FLORIDA HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS

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

BILL #: CS/CS/HB 1329	**COMPANION BILL:** CS/CS/CS/SB 1566 (DiCeglie)
TITLE: Local Government Finances	**LINKED BILLS:** None
SPONSOR(S): Benarroch	**RELATED BILLS:** None

FINAL HOUSE FLOOR ACTION: 87 **Y's** 19 **N's** **GOVERNOR'S ACTION:** Approved

SUMMARY

Effect of the Bill:

The bill:

- Requires county and municipal budgets to be posted on the local government's website in a specified manner.
- Requires counties and municipalities to publish a quarterly report concerning employee compensation and an annual budget development calendar.
- Requires counties and municipalities to conduct an annual budget cutting exercise and post the results of the exercise on the local government's website.
- Revises the length of time for which each county and municipality must post certain budget information on its website.
- Requires counties to provide public notice of a hearing on a proposed budget amendment at least five days before the hearing.

The bill also revises the process for calculating and collecting impact fees, in part, by requiring impact fees for transportation capacity impacts be calculated using a plan-based methodology and modifying procedures for fee increases based on extraordinary circumstances. The bill provides refund procedures for the overpayment of an impact fee.

Fiscal or Economic Impact:

The bill will have an indeterminate negative fiscal impact on local governments and may have an indeterminate positive economic impact on persons who pay impact fees.

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ANALYSIS

EFFECT OF THE BILL:

The bill provides that the act may be cited as the "Local Government Financial Transparency and Accountability Act." (Section 1)

Local Government Budgets

The bill requires any tentative or final budget posted to the official website of a county or municipality. The budget information provided must be posted in a portable document format (PDF) or similar electronically accessible form that can be downloaded and must contain the following information for the proposed fiscal year, current fiscal year, and the preceding four fiscal years:

- A budget overview and summary, including a narrative analysis that also utilizes graphical illustrations to highlight major points of emphasis and trends.
- An overall summary of revenue and expenditures of the county or municipality.
- A summary of revenue and expenditures by fund.
- Summaries of expenses by department and division, program or function, and those related to debt obligations and capital projects.
- An organizational chart or staffing summary.
- A summary and analysis of reserves and fund balances of the county or municipality. (Sections 2, 3, and 7)

The bill requires each county and municipality to prepare a quarterly summary of compensation for all employees funded by its appropriations. The summary must include job titles, names, and salaries for each employee and be posted on the official website of the county or municipality as a PDF or a similar electronically accessible form. (Sections 2 and 7)

The bill requires each county and municipality to publish a budget development calendar each fiscal year that lists, to the extent practicable, the following events:

- The expected timeframe for county and municipal agencies to submit their proposed budget requests, including the name of the agency or budget officer to whom such requests must be submitted.[1]
- The expected timeframe in which the county property appraiser is expected to submit to the county budget officer or municipality the estimate of the total valuations against which taxes may be levied.
- An expected timeframe for holding any budget workshops at which the governing body of the county or municipality may discuss the ensuing budget and funding requests.
- The expected timeframe in which the budget public hearings required under s. 200.065, F.S., may be held.
- The expected timeframe by which the county or municipal governing body will hold a budget workshop at which the governing body will perform the budget reduction exercise. (Sections 2 and 7)

The budget development calendar must be published on the official website of the county or municipality no later than January 30 of each calendar year. The publication of the budget development calendar may not serve as a basis for bringing any civil or equitable action challenging the adoption of a county or municipality's tentative or final budgets.[2] (Sections 2 and 7)

The bill requires the budget officer of each county or municipality to perform a budget cutting exercise at least 14 days before the final adoption of the local government's budget. The exercise must identify strategies to reduce the tentative budget for the upcoming fiscal year, which total 10 percent of the tentative budget without compromising essential public services, such as law enforcement and fire services, or legal obligations. The bill requires the budget officer to post the result of the exercise on the official website of the county or municipality. (Sections 2 and 7)

The bill increases the length of time for which each county or municipality must post certain budget information on its official website. Specifically, the bill requires:

- Tentative budgets to be posted five days (instead of two days) before the public hearing to adopt the budget.
- Proposed budget amendments to be posted five days before (instead of five days after) the public hearing to adopt the amendment.
- Final budgets and adopted budget amendments to be posted for five years (instead of two years) following adoption. (Sections 2, 3, 4, and 7).

