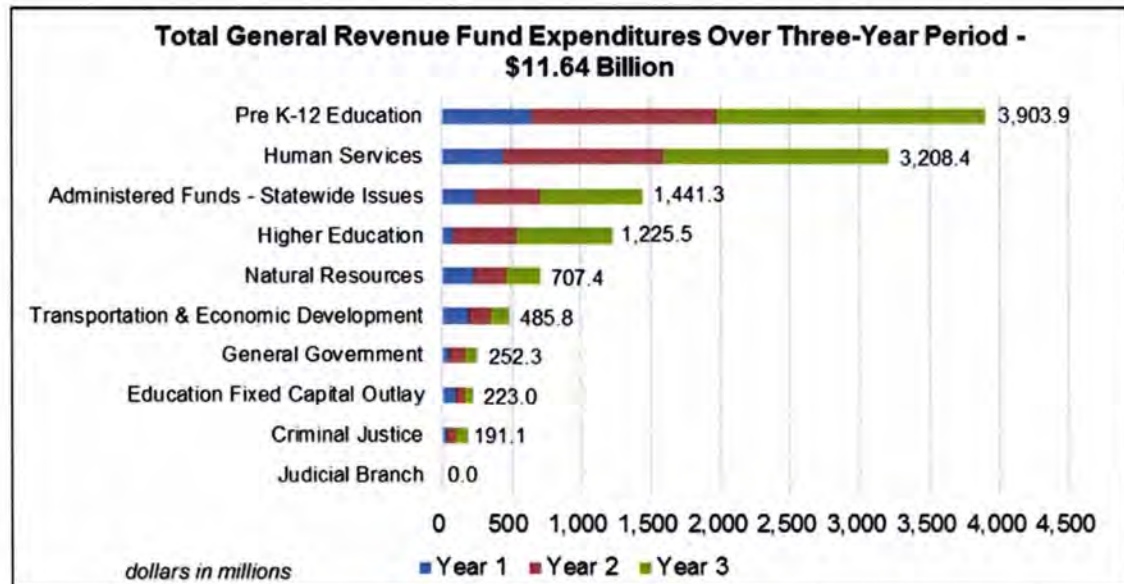
| POLICY AREAS | Fiscal Year 2018-19 | Fiscal Year 2019-20 | Fiscal Year 2020-21 |
|---------------------------------------|---------------------|---------------------|---------------------|
| Pre K-12 Education | 651.5 | 670.6 | 608.2 |
| Higher Education | 87.4 | 366.8 | 229.7 |
| Education Fixed Capital Outlay | 100.2 | 65.9 | 56.9 |
| Human Services | 451.2 | 762.3 | 545.7 |
| Criminal Justice | 37.3 | 30.1 | 28.3 |
| Judicial Branch | 0.0 | 0.0 | 0.0 |
| Transportation & Economic Development | 192.1 | 158.3 | 135.4 |
| Natural Resources | 235.0 | 234.8 | 235.2 |
| General Government | 60.8 | 106.4 | 76.6 |
| Administered Funds - Statewide Issues | <u>245.1</u> | <u>283.3</u> | <u>312.7</u> |
| Total New Issues | 2,060.6 | 2,678.5 | 2,228.7 |

Total GR Expenditures—\$11.6 Billion

| | Fiscal Year 2018-19 | Fiscal Year 2019-20 | Fiscal Year 2020-21 | TOTAL | |
|---|------------------------|------------------------|------------------------|-----------------|--------------|
| New Recurring Drivers for Each Year | 1,331.1 | 2,008.7 | 1,624.5 | 4,964.3 | |
| Continuation of Prior Year(s) Recurring Drivers | | 1,331.1 | 3,339.8 | 4,670.9 | |
| Total Expenditures on Recurring Drivers | 1,331.1 | 3,339.8 | 4,964.3 | 9,635.2 | 82.8% |
| Nonrecurring Drivers by Year | 729.5 | 669.8 | 604.2 | 2,003.5 | 17.2% |
| Grand Total | 2,060.6 | 4,009.6 | 5,568.5 | 11,638.7 | |

From the start to the end of the Outlook period, recurring growth increases by \$4.96 billion. The recurring effects of the new drivers in each year continue throughout the remaining years contained in the Outlook as each new year adds to the prior year's recurring appropriations.

Over the entire Outlook period, the combined recurring and nonrecurring drivers result in \$11.64 billion of General Revenue expenditures on Critical and Other High Priority Needs. This represents an increase of 11.1 percent from the expenditures included in the 2016 Outlook.



