

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: HB 5501

INTRODUCER: Transportation & Economic Development Budget Subcommittee and Representative Shoaf

SUBJECT: Documentary Stamp Tax Distributions

DATE: April 16, 2025

REVISED: \_\_\_\_\_

| ANALYST    | STAFF DIRECTOR | REFERENCE | ACTION             |
|------------|----------------|-----------|--------------------|
| 1. Griffin | Sadberry       | AP        | <b>Pre-meeting</b> |

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## I. Summary:

HB 5501 revises the distribution of documentary stamp taxes by redirecting a portion of the collections that are currently deposited in state trust funds and deposits those revenues in the General Revenue Fund. The bill also repeals sections of the ch. 2023-17, Laws of Florida, the Live Local Act, which outlines the allocation of the portion of these revenues dedicated for housing programs.

The amended documentary stamp tax distributions provided for in the bill would reinstate the general revenue service charge previously assessed on documentary stamp taxes and eliminate an additional \$150 million allocation for affordable housing purposes.

The bill also eliminates the distribution of documentary stamp taxes deposited in the State Transportation Trust Fund and directs those proceeds to the General Revenue Fund. This would have a significant negative impact on the State Transportation Trust Fund. **See Section V., Fiscal Impact Statement.**

The bill is effective July 1, 2025.

## II. Present Situation:

### Documentary Stamp Tax

The documentary stamp tax levies an excise tax on deeds or other documents that convey an interest in Florida real property. The tax comprises two taxes imposed on different bases at different tax rates. The first tax rate is 70 cents on each \$100 of consideration for deeds, instruments, or writings whereby lands, tenements, or other real property or interests that are granted, assigned, transferred, conveyed, or vested in a purchaser.<sup>1</sup> The second tax rate is 35 cents per each \$100 of consideration for certificates of indebtedness, promissory notes, wage

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<sup>1</sup> Section 201.02, F.S.

assignments, and retail charge account agreements.<sup>2</sup> Revenue collected from the documentary stamp tax is divided between the General Revenue Fund and various trust funds<sup>3</sup> according to the statutory formula in s. 201.15, F.S.

Section 201.15, F.S., prescribes the distribution of revenues from the documentary stamp tax, after payments on certain outstanding bonds and the constitutionally required distribution to the Land Acquisition Trust Fund. The remaining revenues from the excise tax on documents are distributed to various trust funds, including the State Housing and Local Government Housing Trust Funds and the State Transportation Trust Fund.

### **Documentary Stamp Tax Distributions – Affordable Housing**

Since 1992, documentary stamp tax collections have been annually deposited into the State Housing Trust Fund and the Local Government Housing Trust Fund for affordable housing programs. For Fiscal Year 2024-2025 this is estimated to total \$154.2 million deposited into the Local Government Housing Trust Fund and \$65.7 million into the State Housing Trust Fund. These funds have historically been appropriated each year for the State Housing Initiatives Partnership (SHIP) program and the State Apartment Incentive Loan (SAIL) program.<sup>4</sup>

Additionally, since 2023 the lesser of eight percent or \$150 million of remaining documentary stamp tax proceeds in each fiscal year is required to be deposited into the State Housing Trust Fund.<sup>5</sup> If eight percent of the remainder is greater than \$150 million, the excess amount is paid into the General Revenue Fund. For Fiscal Year 2024-2025 the estimate amount in excess of \$150 million is \$48 million. The funds deposited into the State Housing Trust Fund are to be expended by the Florida Housing Finance Corporation (FHFC) as prescribed in s. 420.50871, F.S., as follows:

The FHFC must use 70 percent of the funds to issue competitive requests for application to finance projects that:

- Redevelop an existing affordable housing development while also allowing for the construction of a new development within close proximity to the existing development to be rehabilitated. This process entails first constructing a new affordable housing development, relocating the tenants from the existing development to the new development, and then demolishing the existing development to allow for reconstruction of an affordable housing development with more overall and affordable units;
- Address urban infill, including conversions of vacant, dilapidated, or functionally obsolete buildings or the use of underused commercial property;
- Provide for mixed use of the location, incorporating nonresidential uses, such as retail, office, institutional, or other appropriate commercial or nonresidential uses; or

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<sup>2</sup> Sections 207.07 and 201.08, F.S.