The bill requires counties to provide public notice of a hearing on a proposed budget amendment at least five days before the hearing. (Section 3)

Impact Fees

Definitions and Interlocal Agreements

Current law requires counties and municipalities that charge an impact fee to mitigate transportation capacity impacts in order to enter into an interlocal agreement concerning the calculation of such fees. The bill requires these agreements to use a plan-based methodology for calculating the fee. The bill defines "plan-based methodology" as a study that uses the most recent and localized data to project:

- Population growth within a local government jurisdiction in the 10 years immediately preceding the study.

[1] For counties, the calendar must also include such timeframes for the budgets of the county constitutional officers.

[2] *See* ss. 129.01, 166.241, and 200.065, F.S.

- Anticipated capacity impacts on the relevant systems which will be created by the projected growth.
- A list of capital projects to be constructed or purchased in a defined period of time in order to mitigate the anticipated capacity impacts as part of a new or updated impact fee study. (Sections 4 and 5)

The bill also defines an "impact fee" as a "one-time charge imposed by a local government on new development to fund the capital costs of public infrastructure needed to serve that development." (Section 4)

The requirement for counties and municipalities that charge an impact fee to mitigate transportation capacity impacts to enter into an interlocal agreement currently does not apply to counties and municipalities that entered into or otherwise updated an interlocal agreement that existed on or before October 1, 2024, to coordinate the mitigation of transportation impacts. The bill prohibits the extension of these agreements beyond October 1, 2031. (Section 5)

Impact Fee Increases
The bill creates new requirements for counties, municipalities, school districts, and special districts (local governments) seeking to increase impact fee rates beyond the base phase-in limitations due to extraordinary circumstances based on a demonstrated-need study. The bill requires the demonstrated-need study to use a plan-based methodology and local data that reflects the differences in area costs and modality of projects between urban, emerging urban, and rural area costs, as relevant. (Section 6)

The bill prohibits a local government from:

- Increasing its impact fee rate beyond the phase-in limitations if the entity has not increased its impact fee within the past five years.
- Using data that is more than four years old to demonstrate extraordinary circumstances.
- Including in an impact fee increase any deduction authorized by a previous or existing impact fee.
- Increasing its impact fee rate by more than 100 percent divided equally over a four-year period. (Section 6)

The bill defines "extraordinary circumstances" as the measurable effects of development that require mitigation by the affected local government which exceeds the current impact fee rate together with any increase in the rate in excess of the rate authorized by the phase-in limitations in less than four years. The capacity standards used to support a declaration of extraordinary circumstances must be defined in the demonstrated-need study and the projected capacity demand must be accompanied by a declaration of how and when the proposed impact fee will be used to construct or purchase the necessary capacity increase that is the basis of the fee rate and the period of time the improvements will be implemented. (Section 6)

The bill provides that if an impact fee payor submits a written request to the chief administrative officer of a local government for a refund or credit from alleged overpayment of an impact fee, the local government that levied the impact fee must approve or deny the request in writing within 30 days. If the request is approved, the payor may choose to receive a refund or credit. The payor must make this election in writing within 30 days of receipt of the written approval from the relevant local government. The impact fee payor must have a reasonable opportunity to use the credit and the refund or credit must be provided within 30 days of receipt of the payor's written election. (Section 6)

Important State Interest
The bill includes a legislative determination that the act fulfills an important state interest. (Section 9)

Effective Date
The bill was approved by the Governor on June 24, 2026, ch. 2026-161, L.O.F., and will become effective on January 1, 2027. (Section 10)

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The bill will have an indeterminate negative fiscal impact on local governments. Counties and municipalities may incur costs in making budget information publicly available as required by the bill, and administrative workloads will likely increase due to the recurring mandate to conduct the 10 percent budget-cutting exercise as well as the stricter timelines for processing and posting proposed budget amendments. Additionally, the bill may have an indeterminate negative fiscal impact on counties, municipalities, school districts, and special districts to the extent they will be prohibited from increasing impact fees beyond the limitations provided by the bill.