Revenue Adjustments

- Revenue Adjustments to the General Revenue Fund are again included in the Outlook to reflect legislative actions that alter the revenue-side of the state's fiscal picture. These adjustments are based on three-year averages and include:
 - Tax and Significant Fee Changes*...These changes fall into two categories, each with a different effect. The continuing tax and fee changes reflect adjustments to the funds otherwise available and build over time since the impact of each year's change is added to the recurring impacts from prior years. Conversely, the time-limited tax and fee changes are confined to each year and are held constant throughout the Outlook.
 - Trust Fund Transfers (GAA)*...The nonrecurring transfers are positive adjustments to the funds otherwise available and are held constant each year. Fiscal Year 2017-18 had a particularly large number of qualifying transfers (\$465.3 million) that collectively increased the average by \$81.1 million from last year's Outlook.

| | 2018-19 | | | 2019-20 | | | 2020-21 | | |
|--|----------------|--------------|--------------|----------------|--------------|-------------|----------------|--------------|----------------|
| | Rec | NR | Total | Rec | NR | Total | Rec | NR | Total |
| Continuing Tax and Fee Changes | (141.1) | 51.6 | (89.5) | (141.1) | 51.6 | (89.5) | (141.1) | 51.6 | (89.5) |
| Recurring Impact of Prior Years' Tax and Fee Changes | 0.0 | 0.0 | 0.0 | (141.1) | 0.0 | (141.1) | (282.3) | 0.0 | (282.3) |
| Time-Limited Tax and Fee Changes | 0.0 | (63.9) | (63.9) | 0.0 | (63.9) | (63.9) | 0.0 | (63.9) | (63.9) |
| Trust Fund Transfers (GAA) | 0.0 | 323.6 | 323.6 | 0.0 | 323.6 | 323.6 | 0.0 | 323.6 | 323.6 |
| Total | (141.1) | 311.3 | 170.2 | (282.3) | 311.3 | 29.0 | (423.4) | 311.3 | (112.1) |

Putting It Together for the First Year

| OUTLOOK PROJECTION – FISCAL YEAR 2018-19 <i>(in millions)</i> | | | |
|--|-------------------|------------------|-------------------|
| | RECURRING | NON RECURRING | TOTAL |
| AVAILABLE GENERAL REVENUE | \$31,951.5 | \$1,803.4 | \$33,754.9 |
| | | | |
| <i>Base Budget</i> | \$30,744.3 | \$0.0 | \$30,744.3 |
| <i>Transfer to Budget Stabilization Fund</i> | \$0.0 | \$68.2 | \$68.2 |
| <i>Critical Needs</i> | (\$77.9) | \$95.7 | \$17.8 |
| <i>Other High Priority Needs</i> | \$1,409.0 | \$633.8 | \$2,042.8 |
| <i>Reserve</i> | \$0.0 | \$1,000.0 | \$1,000.0 |
| TOTAL EXPENDITURES | \$32,075.4 | \$1,797.7 | \$33,873.1 |
| | | | |
| <i>Revenue Adjustments</i> | (\$141.1) | \$311.3 | \$170.2 |
| | | | |
| ENDING BALANCE | (\$265.0) | \$317.0 | \$52.0 |

- Combined, recurring and nonrecurring General Revenue Critical Needs—plus a minimum reserve of \$1.0 billion—are significantly less than the available General Revenue, leaving a surplus of more than \$1.9 billion. However, when Other Priority Needs are added, the available General Revenue falls short of the projected total need by \$118.2 million.
- After accounting for the revenue adjustments included in Tier 3 of the Outlook, there is enough General Revenue to cover the Critical and Other High Priority Needs; however, there is essentially no remaining General Revenue for discretionary issues—the projected surplus of \$52.0 million equates to just 0.16 percent of the General Revenue estimate for Fiscal Year 2018-19.
- Further, the projected recurring expenditures and revenue adjustments, in combination, outstrip the available recurring resources by \$265.0 million.

Outlook Projections Over Time

| Outlook | For the Period Beginning | Year 1 (\$ Millions) | Year 2 (\$ Millions) | Year 3 (\$ Millions) | Level of Reserves |
|---------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------|
| 2007 | Fiscal Year 2008-09 | (2,334.5) | (2,860.7) | (3,066.0) | 0.0 |
| 2008 | Fiscal Year 2009-10 | (3,306.3) | (2,482.5) | (1,816.8) | 0.0 |
| 2009 | Fiscal Year 2010-11 | (2,654.4) | (5,473.2) | (5,228.6) | 0.0 |
| 2010 | Fiscal Year 2011-12 | (2,510.7) | (2,846.3) | (1,930.3) | 0.0 |
| 2011 | Fiscal Year 2012-13 | 273.8 | 692.1 | 840.6 | 1,000.0 |
| 2012 | Fiscal Year 2013-14 | 71.3 | 53.5 | 594.0 | 1,000.0 |
| 2013 | Fiscal Year 2014-15 | 845.7 | 1,426.7 | 3,295.3 | 1,000.0 |
| 2014 | Fiscal Year 2015-16 | 336.2 | 1,004.5 | 2,156.1 | 1,000.0 |
| 2015 | Fiscal Year 2016-17 | 635.4 | 583.7 | 222.2 | 1,000.0 |
| 2016 | Fiscal Year 2017-18 | 7.5 | (1,300.9) | (1,897.7) | 1,000.0 |
| 2017 | Fiscal Year 2018-19 | 52.0 | (1,146.2) | (1,639.6) | 1,000.0 |

