

# FLORIDA HOUSE OF REPRESENTATIVES

## BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

**BILL #:** [CS/HB 1221](#)

**TITLE:** Local Option Taxes

**SPONSOR(S):** Miller

**COMPANION BILL:** [CS/SB 1664](#) (Trumbull)

**LINKED BILLS:** None

**RELATED BILLS:** None

### Committee References

[Ways & Means](#)

13 Y, 4 N, As CS



[Intergovernmental Affairs](#)

10 Y, 7 N



[State Affairs](#)

## SUMMARY

### Effect of the Bill:

The bill requires that any local discretionary sales surtax, tourist development tax, or local option food and beverage tax which is subject to approval in a referendum and is in effect on June 30, 2025, be renewed on or before January 1, 2033. The bill provides an exception for taxes pledged for debt service before July 1, 2025 on bonds that mature on or after January 1, 2033, requiring those taxes to be renewed before January 1 of the year after the bonds mature.

The bill generally creates a new 8-year duration for these taxes, but allows future levies to be pledged for debt service are subject to a maximum 30-year duration. These changes do not revise which taxes are subject to referendum, and do not apply to the Pension Liability Surtax in [s. 212.055\(9\), F.S.](#)

### Fiscal or Economic Impact:

The Revenue Estimating Conference estimates that the provisions of the bill will not impact state or local government revenues.

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## ANALYSIS

### EFFECT OF THE BILL:

The bill requires that any local [discretionary sales surtax](#) (Section [3](#)), [tourist development tax](#) (Section [1](#)), or local option [food and beverage tax](#) (Section [2](#)) in effect on June 30, 2025 and for which a referendum is currently required to enact the tax, the local government levying the tax must conduct a referendum to reauthorize the tax on or before January 1, 2033. If a referendum is not held on or before that date, the surtax will no longer be in effect beginning January 1, 2033, unless such levies are pledged for debt service. Any levy pledged for debt service may continue until the debt is retired, and the levy will be subject to reauthorization requirement on the January 1st following the retirement of the debt.

The bill also establishes an eight-year maximum time limit for all new levies of discretionary sales and tourist development taxes that are subject to approval by referendum, except for the 0.25 percent trauma center discretionary sales surtax that may be levied for counties with a population of fewer than 800,000 residents.<sup>1</sup> The bill retains the existing four-year limitation for that surtax. (Section [3](#))

The bill provides an exception to the eight-year limitation for new levies used to service bond indebtedness. Instead of an eight-year limitation, the bill allows for a levy for no more than 30 years if:

- The ordinance or resolution levying the tax specifies that the proceeds will be used for the purpose of servicing bond indebtedness, and provides specific information on what the debt will be used for and the duration of the indebtedness; and

<sup>1</sup> [S. 212.055\(4\)\(b\)4., F.S.](#)

- The ballot voted on in the referendum specifies that the proceeds will be used to service bond indebtedness and includes a brief and general description of what the debt will be used for and the maximum duration of the levy. (Sections [1](#) and [3](#))

The bill also provides a similar eight-year limitation for the imposition of the local option food and beverage tax under [s. 212.0306, F.S.](#) in those cities in Miami-Dade County which currently levy the municipal resort tax pursuant to Ch. 67-930, L.O.F. (Section [2](#))

None of these changes affect the pension liability surtax found in [s. 212.055\(9\), F.S.](#) (Section [3](#))

The bill takes effect July 1, 2025. (Section [4](#))

## **FISCAL OR ECONOMIC IMPACT:**

### **LOCAL GOVERNMENT:**

The Revenue Estimate Conference estimates the provisions of the bill will not impact on local government revenue.

## **RELEVANT INFORMATION**

### **SUBJECT OVERVIEW:**

#### **Local Discretionary Sales Surtaxes**

Counties have been granted limited authority to levy discretionary sales surtaxes for specific purposes on all transactions occurring in the county subject to the state sales tax in ch. 212, F.S., and on communications services as defined in ch. 202, F.S.<sup>3</sup> A discretionary sales surtax is based on the rate in the county where the taxable goods or services are sold, or delivered into, and is levied in addition to the state sales and use tax of 6 percent. The surtax does not apply to the sales price above \$5,000 on any item of tangible personal property.