PRIVATE SECTOR:

The bill may have an indeterminate positive economic impact on persons who pay impact fees to the extent counties, municipalities, school districts, and special districts will be prohibited from increasing impact fees beyond the limitations provided by the bill.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Local Government Budgets

The finances of each county, municipality, and special district are subject to a budget system established by general law.[3] Each local government must prepare, approve, adopt, and execute a budget for each fiscal year.[4] At a minimum, the budget must show for each fund, as required by law and sound financial practices, budgeted revenues and expenditures by organizational unit that are at least as detailed as the categories required for the county's annual financial report to the Department of Financial Services (DFS).

Each local government budget must be:

- Adopted by the local government's governing body; and
- Balanced so that the total of the estimated receipts available from taxation and other sources, including balances brought forward from prior fiscal years, equals the total of appropriations for expenditures and reserves.[5]

Preparation of Budgets

The process of preparing a local government budget begins with a certification of the county property appraiser's estimate of the total taxable value of all property in that local government's jurisdiction.[6] This certified amount is provided to the budget officer and is used as the basis for estimating the millage rate and is included on each tentative and final budget.

The budget officer is responsible for preparing a tentative budget for the fiscal year, including all estimated receipts, taxes to be levied, and balances carried forward from the previous year as well as all estimated expenditures, reserves, and balances carried over at the conclusion of the previous year.[7]

The budget officer submits the tentative budget to the governing body of the local government, who is responsible for examining the tentative budget and making changes as necessary to ensure the budget is balanced.[8] The board may not adjust the budget officer's estimates of receipts, other than taxes, or of balances brought forward, without the passage of a separate resolution.

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[3] *See* ch. 129 and ss. 166.241 and 189.016, F.S.
[4] Ss. 129.01(1), 166.241(2), and 189.016(3), F.S.
[5] Ss. 129.01(1)(a), (c), 166.241(2), and 189.016(3), F.S.
[6] *See* s. 200.065, F.S.
[7] *See e.g,* s. 129.03(3), F.S.
[8] *See e.g.*, s. 129.03(3)(a), F.S.

Once revisions to the tentative budget have been completed, the board prepares a statement summarizing the adopted tentative budget.[9] The summary statement must show the proposed tax millage, balances, reserves, and total of each major classification of receipts and expenditures for each budget category and for the budget as a whole. The summary statement must be advertised one time in a newspaper of general circulation in the county. The board must conduct a public hearing to adopt the tentative and final budgets.[10]

Online Access to Local Government Budgets

Each county, municipality, and special district must post and maintain budget information on their official website. The tentative budget for a local government must be posted on its website at least two days before the public hearing to consider the proposed budget and remain on the website for 45 days after the hearing, while the final adopted budget must be posted on the local government's website within 30 days of adoption and remain on the website for two years.[11] Amendments to a local government's budget must be posted within five days of adoption and remain on the website for two years.[12]

Comprehensive Planning

The Community Planning Act[13] provides counties and municipalities with the power to plan for future development by adopting comprehensive plans.[14] Each county and municipality must maintain a comprehensive plan to guide future development and growth.[15]

All development, both public and private, and all development orders approved by local governments must be consistent with the local government's comprehensive plan.[16] A comprehensive plan is intended to provide for the future use of land, which contemplates a gradual and ordered growth, and establishes a long-range maximum limit on the possible intensity of land use.[17]

A locality's comprehensive plan lays out the locations for future public facilities, including roads, water and sewer facilities, neighborhoods, parks, schools, and commercial and industrial developments.[18] A comprehensive plan is made up of 10 required elements, each laying out regulations for a different facet of development.[19] Local governments may also include optional elements in their comprehensive plan.[20] The 10 required elements are:

- Capital improvements.
- Future land use plan.
- Transportation.
- General sanitary sewer, solid waste, drainage, potable water, and natural groundwater aquifer recharge.
- Conservation.
- Recreation and open space.
- Housing.
- Coastal management.
- Intergovernmental coordination.
- Property rights.[21]

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[9] *See e.g.*, s. 129.03(3)(b), F.S.
[10] S. 200.065(2)(b), F.S.
[11] Ss. 129.03(3)(c), 166.241(3), and 189.016(4), F.S.
[12] Ss. 129.06(2)(f)2., 166.241(9), and 189.016(7), F.S.
[13] Ch. 163, Part II, F.S.
[14] S. 163.3167(1), F.S.
[15] S. 163.3167(2), F.S.
[16] S. 163.3194(1)(a), F.S.
[17] *See, e.g., Sarasota County, Fla. Comprehensive Plan, Future Land Use Element, FLU Policy 1.1.1* (last visited Mar. 18, 2026).
[18] S. 163.3177(1), F.S.
[19] S. 163.3177(6), F.S.
[20] S. 163.3177(1)(a), F.S.
[21] S. 163.3177(3), (6)(a)-(i), F.S.

Comprehensive plans must include at least two planning periods, one covering the first 10-year period occurring after the plan's adoption and one covering a period of at least 20 years.[22] Additional planning periods are permissible and accepted as part of the planning process.

Concurrency
In the context of comprehensive planning, "concurrency" refers to the concept of providing additional public facilities necessary to achieve and maintain standards of service in the community in a timely manner in response to increased demand caused by development.[23] All local government comprehensive plans must provide for concurrency in providing public facilities and services for sanitary sewer, solid waste, drainage, and potable water, but local governments may extend concurrency requirements to other public facilities such as transportation and schools.[24] When concurrency is applied to other public facilities and services, the local comprehensive plan must provide sufficient principles, standards, and adopted levels of service to guide its implementation.[25] Concurrency requirements apply to state facilities and other public facilities to the same extent as all other facilities and development.[26]

If a local government applies concurrency to transportation facilities, the comprehensive plan must provide the principles, guidelines, standards, and strategies to guide its application, including adopted levels of service.[27] Local governments use professionally accepted studies and techniques to evaluate the appropriate level of service and the potential impacts of proposed development.[28] Concurrency for transportation facilities is premised on the idea that public facilities will be provided to achieve and maintain the local government's adopted level of service standard.[29]

Each county or municipality that charges the developer of a new development or redevelopment a fee for transportation capacity impacts must create and execute an interlocal agreement to coordinate the mitigation of its respective transportation capacity impacts.[30] The interlocal agreement must:
- Ensure that any new development or redevelopment is not charged twice for the same transportation capacity impacts.
- Establish a plan-based methodology for determining the legally permissible fee to be charged to a new development or redevelopment.
- Require the county or municipality issuing the building permit to collect the fee, unless agreed to otherwise.
- Provide a method for the proportionate distribution of the revenue collected by the county or municipality to address the transportation capacity impacts of a new development or redevelopment, or provide a method of assigning responsibility for the mitigation of the transportation capacity impacts belonging to the county and the municipality.[31]

If there is no interlocal agreement between the counties and municipalities charging for such impacts:
- The fee charged to a new development or redevelopment is based on the transportation capacity impacts apportioned to the county and municipality as identified in the developer's traffic impact study or the mobility plan adopted by the county or municipality.
- The developer must receive a 10 percent reduction in the total fee calculated.

[22] S. 163.3177(5)(a), F.S.
[23] *See* s. 163.3180(5)(d), F.S. *See also*, David M. Layman, *Concurrency and Moratoria*, 71 Fla. B.J. 49 (Jan. 1997).
[24] S. 163.3180(1), (5), and (6), F.S.
[25] S. 163.3180(1)(a), F.S.
[26] S. 163.3180(4), F.S.
[27] S. 163.3180(5)(a), F.S.
[28] S. 163.3180(5)(b)-(c), F.S.
[29] S. 163.3180(5)(d), F.S.
[30] S. 163.3180(5)(j)1., F.S.
[31] S. 163.3180(5)(j)2., F.S.