- FY 2019-20 and FY 2020-21 (Years 2 and 3 of the Outlook) both show projected budget needs significantly in excess of available revenue for Critical and Other High Priority Needs. The recurring shortfalls are even greater when factoring in the potential revenue adjustments.
- While the net result is better than anticipated by the 2016 Outlook for FY 2017-18, the projected level of the recurring shortfall in the current budget year is virtually the same (-\$24.4 million in the 2016 Outlook compared to -\$30.5 million in the 2017 Outlook).
- The overall net improvement came from a much higher than expected nonrecurring ending balance, explained in part by the Indian Gaming changes, but also by the much higher than expected trust fund transfers (+\$242.5 million in the 2016 Outlook compared to +\$456.3 million authorized in the GAA).

Impact of Indian Gaming Revenue

| Outlook Calculation | Year 1 (\$ Millions) | Year 2 (\$ Millions) | Year 3 (\$ Millions) | Level of Reserves |
|------------------------------|-------------------------|-------------------------|-------------------------|----------------------|
| Without Indian Gaming Change | (498.7) | (1,365.7) | (1,809.5) | 1,000.0 |
| With Indian Gaming Change | 52.0 | (1,146.2) | (1,639.6) | 1,000.0 |
| Difference Due to Change | +550.7 | +219.5 | +165.1 | n/a |

*Note: Year 2 benefits in two ways: \$167.5 million for Conference adjustment + unspent prior year ending balance (\$52 million) that moves forward into the subsequent year.

- The inclusion of the Indian Gaming reserve release and forecast change to recognize the revenue share payments associated with banked card games significantly improved the bottom line anticipated by the Legislature at the conclusion of the 2017 Regular Session and Special Session A.
- The small positive ending balance in Year 1 is entirely due to the incorporation of the additional Indian Gaming revenues during the Summer Conference Season.
- Although the combined forecast change and reserve release for Indian Gaming increased the overall total for General Revenue, it had the opposite effect on recurring revenue.
 - *The future revenue share payments, including those formerly placed in reserve, have been treated as nonrecurring revenues because the continuation of these payments depends on actions by the state and the Seminole Tribe that cannot be anticipated with sufficient certainty.*
 - *Since the entire amount is now nonrecurring, the General Revenue Outlook loses between \$113.7 million and \$117.7 million that were formerly shown as recurring for each year of the period covered by the Long-Range Financial Outlook.*

