

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 1177](#)

TITLE: Spaceport Operations and Space Florida

SPONSOR(S): Sirois

COMPANION BILL: [SB 1512](#) (Burgess)

LINKED BILLS: [HB 1179](#) Sirois

RELATED BILLS: None

Committee References

[Ways & Means](#)

18 Y, 1 N, As CS

SUMMARY

Effect of the Bill:

The bill provides that certain property being used by a private lessee pursuant to a project authorized by Space Florida may qualify for a property tax exemption, and creates a sales tax exemption for certain machinery and equipment owned by Space Florida and leased pursuant to a project authorized by Space Florida. In addition, the bill provides that Space Florida is not subject to the competitive bidding requirements of [s. 255.20, F.S.](#), when purchasing professional or construction services, or both, using funds that are not appropriated by the Legislature.

The bill also provides that operational oversight, management, and day-to-day administration of each spaceport in Florida is vested in the spaceport's director or commander and requires each spaceport to develop and maintain an operational governance plan consistent with Space Florida's statewide strategic plan. The bill requires each spaceport to maintain an updated list of spaceport site readiness development projects and specifies the types of projects to be included on the list. Additionally, the bill defines the term "quintimodal transportation hub" and requires Space Florida to enhance and promote development and use of such hubs in Florida.

Fiscal or Economic Impact:

The Revenue Estimating Conference has not estimated the impact of the bill. Staff estimates the provision that extends a governmental property tax exemption to property used for projects authorized by Space Florida will have a recurring negative impact on local government revenues beginning in Fiscal Year 2027-28. Staff estimates the creation of a sales tax exemption for specified machinery and equipment to have a recurring impact of -\$22 million on General Revenue and -\$6.2 million on local government revenue, beginning in Fiscal Year 2026-27.

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ANALYSIS

EFFECT OF THE BILL:

The bill provides that certain property being used by a non-governmental lessee pursuant to a project authorized by the [Space Florida](#) board of directors is deemed to perform an essential governmental purpose and is exempt from [ad valorem](#) (property) taxes. The bill also expands the term "[governmental purpose](#)" to include "a defense or aerospace use." (Section [1](#))

This change to the definition of governmental purpose will first apply to the 2027 ad valorem tax roll. (Section [2](#))

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DATE: 2/11/2026

The bill exempts from [sales and use tax](#) the lease of tangible personal property by a private lessee, if:

- The property is owned by Space Florida;
- The property is required to be used by the lessee solely in connection with a defense or aerospace contract, program, or project and that use restriction is contained in the lease; and
- The lessee furnishes Space Florida with an affidavit attesting that the property will meet these requirements for the duration of the lease.

If a person provides a false affidavit to receive the exemption, that person is liable for back taxes and penalties provided by law.¹ (Section [3](#))

The bill provides that Space Florida is not subject to the [competitive bidding requirements](#) of [s. 255.20, F.S.](#), when purchasing professional or construction services, or both, using funds that are not appropriated by the Legislature. The bill requires that for such purchases Space Florida attest in writing that the funds used are not appropriated by the legislature. (Section [4](#))

The bill distinguishes the authority of individual [spaceports](#) in relation to Space Florida's authority. In particular, the bill provides that, notwithstanding any other provision of Space Florida's governing statutes, authority over the operational oversight, management, and day-to-day administration of each spaceport shall be vested in the spaceport director or commander² for that facility. The bill prohibits Space Florida from exercising direct control over local operational decisions unless specifically requested in writing by the spaceport director or commander or required to comply with applicable federal law or regulation. The bill provides that these terms do not diminish Space Florida's authority to finance, lease, or own spaceport facilities or to coordinate economic development initiatives across multiple [spaceport territories](#). Further, the bill specifies that Space Florida is responsible for statewide strategic planning, financing, economic development, and intergovernmental coordination. These provisions do not apply to federal property. (Sections [5](#) and [7](#))

