

# 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.*

<b>BILL #:</b> <a href="#">HB 665</a> <b>TITLE:</b> Local Government Impact Fees and Development Permits and Orders <b>SPONSOR(S):</b> Steele	<b>COMPANION BILL:</b> <a href="#">SB 482</a> (DiCeglie) <b>LINKED BILLS:</b> None <b>RELATED BILLS:</b> None
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## Committee References

[Housing, Agriculture & Tourism](#)

16 Y, 1 N



[Intergovernmental Affairs](#)



[Commerce](#)

## SUMMARY

### **Effect of the Bill:**

The bill prohibits a local government from requiring an applicant for a development permit or development order to install a work of art, pay a fee for a work of art, or reimburse the local government for any costs that the local government may incur related to a work of art, as a condition of processing or issuing the development permit or development order.

The bill also amends the Florida Impact Fee Act (Act) to define “extraordinary circumstances” and requires a local government seeking to increase an impact fee rate beyond the phase-in limitations established by the Act to identify in its demonstrated-need study the specific projects that will benefit, and how such projects will benefit, from exceeding the Act’s phase-in limitations on increases in impact fees.

### **Fiscal or Economic Impact:**

The bill has an indeterminate impact on the private sector and local governments.

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## ANALYSIS

### **EFFECT OF THE BILL:**

#### **Development Permits and Orders**

The bill prohibits a local government<sup>1</sup> from requiring an applicant to install a [work of art](#), pay a fee for a work of art, or reimburse the local government for any costs that the local government may incur related to a work of art, as a condition of processing or issuing a development permit or development order. (Section [1](#) for counties; Section [3](#) for municipalities.)

#### **Florida Impact Fee Act**

For purposes of the [Florida Impact Fee Act](#) (Act), the bill defines “[extraordinary circumstances](#)” to mean:

- For a county, that the permanent population estimate determined for the county by the [University of Florida Bureau of Economic and Business Research](#) (UF Bureau) is at least 1.25 times the 5-year high-series population projection for the county as published by the UF Bureau before the year of the population estimate; or
- For a municipality, that the municipality is located within a county with a permanent population estimate described above, and the municipality demonstrates that it has maintained a proportionate share of the county’s population growth during the preceding 5-year period. (Section [2](#).)

<sup>1</sup> Local government means any county or municipality. See [s. 163.3164\(29\), F.S.](#)

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**DATE:** 3/19/2025

Additionally, the bill requires a local government seeking to increase an impact fee rate beyond the phase-in limitations established by the Act to identify in its demonstrated-need study,<sup>2</sup> the specific projects that will benefit, and how such projects will benefit, from exceeding the Act’s phase-in limitations on increases in impact fees. (Section [2](#).)

The bill has an effective date of July 1, 2025. (Section [4](#).)

## **FISCAL OR ECONOMIC IMPACT:**

### **LOCAL GOVERNMENT:**

The bill has an indeterminate impact on local governments that condition the approval of a development permit or order on an applicant installing a work of art, paying a fee for a work of art, or reimbursing the local government for any costs incurred related to a work of art. The cities and counties that have such requirements regarding works of art will no longer be able to use public funds to subsidize the construction of art in those communities.

### **PRIVATE SECTOR:**

The bill has an indeterminate impact on developers.

## **RELEVANT INFORMATION**

### **SUBJECT OVERVIEW:**

#### **[Development-Funded Public Art](#)**

Under current law, local governments in Florida are not prohibited from requiring an applicant to install a work of art, pay a fee for a work of art, or reimburse the local government for any costs that the local government may incur related to a work of art, as a condition of the local government processing or issuing a development permit<sup>3</sup> or development order.<sup>4</sup> In fact, some counties and cities in Florida currently have ordinances that do just that.