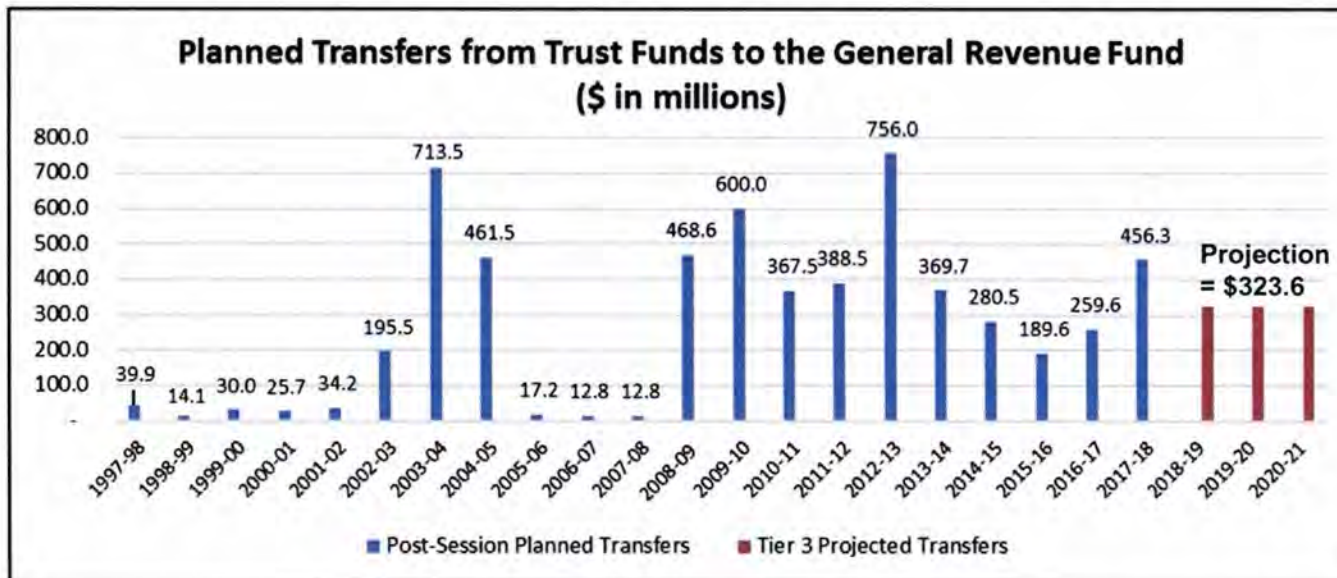
The Bottom Line

| 2017 Outlook | For the Period Beginning Fiscal Year 2018-19 | Year 1 | Year 2 | Year 3 | Level of Reserves |
|--------------|--|---------------|---------------|---------------|-------------------|
| | | (\$ Millions) | (\$ Millions) | (\$ Millions) | |
| Tier 1 | <i>Critical Needs</i> | \$1,924.6 | \$4,031.4 | \$7,140.1 | \$1,000.0 |
| Tier 2 | <i>Critical Needs & Other High Priority Needs</i> | (\$118.2) | (\$1,227.3) | (\$1,527.5) | \$1,000.0 |
| Tier 3 | <i>Critical Needs, Other High Priority Needs & Revenue Adjustments</i> | \$52.0 | (\$1,146.2) | (\$1,639.6) | \$1,000.0 |

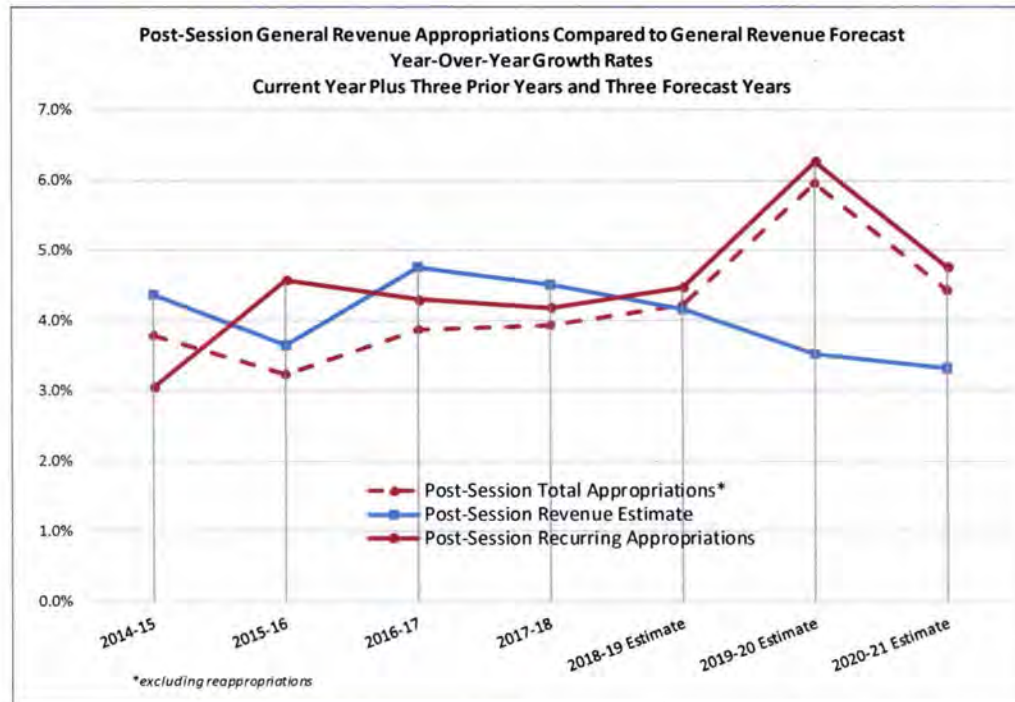
- Notwithstanding the positive impacts of the Indian Gaming revenues and the higher levels of trust fund transfers, the actions taken during the 2017 Session also had a modestly positive impact on the projected shortfalls identified in the 2016 Outlook. Even so, the large negative ending balances for Fiscal Year 2019-20 and Fiscal Year 2020-21 in both Tiers 2 and 3 indicate a looming problem remains.
- Particularly problematic is the fact that the recurring General Revenue demands exceed the amount of recurring General Revenue available all three years for both Tier 2 and Tier 3. This indicates that **a structural imbalance is occurring** between expenditures and revenues.
- Since the increase in projected recurring expenditures (and negative revenue adjustments in Tier 3) in FY 2018-19 clearly contributes to and worsens the problems in FY 2019-20 and FY 2020-21, **Fiscal Strategies are advisable for all three years of the Outlook** in order to manage the problems in the out-years.

Shoring Up Current Projections is Critical

- The Outlook’s results for all three years depend greatly on the Indian Gaming revenue changes and the heightened level of future trust fund transfers. If either of these assumptions fails to come to pass, the current results will significantly deteriorate.
 - The Settlement Agreement and Stipulation entered into between the Seminole Tribe of Florida and the State of Florida in July 2017 requires that “...the state takes aggressive enforcement action against the continued operation of banked card games, including Designated Player Games that are operated in a banked game manner...” Assuming that this happens, the Revenue Estimating Conference recognized all revenue share payments associated with banked card game activity. However, the Conference lacked sufficient certainty to make any of the payments recurring and converted the entire future stream of annual payments to nonrecurring dollars.
 - The heightened level of expected trust fund transfers may necessitate future budget reductions in the affected trust-funded programs in order to achieve this result. The Outlook includes a projected \$323.6 million of trust fund transfers compared to the long-range average of \$271.1 million.