The bill requires each spaceport to develop and maintain an operational governance plan consistent with Space Florida's statewide strategic plan. Each spaceport must submit its plan annually to Space Florida. The bill provides that these operational governance plans are not subject to approval by Space Florida. (Section [7](#))

The bill also requires each spaceport to maintain an updated list of spaceport site readiness development projects consistent with its operational governance plan and with Space Florida's [spaceport master plan](#). The bill specifies that the projects to be included on this list include, but are not limited to, utility and commodity supply extension, transportation infrastructure expansion, environmental reviews, and similar activities that, if completed, will support the future expansion of spaceport operations and related space and hypersonic industry activities, such as payload processing, manufacturing, and testing. Each spaceport must submit its project list annually to Space Florida. (Section [7](#))

The bill requires Space Florida, in coordination with the Department of Transportation (DOT), metropolitan planning organizations, and local governments, to enhance and promote the development and use of [quintimodal transportation hubs](#) in this state. The bill defines a quintimodal transportation hub as a spaceport territory within which interconnected transportation facilities are available to move people or property by means of road, railroad, airport, seaport, and spaceport facilities. (Sections [5](#) and [6](#))

The bill updates cross references to conform to the provisions of the bill. (Sections [8](#), [9](#), [10](#))

The bill is effective July 1, 2026. (Section [11](#))

¹ Section [212.085, F.S.](#) provides that when a person fraudulently issues a certificate or other written statement for the purpose of evading sales tax, that person is liable for the payment of tax, a mandatory penalty of 200% of the tax, and a fine or other punishment as provided by law for a conviction of a third-degree felony.

² The bill defines "spaceport director or commander" to mean "the individual designated by the governing body, agency, or military authority of a spaceport territory to administer the operations, maintenance, safety, and local agreements of that facility."

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The Revenue Estimating Conference has not estimated the impact of the bill. Staff estimates the creation of a sales tax exemption for specified machinery and equipment to have a recurring impact of -\$22 million on General Revenue beginning in Fiscal Year 2026-27.

LOCAL GOVERNMENT:

The Revenue Estimating Conference has not estimated the impact of the bill. Staff estimates the provision that extends a governmental property tax exemption to property used for projects authorized by Space Florida will have a recurring negative impact on local government revenues beginning in Fiscal Year 2027-28. Staff estimates the creation of a sales tax exemption for specified machinery and equipment to have a recurring impact -\$6.2 million on local government revenue, beginning in Fiscal Year 2026-27.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Space Florida

The Legislature passed the Space Florida Act in 2006,³ which consolidated Florida's three existing space entities – Florida Space Authority, Florida Space Research Institute, and Florida Aerospace Finance Corporation – into a single entity called Space Florida.⁴ Space Florida is established as an independent special district, a body politic and corporate, and a subdivision of the state.⁵ Space Florida is subject to the provisions of the Uniform Special District Accountability Act, which governs issues like operations, financial reporting, taxation, assessments, elections, compliance with general law, and comprehensive planning.⁶

Space Florida's objectives include supporting the growth and development of a sustainable and world-leading aerospace industry in Florida.⁷ Space Florida acts as Florida's point of contact for state aerospace-related activities with federal agencies, the military, state agencies, businesses, and the private sector.⁸ Space Florida is authorized to purchase or construct facilities, set rates, fees, and charges for the use of facilities, undertake joint financing with municipalities or private sector entities, and execute contracts with persons or spaceport users to facilitate the financing, construction, leasing, or sale of any project.⁹

Powers and Duties of Space Florida

Florida law provides certain powers to Space Florida, including, but not limited to:¹⁰

- Using a corporate seal;
- Using patents, copyrights, and trademarks;
- Lending and investing money;
- Acquiring certain properties;
- Executing contracts;
- Issuing revenue bonds;

³ Ch. 2006-60, Laws of Fla.

⁴ See ss. 331.301, F.S., through 331.371, F.S.

⁵ S. 331.302(1), F.S.

⁶ S. 331.302(5), F.S.

⁷ S. 331.302(1), F.S.

⁸ S. 331.3011(3), F.S.