- The county or municipality issuing the building permit must collect the fee calculated and distribute the proceeds to the county and municipality within 60 days after the developer's payment.[32]

The requirement to enter into an interlocal agreement does not apply to a county as defined in s. 125.011(1), F.S., or a county or municipality that has entered into, or otherwise updated, an existing interlocal agreement as of October 1, 2024, to coordinate the mitigation of transportation impacts.[33] If the existing interlocal agreement is terminated, the affected county and municipality must enter into a conforming interlocal agreement, unless the prior agreement is extended by mutual agreement of the parties before the expiration of the agreement.

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."[34] Examples of capital facilities include the provision of additional water and sewer systems, schools, libraries, parks, and recreation facilities.[35] 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.[36] The charges are usually paid at the time the building permit is approved.[37]

The Florida Impact Fee Act (Act) provides requirements and procedures to be followed by a county, municipality, school district, or special district when it adopts an impact fee.[38] Impact fees must meet the following minimum criteria when adopted:

- The fee must be calculated based on a study using the most recent and localized data available within four years of the update.
- The local government adopting the impact fee must account for and report impact fee collections and expenditures.
- Charges imposed for the collection of impact fees must be limited to the actual administrative costs.
- All local governments must give notice of a new or increased impact fee at least 90 days before the new or increased fee takes effect (but need not wait 90 days before decreasing, suspending, or eliminating an impact fee).
- A local government may not require payment of the impact fee before the date of issuing a building permit for the property that is subject to the fee.
- The impact fee must be reasonably connected to, or have a rational nexus with:
  - The need for additional capital facilities and the increased impact generated by the new residential or commercial construction.
  - The expenditures of the revenues generated and the benefits accruing to the new residential or commercial construction.
- The local government must specifically earmark revenues generated by the impact fee to acquire, construct, or improve capital facilities to benefit new users.
- The local government may not use revenues generated by the impact fee to pay existing debt or for previously approved projects unless the expenditure is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential or commercial construction.[39]

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[32] S. 163.3180(5)(j)3., F.S.
[33] S. 163.3180(5)(j)3., F.S.
[34] Florida Housing Finance Corporation, *Overview of Impact Fees and Affordable Housing* (Oct. 2017), p. 1 (last visited Mar. 18, 2026).
[35] *Id.*
[36] *Id.*
[37] *Id.*
[38] S. 163.31801, F.S.
[39] S. 163.31801(4), F.S.

Phase-in Limitations

Under the Act, a county, municipality, school district, or special district may increase an impact fee subject to the following phase-in limitations:

- Increases of up to 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.
- Increases between 25 and 50 percent of the current rate must be implemented in four equal annual increments beginning with the date on which 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 four years or increased retroactively for a previous or current fiscal or calendar year.[40]

However, a county, municipality, school district, or special district may increase an impact fee rate beyond these phase-in limitations by:

- Establishing the need for the increase in conformity with the above minimum criteria for impact fees.
- Completing a demonstrated-need study justifying any increase in excess of those authorized by the Act within the 12 months before the adoption of the impact fee increase that expressly demonstrates the extraordinary circumstances necessitating the need to exceed the phase-in limitations.
- Holding at least two publicly noticed workshops dedicated to the extraordinary circumstances necessitating the need to exceed the phase-in limitations set forth in the Act.
- Approving the impact fee increase ordinance by a unanimous vote of its governing body.[41]

An impact fee increase beyond the phase-in limitations must be implemented in at least two, but no more than four, equal annual increments beginning with the date the impact fee increase ordinance is adopted.[42] A local government may not increase its impact fee beyond the phase-in limitations if it has not increased its fee within the past five years.[43]

[40] S. 163.31801(6)(b)–(f), F.S.

[41] S. 163.31801(6)(g)1., F.S.

[42] S. 163.31801(6)(g)2., F.S.

[43] S. 163.31801(6)(g)3., F.S. Any year in which the local government is prohibited from increasing an impact fee because the jurisdiction is in a hurricane disaster area is not included in the five-year period.