Approved purposes for levying a surtax include:

- Operating a regional transportation system in a charter county;<sup>4</sup>
- Financing local government infrastructure projects;<sup>5</sup>
- Providing additional revenue for specified small counties;<sup>6</sup>
- Providing medical care for indigent persons;<sup>7</sup>
- Funding trauma centers;<sup>8</sup>
- Operating, maintaining, and administering a county public general hospital;<sup>9</sup>
- Constructing and renovating schools;<sup>10</sup>
- Providing emergency fire rescue services and facilities;<sup>11</sup> and
- Funding pension liability shortfalls.<sup>12</sup>

<sup>2</sup> Revenue Estimating Conference, [https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2025/\\_pdf/page161-164.pdf](https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2025/_pdf/page161-164.pdf) (last visited Apr. 7, 2025)

<sup>3</sup> The tax rates, duration of the surtax, method of imposition, and proceed uses are individually specified in [s. 212.055, F.S.](#) General limitations, administration, and collection procedures are set forth in [s. 212.054, F.S.](#)

<sup>4</sup> [S. 212.055\(1\), F.S.](#)

<sup>5</sup> [S. 212.055\(2\), F.S.](#)

<sup>6</sup> [S. 212.055\(3\), F.S.](#) Note that the small county surtax may be levied by extraordinary vote of the county governing board if the proceeds are to be expended only for operating purposes.

<sup>7</sup> [S. 212.055\(4\)\(a\), F.S.](#) (for counties with more than 800,000 residents); [s. 212.055\(7\), F.S.](#) (for counties with less than 800,000 residents).

<sup>8</sup> [S. 212.055\(4\)\(b\), F.S.](#)

<sup>9</sup> [S. 212.055\(5\), F.S.](#)

<sup>10</sup> [S. 212.055\(6\), F.S.](#)

<sup>11</sup> [S. 212.055\(8\), F.S.](#)

<sup>12</sup> [S. 212.055\(9\), F.S.](#)

Current rates range from 0.5 percent to 2.0 percent in each of the 65 counties currently levying one or more surtaxes.<sup>13</sup> Many of the taxes have restrictions on what combination of taxes can be levied by a single county at one time.<sup>14</sup>

Fiscal Year 2023-24 levies for these taxes were as follows:

Surtax	Statute	Counties Levying/ Can Levy <sup>15</sup>	2023-24 Statewide Revenue <sup>16</sup>
Charter County Regional Transportation	<a href="#">s. 212.055(1), F.S.</a>	3/23	\$1.07 Billion
Local Gov't Infrastructure	<a href="#">s. 212.055(2), F.S.</a>	26/67	\$2.32 Billion
Small County	<a href="#">s. 212.055(3), F.S.</a>	30/31	\$211 Million
Indigent Care (divided by population)	<a href="#">s. 212.055(4)(a), F.S.</a> and <a href="#">212.055(7), F.S.</a>	1/8 (greater than 800k); 5/58 (fewer than 800k)	\$195 Million; \$88 Million
Trauma Center	<a href="#">s. 212.055(4)(b), F.S.</a>	0/58	\$195 Million
County General Hospital	<a href="#">s. 212.055(5), F.S.</a>	1/1	\$403 Million
School Construction	<a href="#">s. 212.055(6), F.S.</a>	30/67	\$1.56 Billion
Emergency Fire Rescue Services	<a href="#">s. 212.055(8), F.S.</a>	1/65	\$311, 042
Pension Liability	<a href="#">s. 212.055(9), F.S.</a>	0/26 <sup>17</sup>	\$-

Most local discretionary sales surtaxes may only be approved by referendum, while some may be approved by a vote of the county commission.<sup>18</sup> Some of the surtaxes have set periods of time that they can be enacted for before requiring reenactment, others have no such specified time limit. The Charter County and Regional Transportation System Surtax in [s. 212.055\(1\), F.S.](#), for example, is currently limited to 30 years if adopted on or after July 1, 2020.

### [Tourist Development Taxes](#)

The Local Option Tourist Development Act<sup>19</sup> authorizes counties to levy five separate taxes on transient rental<sup>20</sup> transactions (tourist development taxes or TDTs) for specified purposes, all of which are generally related to the tourism industry.