<sup>3</sup> The Land Acquisition Trust Fund, the State Transportation Trust Fund, the State Economic Enhancement and Development Trust Fund, the General Inspection Trust Fund, the Water Protection and Sustainability Program Trust Fund, the Resilient Florida Trust Fund, the State Housing Trust Fund, the Local Government Housing Trust Fund, and the Grants and Donations Trust Fund in COM.

<sup>4</sup> Section 201.15(4)(c)(d), F.S.

<sup>5</sup> Section 201.15(4), F.S.

- Provide housing near military installations in this state.<sup>6</sup>

The remaining 30 percent must be used to finance projects that:

- Propose using or leasing public lands. Projects that propose to use or lease public lands must include a resolution or other agreement with the unit of government owning the land to use the land for affordable housing purposes;
- Address needs of young adults who age out of the foster care system;
- Meet the needs of elderly persons; or
- Provide housing to meet the needs in areas of rural opportunity.

Beginning in 2033 this distribution expires and this funding will be deposited into the General Revenue Fund.

### **Documentary Stamp Tax Distributions – Transportation**

The Department of Transportation receives distributions of the lesser of \$466.75 million or 20.5453 percent in each fiscal year to the credit of the State Transportation Trust Fund. These funds are to be utilized as follows:

- Ten percent of the funds must be used for capital funding for the New Starts Transit Program, authorized by Title 49, U.S.C. s. 5309 and specified in s. 341.051, F.S., which is designed to assist local governments in developing and constructing fixed-guideway and bus rapid transit projects in Florida.
- Ten percent of the funds must be used for the Small County Outreach Program (SCOP) as specified in s. 339.2818, F.S. This program assists small county governments in repairing or rehabilitating county bridges, paving unpaved roads, addressing road-related drainage improvements, resurfacing or reconstructing county roads, or constructing capacity or safety improvements to county roads.
- Seventy five percent of the funds, after deduction of the payments required for the New Starts Transit Program and the Small County Outreach Program, must be used for the Strategic Intermodal System specified in ss. 339.61, 339.62, 339.63, and 339.64, F.S.
- Twenty five percent of the funds, after deduction of the payments required for the New Starts Transit Program and the Small County Outreach Program, must be used for the Transportation Regional Incentive Program specified in s. 339.2819, F.S. The first \$60 million of the funds allocated must be allocated annually to the Florida Rail Enterprise.<sup>7</sup>

### **General Revenue Service Charge**

A service charge of eight percent is assessed on revenue income from most trust funds in the state and is deposited into the General Revenue Fund. This service charge represents the estimated pro rata share of the cost of general government paid from the General Revenue Fund. Revenue income includes all earnings received or credited by such trust funds, including the

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<sup>6</sup> Section 420.50871, F.S.

<sup>7</sup> Section 201.15(4)(a), F.S.

interest or benefit received from the investment of the principal of such trust funds as may be permitted by law.<sup>8</sup> Certain income and trust funds are exempt from this service charge.<sup>9</sup>

### **Housing Trust Funds**

The State Housing Trust Fund, administered by the FHFC,<sup>10</sup> is “to be used for new construction and substantial rehabilitation of housing, to improve the state’s ability to serve first-time homebuyers, and to increase the affordability and availability of the housing stock in the State of Florida.”<sup>11</sup> The 1992 Sadowski Act increased documentary stamp tax rates and provided for a certain proportion of documentary stamp tax revenues to be distributed to the State Housing Trust Fund. A large portion of these funds are utilized in the (SAIL) Program.

The Local Government Housing Trust Fund, administered by the FHFC,<sup>12</sup> is used to fund the (SHIP) Program, which was created “for the purpose of providing funds to local governments as an incentive for the creation of partnerships to produce and preserve affordable housing.”<sup>13</sup> A certain proportion of documentary stamp tax revenues are distributed to the Local Government Housing Trust Fund.

### **Florida Housing Finance Corporation**

The Florida Housing Finance Corporation was created in 1997 as a public-private entity to assist in providing a range of affordable housing opportunities for Floridians. The FHFC is a corporation held by the state and housed within the Department of Commerce (COM). The FHFC is a separate budget entity and its operations are not subject to control, supervision, or direction by COM.<sup>14</sup>

The goal of the FHFC is to increase the supply of safe, affordable housing for individuals and families with very low to moderate incomes by stimulating investment of private capital and encouraging public and private sector housing partnerships. As a financial institution, the FHFC administers federal and state resources to finance the development and preservation of affordable rental housing and assist homebuyers with financing and down payment assistance.

