

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.)

Prepared By: The Professional Staff of the Committee on Military and Veterans Affairs, Space, and Domestic Security

BILL: SB 1512

INTRODUCER: Senator Burgess

SUBJECT: Space Florida

DATE: January 23, 2026

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Bellamy	Proctor	MS	Favorable
2.	_____	_____	FT	_____
3.	_____	_____	AP	_____

I. Summary:

SB 1512 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 taxation. The bill expands the term "governmental purpose" to include "aerospace activities" as specified in the Space Florida Act.

The bill exempts tangible personal property from sales and use taxation, including, but not limited to, machinery or equipment, leased to a private entity lessee that is:

- Owned by a federal, state, or local governmental entity;
- Located in this state;
- Used by the lessee solely in connection with semiconductor, defense, or aerospace contracts, programs, or projects; and
- Leased under a written lease, license, or similar agreement with the federal, state, or local governmental entity that owns the machinery or equipment.

The bill provides that the Department of Revenue may adopt rules governing the manner and form of the application for, and the issuance of, exemption certificates for the above tangible personal property.

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 requires that for such purchases of professional or construction services, or both, Space Florida must maintain in its records an attestation that the funds used are not appropriated by the legislature.

The bill provides an effective date of July 1, 2026.

II. Present Situation:

Space Florida

Space Florida is an independent special district, a body politic and corporate, and subdivision of the State.¹ The purpose of Space Florida is to foster the growth and development of a sustainable and world-leading aerospace industry in the State.² Space Florida promotes aerospace business development by facilitating business financing, spaceport operations, research and development, workforce development, and innovative education programs.³ To achieve this Space Florida must advise, coordinate, cooperate, and, when necessary, enter into memoranda of agreement with municipalities, counties, regional authorities, state agencies and organizations, appropriate federal agencies and organizations, and other interested persons and groups.⁴ Space Florida's powers are delineated in s. 331.305, F.S., which includes the ability to own, purchase, and construct aerospace related facilities, as well as making and executing contracts with spaceport users to facilitate the financing, construction, leasing, or sale of any project.⁵ Space Florida is required to develop a spaceport master plan for expansion and modernization of space transportation facilities with spaceport territories.⁶ The plan must contain recommended projects to meet current and future commercial, national, and state space transportation requirements. Space Florida must submit the spaceport master plan to any appropriate Metropolitan Planning Organization for review of intermodal impacts. Additionally, Space Florida is required to submit the plan to the Department of Transportation. Space Florida is also required to partner with the Metropolitan Planning Organization Advisory Council to coordinate and specify how aerospace planning and programming will be part of the state's cooperative transportation planning process.⁷

Space Florida is governed by an independent board of directors.⁸ The board consists of:

- The governor who serves ex officio or his or her appointee who serves as the chair and voting member.
- The Secretary of Transportation or his or her designee.
- Five members appointed by the Governor subject to confirmation of the Senate.
- One member appointed by the President of the Senate.
- One member appointed by the Speaker of the House of Representatives.
- A representative of each of the following entities, appointed by the Governor, who serves as an ex officio, nonvoting member of the board:
 - An employee or official of a port district or port authority.
 - The Jacksonville Aviation Authority.
 - The Titusville-Cocoa Airport Authority.⁹

¹ Section 331.302(1), F.S.

² *Id.*

³ *Id.*

⁴ Section 331.302(2), F.S.

⁵ Section 331.305, F.S.

⁶ Section 331.360(3), F.S.

⁷ Section 331.3051(14), F.S.

⁸ Section 331.3081, F.S.

⁹ Section 331.3081(1)(e), F.S.

General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of a property as of January 1 of each year.¹⁰ The property appraiser annually determines the “just value”¹¹ of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”¹² The state constitution prohibits the state from levying ad valorem taxes¹³ and it limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.¹⁴

Property Tax Exemption for Governmental Entities

Property that is government-owned and serves a governmental, municipal, or public purpose is exempt from property taxation, with certain exceptions.¹⁵ 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 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.¹⁶ 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.¹⁷

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.¹⁸ 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.¹⁹

¹⁰ Both real property and tangible personal property are subject to tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines “tangible personal property” as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

¹¹ Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. Art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. *See, e.g., Walter v. Schuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *S. Bell Tel. & Tel. Co. v. Dade Cnty.*, 275 So. 2d 4 (Fla. 1973).

¹² *See* ss. 192.001(2) and (16), F.S.

¹³ FLA. CONST. art. VII, s. 1(a).

¹⁴ *See* FLA. CONST. art. VII, s. 4.

¹⁵ Section 196.199(1)(a)-(d), F.S.

¹⁶ Sections 196.199(2)(a) and (c) and (4), F.S.

¹⁷ Section 196.012(6), F.S.

¹⁸ “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.

¹⁹ 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 airport²⁰ by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport,²¹ 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.²²

General Overview of Sales and Use Tax

Florida levies a six percent tax on the sale or rental of most items of tangible personal property,²³ admissions,²⁴ transient rentals,²⁵ and a limited number of services. Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.²⁶

The governing body of a county and school boards are authorized to levy local discretionary sales surtaxes in addition to the state sales tax.²⁷ A surtax applies to “all transactions ... subject to the state tax ... on sales, use, services, rentals, admissions, and other transactions”^{28,29}

Sales and Use Tax Exemptions for Certain Machinery and Equipment

Certain machinery and equipment used in semiconductor, defense, or space technology production is exempt from sales and use taxation.³⁰ This exemption applies to:

- Industrial machinery and equipment used in semiconductor technology facilities certified by the Department of Commerce³¹ to manufacture, process, compound, or produce semiconductor technology products for sale or for use by these facilities.³²

²⁰ “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.