Depending on a county's eligibility to levy such taxes, the maximum potential tax rate varies:

- The original TDT may be levied at the rate of 1 or 2 percent.<sup>21</sup>
- An additional 1 percent tax may be levied by counties who have previously levied the original TDT at the 1 or 2 percent rate for at least three years.<sup>22</sup>
- A high tourism impact tax may be levied at an additional 1 percent.<sup>23</sup>

<sup>13</sup> Dept. of Revenue, Discretionary Sales Surtax Information for Calendar Year 2025, Form DR-15DSS, available at [https://floridarevenue.com/Forms\\_library/current/dr15dss.pdf](https://floridarevenue.com/Forms_library/current/dr15dss.pdf) (last visited March 9, 2025).

<sup>14</sup> See, e.g., ss. [212.055\(4\)\(a\)6., F.S.](#), [212.055\(5\)\(f\), F.S.](#), and [212.055\(9\)\(g\), F.S.](#)

<sup>15</sup> See EDR, 2024 Local Discretionary Sales Surtax Rates in Florida's Counties, <https://edr.state.fl.us/Content/local-government/data/county-municipal/2024LDSSrates.pdf> (last visited Apr 7, 2025).

<sup>16</sup> Revenue Estimates taken from the Legislative Office of Economic and Demographic (EDR), *2023 Local Government Financial Information Handbook*, pp. 169-199, available at <https://edr.state.fl.us/Content/local-government/reports/lgfi23.pdf> (last visited March 16, 2025).

<sup>17</sup> The Pension Liability Surtax has been approved in a referendum to take effect in Duval County no later than January 1, 2031, but is not currently levied. See Duval County Ordinance 2017-257-E, available at [https://library.municode.com/FL/Jacksonville/ordinances/code\\_of\\_ordinances?nodeId=826832](https://library.municode.com/FL/Jacksonville/ordinances/code_of_ordinances?nodeId=826832) (last visited Mar. 24, 2025).

<sup>18</sup> See generally [s. 212.055, F.S.](#); but see [s. 212.055\(3\), F.S.](#) (small county surtax may be approved by extraordinary vote of the county commission as long as surtax revenues are not used for servicing bond indebtedness), and [s. 212.055\(5\), F.S.](#) (county public hospital surtax may be approved by extraordinary vote of the county commission).

<sup>19</sup> S. [125.0104, F.S.](#)

<sup>20</sup> S. [125.0104\(3\)\(a\)\(1\), F.S.](#) considers "transient rental" to be the rental or lease of any accommodation for a term of six months or less.

<sup>21</sup> S. [125.0104\(3\)\(c\), F.S.](#)

<sup>22</sup> S. [125.0104\(3\)\(d\), F.S.](#)

<sup>23</sup> S. [125.0104\(3\)\(m\), F.S.](#)

- A professional sports franchise facility tax may be levied up to an additional 1 percent.<sup>24</sup>
- An additional professional sports franchise facility tax no greater than 1 percent may be imposed by a county that has already levied the professional sports franchise facility tax.<sup>25</sup>

TDTs are levied in 62 of 67 counties, and total rates range from 2 to 6 percent.<sup>26</sup>

Fiscal Year 2023-24 levies for these taxes were as follows:

<b>Tax</b>	<b>Statute</b>	<b>Counties Levying/ Can Levy<sup>27</sup></b>	<b>2023-24 Statewide Revenues<sup>28</sup></b>
Original TDT	<a href="#">s. 125.0104(3)(c), F.S.</a>	62/67 (all at 2%)	\$709 Million
Additional TDT	<a href="#">s. 125.0104(3)(d), F.S.</a>	56/59	\$291 Million
High Tourism Impact TDT	<a href="#">s. 125.0104(3)(m), F.S.</a>	10/14	\$201 Million
Pro Sports TDT	<a href="#">s. 125.0104(3)(l), F.S.</a>	46/67	\$330 Million
Additional Pro Sports TDT	<a href="#">s. 125.0104(3)(n), F.S.</a>	36/65	\$252 Million

Prior to the authorization of a new TDT, the levy must be approved by a countywide referendum held at a general election<sup>29</sup> and approved by a majority of the electors voting in the county.<sup>30</sup> TDTs have no maximum period for which they may be levied, and no currently adopted TDT has a scheduled expiration date.<sup>31</sup>