Timing of Corrective Action



← The revenue estimates used here include the assumptions made in the Outlook regarding tax and significant fee changes.

Similar to the 2016 Outlook, this year's Outlook reveals actual shortfalls only in the two outer years. Among the many variables that should be considered is the timing of the corrective action.

While a fiscal strategy is required no later than FY 2019-20 to address the projected gap between revenues and expenditures, less disruptive courses of action would argue for at least some level of deployment beginning in FY 2018-19. Otherwise, there is the potential to increase funding for programs in Year 1 that would not survive Year 2.

Fiscal Strategies

- Conceptually, there are five options to eliminate a proposed budget gap in any given year of the Outlook.
 - Budget Reductions and Reduced Program Growth
 - Reduction or Elimination of Revenue Adjustments Affecting Taxes and Fees in Tier 3
 - Revenue Enhancements and Redirections
 - Trust Fund Transfers or Sweeps
 - Reserve Reductions
- With the exception of trust fund transfers or sweeps and reserve reductions, these options can be deployed on either a recurring or nonrecurring basis. When they are used to bring about a recurring change, they also have an impact on the following fiscal years.
- The magnitude of the **recurring** shortfall cannot be fixed by nonrecurring solutions alone. A simple reduction in the level of reserves or trust fund transfers or sweeps (in excess of those included in Tier 3) will close the gap in a particular year; however, these strategies do not solve the recurring problem.
- The other three options will become the basis of more meaningful strategies.

Benefit of Time

Tier 3 Projected Ending Balances

| Year | FY 2018-19 | | | |
|------|---------------------------------------|--------------|-------|-----------|
| | Adjustment and Revised Ending Balance | | | |
| | Recurring | Nonrecurring | Total | |
| 1 | Adj | 0.0 | 0.0 | 0.0 |
| | End Bal | (265.0) | 317.0 | 52.0 |
| Year | FY 2019-20 | | | |
| | Adjustment and Revised Ending Balance | | | |
| | Recurring | Nonrecurring | Total | |
| 2 | Adj | 0.0 | 0.0 | 0.0 |
| | End Bal | (1,146.3) | 0.1 | (1,146.2) |
| Year | FY 2020-21 | | | |
| | Adjustment and Revised Ending Balance | | | |
| | Recurring | Nonrecurring | Total | |
| 3 | Adj | 0.0 | 0.0 | 0.0 |
| | End Bal | (1,677.4) | 37.8 | (1,639.6) |

Timing Scenario A

| Year | FY 2018-19 | | | |
|------|---------------------------------------|--------------|-------|---------|
| | Adjustment and Revised Ending Balance | | | |
| | Recurring | Nonrecurring | Total | |
| 1 | Adj | (559.1) | 189.6 | (369.5) |
| | End Bal | 294.1 | 127.4 | 421.5 |
| Year | FY 2019-20 | | | |
| | Adjustment and Revised Ending Balance | | | |
| | Recurring | Nonrecurring | Total | |
| 2 | Adj | (559.1) | 189.6 | (369.5) |
| | End Bal | (28.1) | 180.0 | 151.9 |
| Year | FY 2020-21 | | | |
| | Adjustment and Revised Ending Balance | | | |
| | Recurring | Nonrecurring | Total | |
| 3 | Adj | (559.2) | 189.7 | (369.5) |
| | End Bal | 0.0 | 0.0 | 0.0 |

- Timing Scenario “A” takes full advantage of the upcoming Session to improve the outlook for the two subsequent years.
- Other scenarios that focus more on the second year are also feasible, but to the extent the corrective actions are delayed, they will result in a more intense and concentrated effort to produce the required savings in FY 2019-20.
- At the extreme edge of this subset of options would be a total delay of corrective actions until Year 2 (FY 2019-20). This will result in the need to clear the projected shortfalls of \$1.23 billion (Tier 2) or \$1.15 billion (Tier 3).