### **State Apartment Incentive Loan Program (SAIL)**

The SAIL program is administered by the FHFC and provides low-interest loans on a competitive basis to multifamily affordable housing developers.<sup>15</sup> These funds often serve to bridge the gap between the development’s primary financing and the total cost of the

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<sup>8</sup> Section 215.20, F.S.

<sup>9</sup> See s. 215.22, F.S., for list of exempt revenue and trust funds.

<sup>10</sup> Chapter 92-317, ss. 1-35, Laws of Fla.; s. 420.0005, F.S.

<sup>11</sup> Section 420.003(5), F.S. (1988).

<sup>12</sup> Section 420.9079, F.S.

<sup>13</sup> Chapter 92-317, s. 32, Laws of Fla.; s. 420.9072, F.S. (1992).

<sup>14</sup> Section 420.504, F.S.

<sup>15</sup> Section 420.5087, F.S.

development. The SAIL program dollars are available for developers proposing to construct or substantially rehabilitate multifamily rental housing.<sup>16</sup>

The SAIL program funding is distributed by the FHFC through a competitive solicitation process.<sup>17</sup> Each year the FHFC issues several requests for application, formal offers of funding that require aspirant developers to provide the FHFC with detailed information related to the development. These requests for application vary by geography and the needs of the community, based on a statewide market study.<sup>18</sup> Applications are then reviewed and scored by the FHFC based on a number of criteria, and awards are made from the highest scoring applications.

Current law allows the FHFC to prioritize a portion of SAIL program funding set aside for persons with special needs to provide funding for the development of newly constructed permanent rental housing on a campus that provides housing for persons in foster care or persons aging out of foster care.<sup>19</sup> This housing must promote and facilitate access to community-based supportive, educational, and employment services and resources that assist persons aging out of foster care to successfully transition to independent living and adulthood.

### **State Housing Initiatives Partnership Program (SHIP)**

The SHIP program was created in 1992<sup>20</sup> to provide funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The SHIP program provides funds to all 67 counties and 52 Community Development Block Grant<sup>21</sup> entitlement cities on a population-based formula to finance and preserve affordable housing based on locally adopted housing plans.<sup>22</sup> The SHIP program funds may be used to pay for emergency repairs, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buydowns, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling.<sup>23</sup>

Funds are expended per each local government's adopted Local Housing Assistance Plan (LHAP), which details the housing strategies it will use. Local governments submit their LHAPs to the FHFC for review to ensure they meet the broad statutory guidelines and the requirements of the program rules. The FHFC must approve an LHAP before a local government may receive SHIP program funding.

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<sup>16</sup> Florida Housing Finance Corporation, *State Apartment Incentive Loan*, (2025), <https://floridahousing.org/programs/developers-multifamily-programs/state-apartment-incentive-loan> (last visited Apr. 13, 2025).

<sup>17</sup> Section 420.5087(1), F.S.

<sup>18</sup> *Id.*

<sup>19</sup> Section 420.5087(10), F.S.

<sup>20</sup> Chapter 92-317, Laws of Fla.

<sup>21</sup> The CDBG program is a federal program created in 1974 that provides funding for housing and community development activities.

<sup>22</sup> See ss. 420.907, F.S., through 420.9089, F.S.

<sup>23</sup> Section 420.9075(1)(b), F.S.

## **State Transportation Trust Fund (Department of Transportation)**

Section 206.46, F.S., authorizes the creation of the State Transportation Trust Fund (STTF), which is used by the FDOT to account for the administration of the maintenance and development of the state highway system and other transportation related projects. The STTF's primary revenue sources from state taxes and fees include fuel taxes and motor vehicle license related fees.<sup>24</sup> Current projections by the Revenue Estimating Conference of these state revenues deposited into the STTF total over \$4.7 billion for Fiscal Year 2025-2026.<sup>25</sup>

### ***New Starts Transit Program***

The New Starts Transit Program was established by the 2005 Florida Legislature to assist local governments in developing and constructing fixed-guideway and bus rapid transit projects to accommodate and manage urban growth and development. The New Starts Transit Program was designed to allow for the leverage of state funds to generate local transportation revenues and secure Federal Transit Administration New Starts Program funding for Florida projects.<sup>26</sup>

The department may fund up to 50 percent of the nonfederal share of the costs, not to exceed the local share, of any eligible public transit capital project or commuter assistance project that is local in scope; except, however, that departmental participation in the final design, right-of-way acquisition, and construction phases of an individual fixed-guideway project which is not approved for federal funding shall not exceed an amount equal to 12.5 percent of the total cost of each phase.<sup>27</sup>

State funding to support the New Starts Transit Program comes from documentary stamp tax distributions and certain motor vehicle registration transactions.<sup>28</sup>

### ***Small County Outreach Program***

The Small County Outreach Program was created with the purpose of assisting small county governments in repairing or rehabilitating county bridges, paving unpaved roads, addressing road-related drainage improvements, resurfacing or reconstructing county roads, or constructing capacity or safety improvements to county roads.