⁹ S. 331.305, F.S.

¹⁰ *Id.*

- Making expenditures for entertainment and travel expenses and business clients, guests, and other authorized persons; and
- Fixing and collecting fees, loan payments, rental payments, and other charges in connection with financing agreements.

Florida law also gives Space Florida certain duties, including, but not limited to, creating a business plan, entering into agreements and cooperating with other state agencies, and consulting with appropriate federal agencies.¹¹ Specifically, Space Florida is required to:

- Enter into agreements with the Department of Education, DOT, the Department of Commerce, and CareerSource Florida.¹²
- In cooperation with the Department of Commerce, collaborate to develop a plan to retain, expand, attract, and create aerospace industry entities, public or private, which results in the creation of high-value-added businesses and jobs in Florida.¹³
- Develop, in cooperation with the Department of Commerce, a plan to provide financing assistance to aerospace businesses.¹⁴
- Carry out its responsibilities for spaceport operations by:¹⁵
 - Seeking federal support and developing partnerships to renew and upgrade the infrastructure and technologies at the Cape Canaveral Air Force Station, the John F. Kennedy Space Center, and the Eastern Range.
 - Supporting federal efforts to clarify roles and responsibilities of federal agencies in an effort to streamline access for commercial launch users.
 - Pursuing the development of commercial spaceports in the state in partnership with counties or municipalities, the Federal Government, or private entities.
 - Promoting and facilitating launch activity within the state by supporting and assisting the efforts of commercial launch operators to obtain authorization from federal agencies for launching from Florida.
 - Consulting, as necessary, with the appropriate federal, state, and local authorities, including the National Aeronautics and Space Administration, Federal Aviation Administration, Department of Defense, DOT, Florida National Guard, and industry on establishing and operating spaceport infrastructure and facilities in the state.

Board of Directors

The Space Florida board of directors is comprised of nine voting members and three ex officio, nonvoting members. The governor (or designee of the governor) serves ex officio as the chair and a voting member of the board and appoints five additional voting board members with experience in the aerospace industry, bond finance, a relevant academic field, or other specified airport or aircraft operations. The remainder of the voting board members consists of the Secretary of Transportation, one member appointed by the President of the Senate, and one member appointed by the Speaker of the House of Representatives.

The governor selects the three ex officio, nonvoting members of the board, which consist of a representative of the [Jacksonville Aviation Authority](#), a representative of the [Titusville-Cocoa Airport Authority](#), and an employee or official of a port district or port authority.¹⁶

¹¹ [S. 331.3051, F.S.](#)

¹² [S. 331.3051\(2\), F.S.](#)

¹³ [S. 331.3051\(3\), F.S.](#)

¹⁴ [S. 331.3051\(6\), F.S.](#)

¹⁵ [S. 331.3051\(7\), F.S.](#)

¹⁶ [S. 331.3081, F.S.](#)

Ad Valorem Taxes

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The Florida Constitution reserves to local governments the authority to levy ad valorem taxes on real and tangible personal property.¹⁷ Ad valorem taxes are levied annually by local governments based on the value of real and tangible personal property as of January 1 of each year.¹⁸

The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes,¹⁹ and provides for specified assessment limitations, property classifications, and exemptions.²⁰ After the property appraiser considers any assessment limitation or use classification affecting the just value of a parcel of real property, an assessed value is produced. The assessed value is then reduced by any exemptions to produce the taxable value.²¹

Unless expressly exempted from taxation, all real and personal property and leasehold interests in the state are subject to taxation.²² The Florida Constitution limits the Legislature’s authority to grant an exemption or assessment limitation from taxes,²³ and any modifications to existing ad valorem tax exemptions or limitations must be consistent with the constitutional provision authorizing the exemption or limitation.²⁴