Black Swans

“Black Swans” are low probability, high impact events:

- A severe natural disaster that stresses the state’s reserves.
 - 2004 and 2005 Hurricane Seasons cost more than they generated in revenue.
 - Budget Stabilization Fund balance will be nearly \$1.42 billion in FY 2017-18, and General Revenue Reserve is nearly \$1.46 billion.

| Year | Florida Landfall Strength | Nominal State \$'s |
|-------------|---------------------------|--------------------|
| 2004 | | |
| Jeanne | 3 | \$790.7 million in |
| Charley | 4 | added cost vs. |
| Frances | 2 | \$751.9 million in |
| Ivan | 3 | added revenue |
| 2005 | | |
| Dennis | 3 | \$625.4 million in |
| Wilma | 3 | added cost vs. |
| Katrina | 1 | \$422.1 million in |
| Rita | 2 | added revenue |
| 2016 | | |
| Hermine | 1 | |
| Matthew | No Landfall | |

Andrew, 1992

Category 5 – Miami, Miami-Dade County
 \$26.5 billion in Florida damages (ranked as the 4th most costliest in the US)
 In 2017 dollars: \$45.91 billion in damages

Charley, 2004

Category 4 – Ft. Myers, Lee County
 \$13.5 billion in Florida damages
 In 2017 dollars: \$17.4 billion in damages

Wilma, 2005

Category 3 – Naples, Collier County & Key West, Monroe County
 \$20.6 billion in Florida damages
 In 2017 dollars: \$25.37 billion in damages

Hurricanes: Economic Phases

| Phase | Defining Characteristics | Statewide Economic Consequences |
|---|---|--|
| Preparatory Phase <i>(approximately 72 hours in advance of the hurricane to landfall)</i> | <ul style="list-style-type: none"> • Purchase of Emergency Supplies (canned food, batteries, radios, candles, flashlights, charcoal, gas, propane, water, ice, shutters, boards / plywood, etc.) • Evacuation Expenses <ul style="list-style-type: none"> ○ In-State...hotels and lodging, transport costs like rental cars and gas ○ Out-of-State...leakage | <p>Demand ...Localized increase in demand for specific items, and potential non-affected area increase in lodging demand, but largely undetectable</p> <p>State Budget ...Shifting of costs from normally provided services to emergency management, as well as unanticipated overtime and shelter costs</p> <p>State Revenues ...Slight uptick, but largely undetectable</p> |
| Crisis Phase <i>(landfall to several weeks after landfall)</i> | <ul style="list-style-type: none"> • Rescue and relief efforts (largely public, charitable, or free) • Roads closed due to debris • Private structures and public infrastructure damaged • Utility disruptions • Businesses and non-essential parts of government closed • Temporary homelessness • Violence and looting | <p>Demand ...Localized decrease in overall demand; significance depends on the event</p> <p>State Budget ...Government agencies provide goods and services and incur new expenditures that may or may not be matched at a later time by the federal government</p> <p>State Revenues ...Detectable downtick; significance depends on the event</p> |
| Recovery Phase <i>(subsequent to the Crisis Phase and generally lasting up to two or three years)</i> | <ul style="list-style-type: none"> • Increased spending related to deductibles, repair, and replacement <ul style="list-style-type: none"> ○ Private Savings / Loans ○ State Spending ○ FEMA and Federal Spending ○ Insurance Payments • Competition for scarce resources (contractors, roofers, supplies, construction workers, building materials, debris removal, etc.) | <p>Demand ...Localized increase in overall demand, and prices likely increase for some items</p> <p>Employment ...Will temporarily see gains as relief and recovery workers move into the area</p> <p>State Budget ...Reallocation of state and local government spending to the affected area</p> <p>State Revenues ...Discernible and significant uptick</p> |
| Displacement Phase <i>(subsequent to the Recovery Phase and lasting from two to six years)</i> | <ul style="list-style-type: none"> • Reduction in normal purchasing behavior for items that were bought or replaced ahead of schedule • Demographic and labor shifts related to dislocated households and economic centers | <p>Demand ...Localized decrease in overall demand, but largely undetectable at the state level</p> <p>State Revenues ...Slight downtick, but largely undetectable</p> |

State Recovery Costs

| HURRICANE RECOVERY EXPENDITURES | | Final 2004 | Final 2005 | YTD Irma |
|---------------------------------|---|---------------|---------------|-------------|
| <i>Match</i> | State Match for FEMA Funds | 403.0 | 401.3 | |
| | | 403.0 | 401.3 | |
| <i>Budget Amendments</i> | BA - Emergency Food Stamp Services | 1.3 | 3.3 | |
| | BA - Grants to Public Schools | 12.1 | | |
| | BA - Visit Florida for Tourism | 4.8 | | |
| | BA - National Guard Expenditures | | 14.5 | 25.2 |
| | BA - Military Affairs | | 2.8 | |
| | BA - FDLE / Public Assistance - State Ops | | | 0.8 |
| | BA - DFS / Public Assistance - State Ops | | | 0.2 |
| | BA - DACS Mosquito Spraying | | | 6.0 |
| | | 18.2 | 20.6 | 32.1 |
| <i>Legislative Action</i> | Property Tax / Mobile Homes | 35.1 | | |
| | Beaches and Dunes | 64.6 | 50.0 | |
| | Agricultural Programs | 7.1 | | |
| | Affordable Housing | 250.0 | 108.0 | |
| | Grants to Schools | 12.7 | | |
| | DCA Funding for non-fed reimbursed items | | 1.2 | |
| | Hurricane Relief Funding / Repairs | | 35.1 | |
| | Community College Risk Mgmt Fund | | 1.3 | |
| | Mental Health | | 5.3 | |
| | Hurricane Damaged Marinas | | 2.5 | |
| Roof Repairs to 4th DCA (WPB) | | 0.2 | | |
| | | 369.5 | 203.6 | |
| Total State Expenditures | | 790.7 | 625.5 | 32.1 |