Small counties are eligible to compete for funds that have been designated for the Small County Outreach Program (SCOP) for projects on county roads. Available funds are allocated to the districts based on the number of eligible counties. The Department of Transportation funds 75 percent of the cost of projects on county roads funded under the program. Funding to support the

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<sup>24</sup> Florida Department of Transportation, *Florida's Transportation Tax Sources*, (2025), <https://fdotewp1.dot.state.fl.us/FMSupportApps/Documents/prs/Primer.pdf> (last visited Apr. 13, 2025).

<sup>25</sup> Office of Economic & Demographic Research, Revenue Estimating Conference, *Revenues to State Transportation Trust Fund Forecast*, (March 3, 2025), <https://edr.state.fl.us/content/conferences/transportation/Transresults.pdf> (last visited Apr. 14, 2025).

<sup>26</sup> Florida Department of Transportation, *Resource Guide for Transit and Transit-Related Programs*, (October 2011), [https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/transit/documents/transitresourceguide\\_fb4d59a5-c4d5-453d-98eb-85b33b526588.pdf?sfvrsn=a4a21cda\\_0](https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/transit/documents/transitresourceguide_fb4d59a5-c4d5-453d-98eb-85b33b526588.pdf?sfvrsn=a4a21cda_0) (last visited Apr. 13, 2025).

<sup>27</sup> Florida Department of Transportation, *Vital Few – Enhancing Mobility, State New Starts Transit Program*, (August 2021), [https://floridatransit.org/wp-content/uploads/State-New-Starts\\_FDOT\\_Aug2021.pdf](https://floridatransit.org/wp-content/uploads/State-New-Starts_FDOT_Aug2021.pdf) (last visited Apr. 13, 2025).

<sup>28</sup> Section 320.072, F.S.

SCOP comes from documentary stamp tax distributions, local option fuel taxes,<sup>29</sup> and certain motor vehicle registration transactions.<sup>30</sup> Section 339.08, F.S., also authorizes the FDOT to use funds in the State Transportation Trust Fund on SCOP.

### **Strategic Intermodal System**

The Strategic Intermodal System (SIS) is Florida's high priority network of transportation facilities that are important to the state's economy and mobility. The SIS was established in 2003 to focus the state's limited transportation resources on the facilities most significant for interregional, interstate, and international travel. The SIS is the state's highest priority for transportation capacity investments and a primary focus for implementing the Florida Transportation Plan, the state's long-range transportation vision and policy plan.<sup>31</sup>

State funding for the SIS comes from documentary stamp tax distributions, and certain motor vehicle registration transactions.<sup>32</sup> The FDOT is also required to allocate at least 50 percent of any new discretionary highway capacity funds to the SIS.<sup>33</sup> Section 339.08, F.S., also authorizes the FDOT to use funds in the State Transportation Trust Fund on the SIS.

### **Transportation Regional Incentive Program**

The Transportation Regional Incentive Program was created as part of major growth management legislation enacted during the 2005 Legislative Session. The purpose of the program is to encourage regional planning by providing state matching funds for improvements to regionally significant transportation facilities identified and prioritized by regional partners. The FDOT funds 50 percent of the project cost.

Projects to be funded with Transportation Regional Incentive Program funds must, at a minimum:

- Serve national, statewide, or regional functions and operate as part of an integrated regional transportation system.
- Be identified in the capital improvements element of a comprehensive plan that has been determined to be in compliance with part II of ch. 163, F.S., after July 1, 2005. Further, the project must be in compliance with local government comprehensive plan policies relative to corridor management.
- Be consistent with the Strategic Intermodal System Plan developed under s. 339.64, F.S.
- Have a commitment for local, regional, or private financial matching funds as a percentage of the overall project cost.<sup>34</sup>

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<sup>29</sup> Section 215.211, F.S.

<sup>30</sup> Section 320.072, F.S.