Each county proposing to levy the original one or two percent tax must adopt an ordinance for the levy and imposition of the tax,<sup>32</sup> which must include a plan for tourist development prepared by the tourist development council.<sup>33</sup> The plan for tourist development must include the anticipated net tax revenue to be derived by the county for the two years following the tax levy, as well as a list of the proposed uses of the tax and the approximate cost for each project or use.<sup>34</sup> The plan for tourist development may not be substantially amended except by ordinance enacted by an affirmative vote of a majority plus one additional member of the governing board.<sup>35</sup>

Currently, once a county has obtained approval to levy a TDT tax through a referendum, that county is not required to seek electorate approval through a referendum to continue levying such TDT.

### **Local Option Food & Beverage Tax (Miami-Dade)**

In 1967, Florida authorized the municipal resort tax.<sup>36</sup> The law authorized cities and towns meeting certain population requirements located within counties also meeting certain population requirements to levy the tax.<sup>37</sup> The tax could be levied at a rate of up to 4 percent on rentals of hotel rooms and similar accommodations, and it could also be levied on sales of food and certain beverages consumed in restaurants and bars at a rate of up to 2

<sup>24</sup> S. [125.0104\(3\)\(l\), F.S.](#) Revenue can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities or professional sports franchises, and convention centers and to promote and advertise tourism.

<sup>25</sup> S. [125.0104\(3\)\(n\), F.S.](#)

<sup>26</sup> Office of Economic and Demographic Research, *2023 Local Government Financial Information Handbook*, pp. 255-256, available at <https://edr.state.fl.us/Content/local-government/reports/lghf23.pdf> (last visited March 10, 2025).

<sup>27</sup> Office of Economic & Demographic Research (EDR), *Local Option Tourist Taxes County Tax Rates: CY 2007-2025, 2024 Rates*, available at <http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm> (last visited March 16, 2025).

<sup>28</sup> EDR, *2023 Local Government Financial Information Handbook* (January 2024), p. 259, <http://edr.state.fl.us/Content/local-government/reports/lghf23.pdf> (last visited March 16, 2025)

<sup>29</sup> Section [125.0104\(6\)\(a\), F.S.](#)

<sup>30</sup> Section [125.0104\(6\), F.S.](#)

<sup>31</sup> EDR, *Local Option Tourist Taxes - Summary of Impositions, Expirations, and Rate Changes* available at <https://www.edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm> (last visited March 14, 2025).

<sup>32</sup> S. [125.0104\(4\)\(a\), F.S.](#)

<sup>33</sup> S. [125.0104\(4\), F.S.](#)

<sup>34</sup> See [s. 125.0104\(4\), F.S.](#)

<sup>35</sup> See [s. 125.0104\(4\), F.S.](#) The provisions found in s. 125.0104(4)(a)-(d), F.S., do not apply to the high tourism impact tax, the professional sports franchise facility tax, or the additional professional sports franchise facility tax.

<sup>36</sup> Ch. 67-930, L.O.F.

<sup>37</sup> Ch. 67-930, s. 1, L.O.F.

percent.<sup>38</sup> The municipal resort tax is currently levied in the cities of Bal Harbour, Surfside, and Miami Beach, all of which are located within Miami-Dade County.<sup>39</sup>

Florida has since authorized Miami-Dade County to levy the local option food and beverage tax.<sup>40</sup> The local option food and beverage tax consists of two taxes: a 2 percent tax on the sale of food, beverages, and alcoholic beverages sold in hotels and motels, and a 1 percent tax on the sale of food, beverages, and alcoholic beverages sold at an establishment licensed by the state to sell alcoholic beverages on site.<sup>41</sup> Sales in cities levying the municipal resort tax were required to be exempt from the local option food and beverage tax through July 1, 2023.<sup>42</sup>

In 2023, HB 7063,<sup>43</sup> authorized the imposition of the 1 percent local option food and beverage tax in a city or town that levies the municipal resort tax if the levy is approved by referendum in the city or town at a general election. HB 7073 (2024),<sup>44</sup> clarified that the approval of the tax in a referendum as authorized in the 2023 Tax Package must be by a majority of the voters voting in the election (not a majority of registered voters). Currently, none of the three cities have authorized the tax in a referendum at a general election.<sup>45</sup>