Ad Valorem Exemption for Governmental Entities

Property that is government-owned and serves a governmental, municipal, or public purpose is exempt from ad valorem taxation, with certain exceptions.²⁵ Leasehold interests in property of the United States, of the state or any of its political subdivisions, or of municipalities, agencies, authorities, and other public bodies corporate of the state, are exempt from ad valorem taxation only when the lessee serves or performs a governmental, municipal, or public purpose or function, or if the lessee is an organization using the property exclusively for literary, scientific, religious, or charitable purposes.²⁶ This exemption is deemed to be met if the lessee performs a function or serves a purpose which could properly be performed or served by an appropriate governmental unit or which would be a valid subject for the allocation of public funds.²⁷

The term “governmental purpose” includes a direct use of property on federal lands in connection with the Federal Government’s Space Exploration Program or spaceport activities.²⁸ Real property and tangible personal property owned by the Federal Government or Space Florida and used for defense and space exploration purposes or in support of such purposes is also considered an essential national governmental purpose and is exempt.²⁹

¹⁷ FLA. CONST. art. VII, ss. 1(a), 9(a).

¹⁸ Section [192.001\(12\), F.S.](#) defines “real property” as land, buildings, fixtures, and all other improvements to land. The terms “land,” “real estate,” “realty,” and “real property” may be used interchangeably. Section [192.001\(11\)\(d\), F.S.](#) defines “tangible personal property” as all goods, chattels, and other articles of value (but does not include the vehicular items enumerated in Art. VII, s. 1(b) of the Florida Constitution and elsewhere defined) capable of manual possession and whose chief value is intrinsic to the article itself.

¹⁹ FLA. CONST. art. VII, s. 4.

²⁰ FLA. CONST. art. VII, ss. 3, 4, and 6.

²¹ [S. 196.031, F.S.](#)

²² [S. 196.001, F.S.](#); *see also Sebring Airport Authority v. McIntyre*, 642 So. 2d 1072, 1073 (Fla. 1994), noting exemptions are strictly construed against the party claiming them.

²³ *Archer v. Marshall*, 355 So. 2d 781, 784 (Fla. 1978).

²⁴ *Sebring Airport Auth. v. McIntyre*, 783 So. 2d 238, 248 (Fla. 2001); *Archer v. Marshall*, 355 So. 2d 781, 784. (Fla. 1978); *Am Fi Inv. Corp v. Kinney*, 360 So. 2d 415 (Fla. 1978); *see also Sparkman v. State*, 58 So. 2d 431, 432 (Fla. 1952).

²⁵ Section [196.199\(1\)\(a\)-\(d\), F.S.](#)

²⁶ Sections [196.199\(2\)\(a\) and \(c\) and \(4\), F.S.](#)

²⁷ Section [196.012\(6\), F.S.](#)

²⁸ “Spaceport activities” means activities directed or sponsored by Space Florida on spaceport territory pursuant to its powers and responsibilities under the Space Florida Act. *See* [S. 212.02\(22\), F.S.](#)

²⁹ Section [196.012\(6\), F.S.](#)

Additionally, any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public airport³⁰ by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport,³¹ or which is located in a deepwater port identified in [s. 403.021\(9\)\(b\), F.S.](#), and owned by one of the foregoing governmental units, subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation, airport, aerospace, maritime, or port purpose or operation is deemed an activity that serves a governmental, municipal, or public purpose.³²

Sales Tax

Florida's sales and use tax is a six percent levy³³ on retail sales of a wide array of tangible personal property, admissions, and transient lodgings, unless expressly exempted. Generally, the sales tax is added to the price of a taxable good and collected by the dealer from the purchaser at the time of sale.

In addition to the state sales tax, counties have been granted limited authority to levy a 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.³⁴ A discretionary sales surtax is based on the rate in the county where the taxable goods or services are delivered into or sold. The surtax does not apply to the sales price above \$5,000 on any item of tangible personal property.

Certain machinery and equipment used in semiconductor, defense, or space technology production is already exempt from sales and use taxation.³⁵ This existing exemption applies to:

- Industrial machinery and equipment used in semiconductor technology facilities certified by the Department of Commerce³⁶ to manufacture, process, compound, or produce semiconductor technology products for sale or for use by these facilities.³⁷
- Industrial machinery and equipment used in defense or space technology facilities that is certified by the Department of Commerce³⁸ to design, manufacture, assemble, process, compound, or produce defense technology products or space technology products for sale or for use by these facilities.