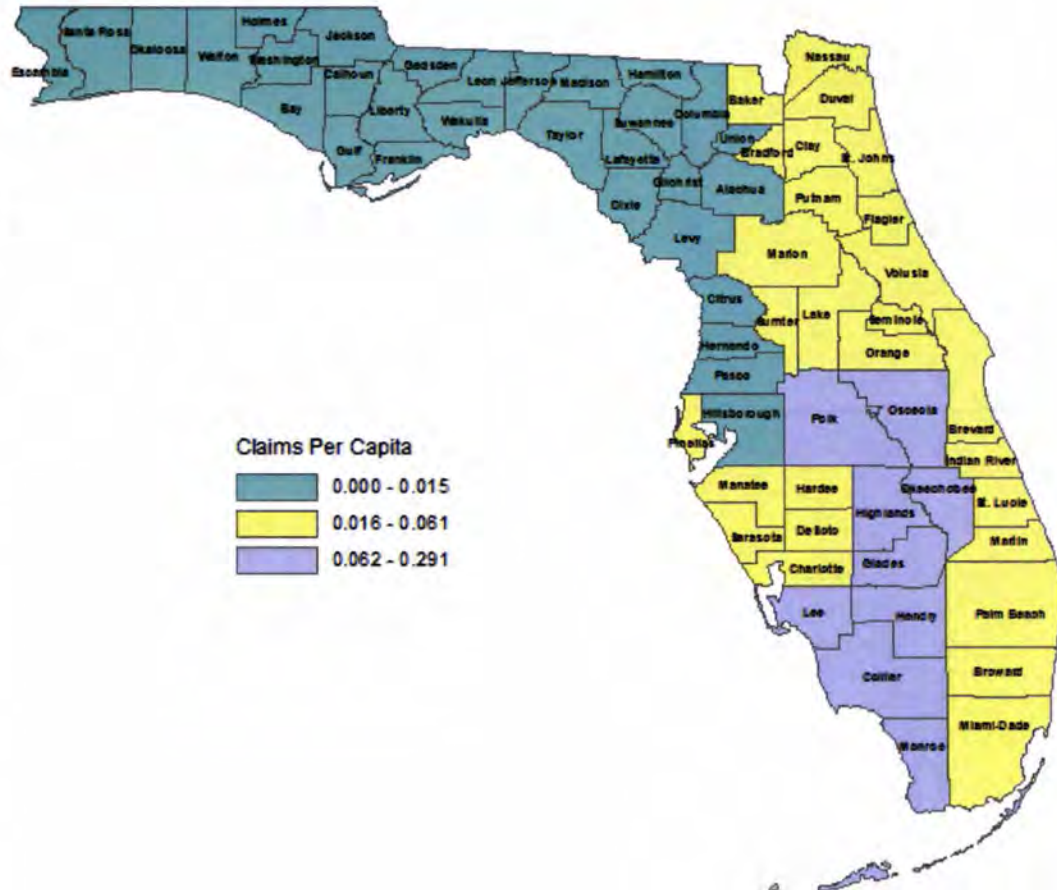
| | |
|----------------------------------|-------------|
| IRMA Bridge Loans | 10.0 |
| General Revenue Impact from Irma | <u>42.1</u> |

Hurricane Irma: Indexed Insured Claims (YTD)

- On a per capita basis, the largest number of claims is in Monroe County
- In absolute number, Miami-Dade has the largest number of claims