Miami-Dade County reports collections for food and beverage taxes for Fiscal Year 2022-23 to have been \$53.6 million, and estimates the Fiscal Year 2024-25 collections will be \$55.0 million.<sup>46</sup>

## Referendum Procedures

The Florida Election Code provides the general requirements for a referendum.<sup>47</sup> The question presented to voters must contain a ballot summary with clear and unambiguous language, such that a “yes” or “no” vote on the measure indicates approval or rejection, respectively.<sup>48</sup> The ballot summary should explain the chief purpose of the measure and may not exceed 75 words.<sup>49</sup> The ballot summary and title must be included in the resolution or ordinance calling for the referendum.<sup>50</sup> For some discretionary sales surtaxes, the form of the ballot question is specified by statute.<sup>51</sup>

Five types of elections exist under the Florida Election Code: primary elections, special primary elections, special elections, general elections, and presidential preference primary elections.<sup>52</sup> Historically, voter turnout during a general election is higher than during other elections.<sup>53</sup> A referendum to adopt, amend, or reenact a local government discretionary sales surtax under must be held at a general election. A referendum to reenact an expiring surtax must be held at a general election occurring within the 48-month period immediately preceding the effective date of the reenacted surtax. Such a referendum may appear on the ballot only once within the 48-month period.<sup>54</sup>

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<sup>38</sup> *Id.*

<sup>39</sup> See Office of Economic and Demographic Research, *2023 Local Government Financial Information Handbook*, p. 201, available at <https://edr.state.fl.us/Content/local-government/reports/lghfih23.pdf>, (last visited March 25, 2025).

<sup>40</sup> S. [212.0306, F.S.](#)

<sup>41</sup> S. [212.0306\(1\), F.S.](#)

<sup>42</sup> S. [212.0306\(2\)\(d\), F.S.](#) (2022)

<sup>43</sup> Ch. 2023-157, L.O.F.

<sup>44</sup> Ch. 2024-158, L.O.F.

<sup>45</sup> EDR, *2024 Local Option Tourist/Food and Beverage Tax Rates in Florida Counties*, available at <https://edr.state.fl.us/Content/local-government/reports/lghfih23.pdf>, pp. 255-256 (last visited March 10, 2025).

<sup>46</sup> EDR, *Local Option Food and Beverage Tax Collections, Total Collections: LFY 2004-2025* available at <https://www.edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm> (last visited March 14, 2025).

<sup>47</sup> S. [101.161, F.S.](#)

<sup>48</sup> S. [101.161\(1\), F.S.](#)

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> See s. [212.055\(4\)\(b\), F.S.](#)

<sup>52</sup> S. [97.021\(13\), F.S.](#)

<sup>53</sup> Department of State, Division of Elections, *Data and Statistics, Election Data, Voter Turnout*, available at: <http://dos.myflorida.com/elections/data-statistics/elections-data/voter-turnout/> (last visited March 14, 2025).

<sup>54</sup> S. [212.055\(10\), F.S.](#)

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2024	<a href="#">CS/HB 7073</a>	McClain		The bill as passed in the House provided duration restrictions for local taxes; removed before final passage.
2023	<a href="#">HB 7063</a>	McClain		Ch. 2023-157, L.O.F., required all referenda to approve local taxes be held at specified elections.
2022	<a href="#">CS/CS/HB 777</a>	Robinson, W.	Boyd	Ch. 2024-214, L.O.F., required certain TDTs to be approved at general elections.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<a href="#">Ways &amp; Means Committee</a>	13 Y, 4 N, As CS	3/20/2025	Aldridge	Berg
THE CHANGES ADOPTED BY THE COMMITTEE:	The PCS made technical and clarifying changes to: <ul style="list-style-type: none"><li>• Ensure only discretionary sales surtaxes subject to a referendum under current law are subject to the renewals and limitations in the bill, other than the surtax already excluded;</li><li>• Correct cross-references and dates; and</li><li>• Provide specificity for certain ordinance and referendum requirements.</li></ul>			
<a href="#">Intergovernmental Affairs Subcommittee</a>	10 Y, 7 N	4/9/2025	Darden	Jones
<a href="#">State Affairs Committee</a>				

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.