<sup>31</sup> Florida Department of Transportation, *Florida's Strategic Intermodal System (SIS)*, (2025), <https://www.fdot.gov/planning/systems/sis> (last visited Apr. 13, 2025).

<sup>32</sup> Section 320.072, F.S.

<sup>33</sup> Section 339.135 (4)(a)2., F.S.

<sup>34</sup> Section 339.2819, F.S.

### III. Effect of Proposed Changes:

The bill amends s. 201.15, F.S., to modify the distribution of documentary stamp taxes by redirecting a portion of the collections that are currently deposited in state trust funds and deposits those revenues in the General Revenue Fund.

The bill reinstates the general revenue service charge previously assessed on the documentary stamp tax which eliminates a \$150 million distribution to the State Housing Trust Fund. This additional distribution was time-limited between 2023 to 2033, and allocated for housing programs as provided in s. 420.50871, F.S. These additional distributions were created and implemented pursuant to ch. 2023-17, Laws of Florida, the Live Local Act.

The bill repeals s. 420.50871, F.S., which provides that 70 percent of the temporarily redistributed funds must finance projects that:

- Redevelop an existing affordable housing development while also allowing for the construction of a new development within close proximity to the existing development to be rehabilitated;
- Address urban infill, including conversions of vacant, dilapidated, or functionally obsolete buildings or the use of underused commercial property;
- Provide for mixed use of the location, incorporating nonresidential uses, such as retail, office, institutional, or other appropriate commercial or nonresidential uses; or
- Provide housing near military installations in this state.

The remaining 30 percent must be used to finance projects that:

- Propose using or leasing public lands;
- Address needs of young adults who age out of the foster care system;
- Meet the needs of elderly persons; or
- Provide housing to meet the needs in areas of rural opportunity.

The bill also amends s. 201.15, F.S., to redirect the distribution of documentary stamp tax proceeds from the Department of Transportation to general revenue in the amount of \$466.75 million or 20.5453 percent of remaining revenues after required distributions in each fiscal year is deposited into the State Transportation Trust Fund for the New Starts Transit Program, the Small County Outreach Program, the Strategic Intermodal System, and the Transportation Regional Incentive Program.

The bill makes conforming changes by repealing section 11 of ch. 2023-17, Laws of Florida (LOF), which provides that the service charge on documentary stamp tax that was diverted for affordable housing programs in 2023 would sunset on July 1, 2033, and repealing section 45 of ch. 2024-6, LOF, which amends language that would have been reverted upon expiration of certain provisions. The bill further amends ss. 201.0205, 339.0801, 339.55, 341.303, 343.58, 420.5092, and 420.9073, F.S., to conform cross-references and provisions to changes made by the bill.

The bill has an effective date of July 1, 2025.



**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**D. State Tax or Fee Increases:**

None.

**E. Other Constitutional Issues:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Private sector developers and the construction industry may have less funding to aid in the construction and rehabilitation of affordable housing and transportation facilities.

**C. Government Sector Impact:**

The bill reinstates the general revenue service charge previously assessed on documentary stamp taxes and eliminates an additional, time-limited distribution from these revenues being deposited in the State Housing Trust Fund which is scheduled to sunset in 2033. This eliminates a \$150 million distribution to the trust fund and increases deposits in the General Revenue Fund by the same amount. The bill does not have any impact on the documentary stamp tax distributions for affordable housing programs, referred to as the Sadowski funds, which for Fiscal Year 2024-2025, is estimated to total \$154.2 million for the Local Government Housing Trust Fund and \$65.7 million for the State Housing Trust Fund.

The bill also eliminates the distribution of documentary stamp taxes deposited in the State Transportation Trust Fund and directs those proceeds to general revenue. This will have a negative impact of \$466.8 million on the State Transportation Trust Fund with a positive impact on the General Revenue Fund of the same amount. Current law allocates

these funds among the New Starts Transit Program, the Small County Outreach Program, the Strategic Intermodal System and the Transportation Regional Incentive Program. The bill does not affect other funding sources for these programs or inhibit the department from utilizing additional funding sources. Currently other funding sources used by these programs include local option fuel taxes, motor vehicle title fees and motor vehicle registration fees.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 201.15, 201.0205, 339.0801, 339.55, 341.303, 343.58, 420.5092, and 420.9073.

This bill repeals section 420.50871 of the Florida Statutes.

This bill repeals the following sections of Florida law: s. 11 of ch. 2023-17 and s. 45 of ch. 2024-6.

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.