Public Works Projects

Chapter 255, F.S., provides the procurement process for public construction works. A public works project is an activity that is paid for with any state-appropriated funds and involves the construction, maintenance, repair, renovation, remodeling, or improvement of a building, road, street, sewer, storm drain, water system, site development, irrigation system, reclamation project, gas or electrical distribution system, gas or electrical substation, or other facility, project, or portion thereof owned in whole or in part by any political subdivision.³⁹

³⁰ "Public-use airport" means any publicly owned airport which is used or to be used for public purposes. See [s. 332.004\(14\), F.S.](#)

³¹ "Spaceport" means any area of land or water, or any manmade object or facility located therein, developed by Space Florida under this act, which area is intended for public use or for the launching, takeoff, and landing of spacecraft and aircraft, and includes any appurtenant areas which are used or intended for public use, for spaceport buildings, or for other spaceport facilities, spaceport projects, or rights-of-way. See [s. 331.303, F.S.](#)

³² Section [196.012\(6\), F.S.](#)

³³ Section [212.05, F.S.](#)

³⁴ 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.](#)

³⁵ Section [212.08\(5\)\(j\), F.S.](#)

³⁶ Section [212.08\(5\)\(j\)5., F.S.](#)

³⁷ Under section [212.08\(5\)\(j\)1.a., F.S.](#), industrial machinery and equipment includes molds, dies, machine tooling, other appurtenances or accessories to machinery and equipment, testing equipment, test beds, computers, and software, whether purchased or self-fabricated, and, if self-fabricated, includes materials and labor for design, fabrication, and assembly.

³⁸ Section [212.08\(5\)\(j\)5., F.S.](#)

³⁹ Section [255.0992\(1\)\(b\), F.S.](#)

Section [255.20, F.S.](#), requires governmental entities to competitively award each project that is estimated to cost more than \$300,000 to an appropriately licensed contractor. For electrical work, a governmental entity must competitively bid a project that is estimated to cost more than \$75,000.⁴⁰

The term “competitively award” means to award contracts based on the submission of sealed bids, proposals submitted in response to a request for proposal, proposals submitted in response to a request for qualifications, or proposals submitted for competitive negotiation.⁴¹

Except as required by federal or state law, the state or any political subdivision⁴² that contracts for a public works project may not:⁴³

- Prevent a certified, licensed, or registered contractor, subcontractor, or material supplier or carrier, from participating in the bidding process based on the geographic location of the headquarters or offices of the party, unless the local government is the sole source of funding for the project;
- Require a contractor, subcontractor, or material supplier or carrier engaged in the project to:
 - Pay employees a predetermined amount of wages or prescribe any wage rate;
 - Provide employees a specified type, amount, or rate of employee benefits;
 - Control, limit, or expand staffing; or
 - Recruit, train, or hire employees from a designated, restricted, or single source.
- Prohibit any contractor, subcontractor, or material supplier or carrier from submitting a bid on the project if such individual is able to perform the work described and is qualified, licensed, or certified as required by state law.

[Spaceports in Florida](#)

Under Florida law, a spaceport is defined as any area of land or water developed by Space Florida and intended for public use or for the launching, takeoff, and landing of spacecraft and aircraft, including any appurtenant areas which are used or intended for public use, for spaceport buildings, or for other spaceport facilities, spaceport projects, or rights-of-way.⁴⁴ Florida law designates certain real property within the state as “[spaceport territory](#),”⁴⁵ including Cape Canaveral Spaceport in Brevard County, Cecil Spaceport in Duval County, Eglin Air Force Base in Okaloosa County, Cape San Blas in Gulf County, Space Coast Regional Airport and Spaceport in Brevard County, Homestead Air Reserve Base in Miami-Dade County, and Tyndall Air Force Base in Bay County.⁴⁶