As an example, the City of Naples requires all proposed projects containing new non-residential square footage, and all mixed-use projects to the extent that non-residential square footage is included, to either:

- Pay an established fee<sup>5</sup> into the public art fund,<sup>6</sup> which is non-refundable; or
- Obtain approval to acquire and install artwork on site for the proposed project. The artwork may be either an existing piece or a commissioned piece of art that is of equal or greater value than the established fee. The developer pays the established fee, which is then held in escrow and reimbursed to the developer as the artwork is acquired and installed.<sup>7</sup>

Similarly, the City of Tampa requires private developers that construct certain commercial structures to contribute one percent of the construction or reconstruction costs up to \$200,000 dollars to “the provision of fine

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<sup>2</sup> The purpose of the study is to demonstrate the need for a local government to exceed the phase-in limitations for an increase in impact fees, as provided by the Act. [S. 163.3180\(6\)\(g\)1, F.S.](#)

<sup>3</sup> A development permit includes any building permit, zoning permit, subdivision approval, rezoning, certification, special exception, variance, or any other official action of local government having the effect of permitting the development of land. [S. 163.3164\(16\), F.S.](#)

<sup>4</sup> A development order means any order that grants, denies, or grants with conditions an application for a development order. [S. 163.3164\(15\), F.S.](#)

<sup>5</sup> Established fee means the fee determined by resolution of the Naples City Council and reflected in Appendix A to Naples’ Code of Ordinances, which provides that the fee is \$1.00 per square foot. The fee is required to be paid when the permit is issued. *Id.*

<sup>6</sup> Public art fund means the fund used to record revenues and expenditures for the City of Naples’ public art program. *Id.*

<sup>7</sup> See Ord. No. 06-11447, codified as sections 46-42 of the Code of Ordinances, City of Naples, Fla. (Nov. 22, 2024), [https://library.municode.com/fl/naples/codes/code\\_of\\_ordinances?nodeId=PTIICOOR\\_CH46ADPREN](https://library.municode.com/fl/naples/codes/code_of_ordinances?nodeId=PTIICOOR_CH46ADPREN) (last visited Mar. 12, 2025).

art in conjunction with” the commercial structure to be built.<sup>8</sup> Alternatively, if the private developer or owner does not want to provide fine art, then the developer or owner may make a charitable donation of one percent of the construction or reconstruction costs to the City of Tampa.<sup>9</sup>

On the other hand, the City of Fort Meyers encourages, rather than requires, private developers to fund public art.<sup>10</sup>

### **Impact Fees**

Impact fees are a type of regulatory fee “imposed by local governments against new development to provide for capital facilities’ costs made necessary by population growth. Rather than imposing the costs of these additional capital facilities upon the general public, the purpose of impact fees is to shift the expense burden to newcomers.”<sup>11</sup> Examples of capital facilities include the provision of additional water and sewer systems, schools, libraries, parks and recreation facilities.<sup>12</sup> Impact fees are typically assessed using a fee schedule that sets forth the charge per type of dwelling unit or per square footage of floor space.<sup>13</sup> The charges are usually paid at the time the building permit is approved.<sup>14</sup>

The [Florida Impact Fee Act](#) (Act) provides requirements and procedures to be followed by a county, municipality, or special district when it adopts an impact fee.<sup>15</sup> These requirements include basing an impact fee’s calculation on recent and localized data and detailed accounting and reporting of collections and expenditures.<sup>16</sup>

Under the Act, a local government, school district, or special district may increase an impact fee rate beyond certain phase-in limitations<sup>17</sup> by establishing the need for the increase, provided the following criteria are met:

- A demonstrated-need study justifying any increase in excess of those authorized by the Act has been completed within the 12 months before the adoption of the impact fee increase and expressly demonstrates the [extraordinary circumstances](#) necessitating the need to exceed the phase-in limitations.
- The local government jurisdiction has held not less than two publicly noticed workshops dedicated to the extraordinary circumstances necessitating the need to exceed the phase-in limitations set forth in the Act.
- The impact fee increase ordinance is approved by at least a two-thirds vote of the governing body.<sup>18</sup>

### **University of Florida Bureau of Economic and Business Research**

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<sup>8</sup> See Ord. No. 2000-227, codified as sections 27-436 and 27-441 of the Code of Ordinances, City of Tampa, Fla. (Aug. 31, 2000), [https://www.tampa.gov/art-programs/Info/ordinance?utm\\_source=direct&utm\\_medium=alias&utm\\_campaign=tampagovnet](https://www.tampa.gov/art-programs/Info/ordinance?utm_source=direct&utm_medium=alias&utm_campaign=tampagovnet) (last visited Mar. 12, 2025).