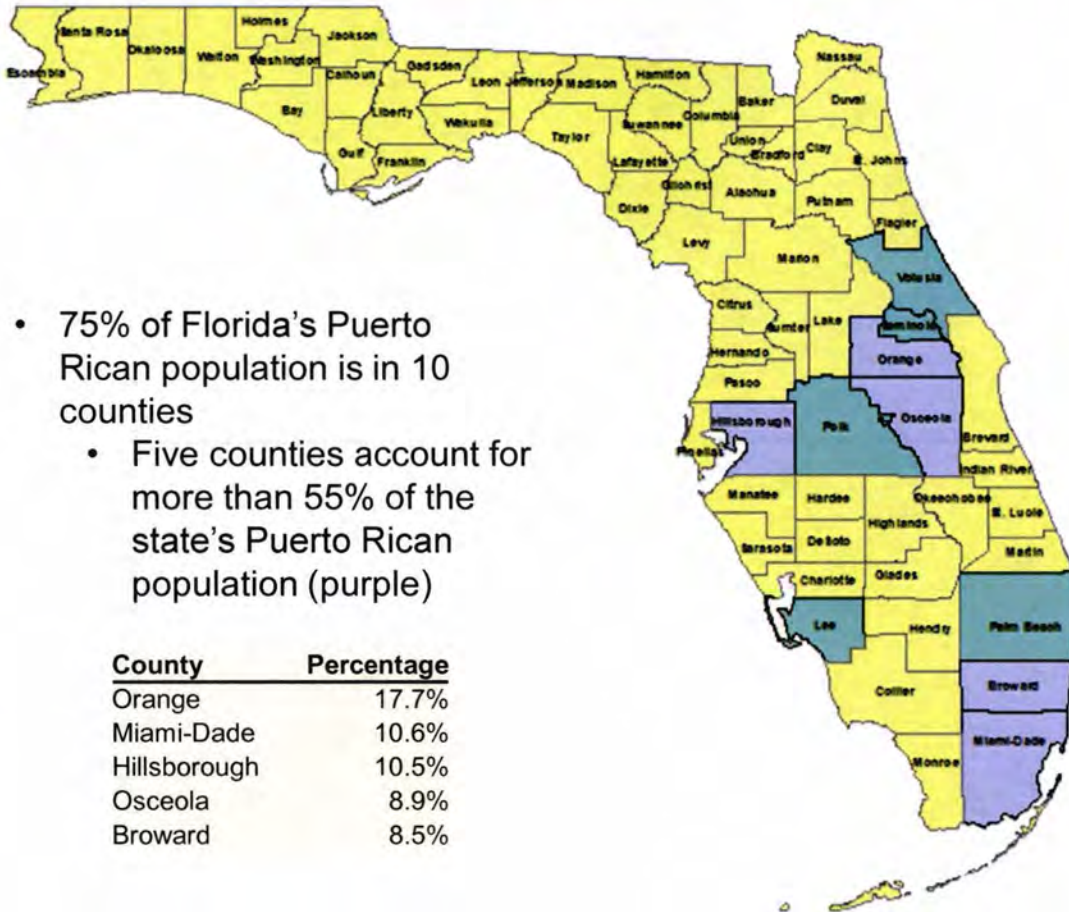
Counties with Over 20,000 Claims

| COUNTY | CLAIMS |
|------------|--------|
| MIAMI-DADE | 79,827 |
| ORANGE | 54,962 |
| BROWARD | 52,741 |
| LEE | 49,525 |
| COLLIER | 44,493 |
| POLK | 41,143 |
| BREVARD | 30,486 |
| DUVAL | 27,931 |
| PALM BEACH | 26,136 |
| MONROE | 22,398 |
| OSCEOLA | 21,873 |
| PINELLAS | 20,423 |



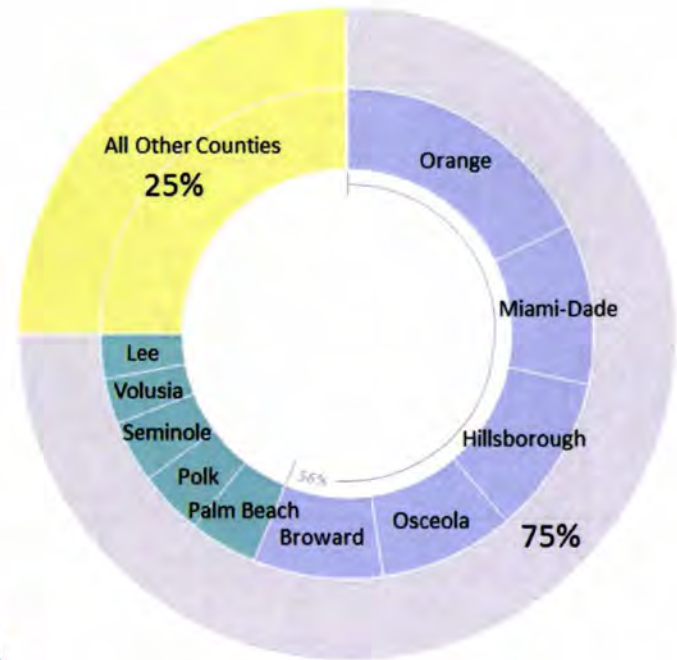
Source: Florida Office of Insurance Regulation, Claims filed as of September 30, 2017

Florida's Puerto Rican* Population



- 75% of Florida's Puerto Rican population is in 10 counties
 - Five counties account for more than 55% of the state's Puerto Rican population (purple)

| County | Percentage |
|--------------|------------|
| Orange | 17.7% |
| Miami-Dade | 10.6% |
| Hillsborough | 10.5% |
| Osceola | 8.9% |
| Broward | 8.5% |



Statewide: 977,995

* Population that identifies themselves as Hispanic or Latino Origin by Specific Origin (Puerto Rican)
 Source: US Census Bureau, 2011-2015 American Community Survey 5-year estimates.