The Federal Aviation Administration (FAA) is responsible for licensing launch and reentry operations at commercial spaceports.⁴⁷ An FAA license is not required for space activities that the federal government carries out for its own purposes, such as some NASA or U.S. Department of Defense launches.⁴⁸ Currently, three Florida spaceports are licensed by the FAA. The Cape Canaveral Spaceport is licensed by the FAA for vertical and horizontal launch and for reentry operations.⁴⁹ [Cecil Spaceport, operated by the Jacksonville Aviation Authority](#),

⁴⁰ Section [255.20\(1\), F.S.](#)

⁴¹ Section [255.20\(1\), F.S.](#)

⁴² “Political subdivision” means a separate agency or unit of local government created or established by law or ordinance and the officers thereof. The term includes, but is not limited to, a county; a city, town, or other municipality; or a department, commission, authority, school district, taxing district, water management district, board, public corporation, institution of higher education, or other public agency or body thereof authorized to expend public funds for construction, maintenance, repair, or improvement of public works. See [s. 255.0992\(1\)\(a\), F.S.](#)

⁴³ Section [255.0992, F.S.](#)

⁴⁴ [S. 331.303\(17\), F.S.](#)

⁴⁵ [S. 331.304, F.S.](#)

⁴⁶ Space Florida, *Spaceport System Territory*, <https://www.spaceflorida.gov/spaceport-system-territory> (last visited Feb. 8, 2026).

⁴⁷ U.S. Department of Transportation, Federal Aviation Administration, *Commercial Space Transportation Activities*, <https://www.faa.gov/newsroom/commercial-space-transportation-activities> (last visited Feb. 8, 2026).

⁴⁸ *Id.*

⁴⁹ U.S. Department of Transportation, Federal Aviation Administration, *Spaceports by State*, https://www.faa.gov/space/spaceports_by_state#fl_sfsc (last visited Feb. 8, 2026).

and [Space Coast Spaceport, operated by the Titusville-Cocoa Airport Authority](#), are licensed by the FAA for horizontal launch operations.⁵⁰

Spaceport Planning

Space Florida must develop a spaceport master plan for expansion and modernization of space transportation facilities within spaceport territories. The plan must contain recommended projects to meet current and future commercial, national, and state space transportation requirements. Further, the plan must identify appropriate funding levels and include recommendations on appropriate sources of revenue that may be developed to contribute to the State Transportation Trust Fund.

Space Florida must submit the spaceport master plan to any appropriate metropolitan planning organization for review of intermodal impacts and to DOT for inclusion in its five-year work program of qualifying aerospace discretionary capacity improvement projects. Subject to availability of appropriated funds, DOT may participate in the capital cost of such projects.

Quintimodal Transportation Hubs

Brevard County hosts the world's only quintimodal transportation hub, providing access to five modes of transportation: space, air, rail, sea, and road.⁵¹

BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|--|------------------|---|---------------------------------|-------------------------|
| Ways & Means Committee | 18 Y, 1 N, As CS | 2/10/2026 | Aldridge | Berg |
| THE CHANGES ADOPTED BY THE COMMITTEE: | | <ul style="list-style-type: none"> Revised sales tax exemption language for clarity; Provided that authority over operational oversight, management, and day-to-day administration of each spaceport in Florida is vested in the spaceport's director or commander; Required each spaceport to develop and maintain an operational governance plan consistent with Space Florida's statewide strategic plan; Required each spaceport to maintain an updated list of spaceport site readiness development projects and specifies the types of projects to be included on the list; Provided that powers and duties specified for spaceports under new section do not apply to federal property; and Defined the term "quintimodal transportation hub" and required Space Florida to enhance and promote development and use of such hubs in Florida. | | |

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

⁵⁰ *Id.*

⁵¹ NASA, Partnerships, *Partnering with Kennedy Space Center*, <https://public.ksc.nasa.gov/partnerships/partnering-with-ksc/benefits-of-partnership/five-modes-of-transportation/> (last visited Feb. 8, 2026).