<sup>9</sup> *Id.*

<sup>10</sup> See Ordinance Ord. No. 3890, codified as section 118.7.6 of the Code of Ordinances, City of Fort Meyers, Fla. (Jan. 1, 2020), [https://library.municode.com/fl/fort\\_meyers/codes/code\\_of\\_ordinances?nodeId=SPBLADECO\\_CH118LAUSRE\\_ART7COAP\\_11\\_8.7.6PUAR](https://library.municode.com/fl/fort_meyers/codes/code_of_ordinances?nodeId=SPBLADECO_CH118LAUSRE_ART7COAP_11_8.7.6PUAR) (last visited Mar. 12, 2025).

<sup>11</sup> Florida’s Office of Economic and Demographic Research, *Local Government Financial Information Handbook* (Nov. 2016), p. 13, <https://edr.state.fl.us/Content/local-government/reports/lgfih16.pdf> (last visited Mar. 12, 2025).

<sup>12</sup> Florida Housing Finance Corporation, *Overview of Impact Fees and Affordable Housing* (Oct. 2017), p. 1, [https://www.floridahousing.org/docs/default-source/aboutflorida/august2017/october2017/TAB\\_3.pdf](https://www.floridahousing.org/docs/default-source/aboutflorida/august2017/october2017/TAB_3.pdf) (last visited Mar. 12, 2025).

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> [S. 163.31801, F.S.](#)

<sup>16</sup> *Supra* note 11, p. 1.

<sup>17</sup> For purposes of this section in the Act, the phase-in limitations include the following:

- An increase to a current impact fee rate of not more than 25 percent of the current rate must be implemented in two equal annual increments beginning with the date on which the increased fee is adopted.
- An increase to a current impact fee rate which exceeds 25 percent but is not more than 50 percent of the current rate must be implemented in four equal installments beginning with the date the increased fee is adopted.
- An impact fee increase may not exceed 50 percent of the current impact fee rate.
- An impact fee may not be increased more than once every 4 years. S. 163.31801(6)(b)-(e), F.S.

<sup>18</sup> [S. 163.31801\(6\)\(g\), F.S.](#)

The [University of Florida Bureau of Economic and Business Research](#) (UF Bureau) was founded in 1929 and is currently part of the University of Florida’s College of Liberal Arts and Sciences.<sup>19</sup> The UF Bureau produces the state’s official state and local population estimates and projections, which are used for budgeting, planning, policy analysis, and state revenue-sharing for cities and counties in the state.<sup>20</sup> The UF Bureau also publishes the annual Florida Statistical Abstract, which provides information on Florida’s population, housing, employment, income, education, health, tourism, elections, and more.<sup>21</sup>

**RECENT LEGISLATION:**

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2024	<a href="#">CS/HB 479</a>	Robinson, W.	Martin	Passed both chambers and approved by the Governor.
2023	<a href="#">CS/CS/HB 235</a>	Robinson, W.	Brodeur	Died in the House.

**BILL HISTORY**

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<a href="#">Housing, Agriculture &amp; Tourism Subcommittee</a>	16 Y, 1 N	3/18/2025	Curtin	Fletcher
<a href="#">Intergovernmental Affairs Subcommittee</a>				
<a href="#">Commerce Committee</a>				

<sup>19</sup> University of Florida Bureau of Economic and Business Research, *About Us*, <https://bebr.ufl.edu/about/> (last visited Mar. 12, 2025).

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*