²¹ “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.

²² Section 196.012(6), F.S.

²³ Section 212.05(1)(a)1.a., F.S.

²⁴ Section 212.04(1)(b), F.S.

²⁵ Section 212.03(1)(a), F.S.

²⁶ Section 212.07(2), F.S.

²⁷ Section 212.055, F.S.

²⁸ Section 212.054(2)(a), F.S.

²⁹ In counties with discretionary sales surtaxes, the combined county and school board rates vary from 0.5 to 2 percent. Two counties, Citrus and Collier, have no discretionary sales surtax levies. *See* FLA. DEP’T OF REVENUE, *Discretionary Sales Surtax Information for Calendar Year 2026*, available at https://floridarevenue.com/Pages/forms_index.aspx#discretionary, see DR-15DSS New for 2026, (last visited January 20, 2026).

³⁰ Section 212.08(5)(j), F.S.

³¹ Section 212.08(5)(j)5., F.S.

³² 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.

- Industrial machinery and equipment used in defense or space technology facilities that is certified by the Department of Commerce³³ 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.³⁴

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 \$75,000.³⁵

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.³⁶

Prohibited Preferences in Public Works Projects

Except as required by federal or state law, the state or any political subdivision³⁷ that contracts for a public works project may not:³⁸

- 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.

³³ Section 212.08(5)(j)5., F.S.

³⁴ Section 255.0992(1)(b), F.S.

³⁵ Section 255.20(1), F.S.

³⁶ *Id.*

³⁷ “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.

³⁸ Section 255.0992, F.S.

- 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.

III. Effect of Proposed Changes:

SB 1512 provides that real property and tangible personal property being used by a nongovernmental lessee within this state for a project authorized by the Space Florida board of directors to be performing an essential governmental purpose and is exempt from taxation.

The bill provides that real property and tangible personal property owned by the Federal Government or Space Florida and used for defense and space exploration purposes, or which is put to a use in support of those purposes, performs an essential governmental purpose and is exempt from taxation.

The bill expands the term “governmental purpose” to include direct use of property on federal lands in connection with aerospace³⁹ activities as specified in s. 331.303, F.S.

The bill exempts tangible personal property from sales and use taxation, including, but not limited to, machinery or equipment, leased to a private entity lessee that is:

- Owned by a federal, state, or local governmental entity;
- Located in this state;
- Used by the lessee solely in connection with semiconductor, defense, or aerospace contracts, programs, or projects; and
- Leased under a written lease, license, or similar agreement with the federal, state, or local governmental entity that owns the machinery or equipment.

The bill also provides that the Department of Revenue may adopt rules governing the manner and form of the application for, and the issuance of, exemption certificates for the above tangible personal property.

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 of professional or construction services, or both, Space Florida must maintain in its records an attestation that the funds used are not appropriated by the legislature.

The bill provides an effective date of July 1, 2026.

³⁹ “Aerospace” means the technology and industry related to the design, manufacture, maintenance, repair, and operation of aircraft or any other device intended to be used or designed for flight or reentry, including rockets, missiles, spacecraft, satellites, space vehicles, space stations, space and aircraft facilities or components thereof, and related equipment, systems, facilities, simulators, programs, and activities, including, but not limited to, the application of aerospace and aviation technologies in air-based, land-based, space-based, and sea-based platforms for commercial, civil, and defense purposes. *See* s. 331.303(1), F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs the passage of laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

Article VII, s. 18(b) of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandate requirements do not apply to laws having an insignificant fiscal impact, which for Fiscal Year 2026-2027 is forecast at approximately \$2.4 million.^{40,41}

The Revenue Estimating Conference has not reviewed SB 1512. The bill may reduce the authority for counties and municipalities to raise revenue through the property tax and local option sales tax. If the bill reduces the authority to raise revenue in an amount that exceeds the threshold for an insignificant impact, the mandates provision of section 18 of Article VII of the Florida Constitution may apply.

B. Public Records/Open Meetings Issues:

Article I, s. 24(c) of the State Constitution requires a two-thirds vote of the members present and voting for final passage of a bill creating or expanding an exemption to the public records disclosure requirements. The bill does not create or expand an exemption. Thus, the bill does not require an extraordinary vote for enactment.

C. Trust Funds Restrictions:

None identified.

D. State Tax or Fee Increases:

Article VII, s. 19 of the Florida Constitution requires legislation pass each chamber by a 2/3 vote and be contained in a separate bill with no other subject if the legislation imposes, authorizes an imposition, increases, or authorizes an increase in a state tax or fee or if it decreases or eliminates a state tax or fee exemption or credit.

⁴⁰ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Jan. 21, 2026).

⁴¹ Based on the Florida Demographic Estimating Conference's December 3, 2025, population forecast for 2026 of 23,728,105. The conference packet is available at: <https://edr.state.fl.us/content/conferences/population/demographicsummary.pdf> (last visited Jan. 21, 2026).

The bill does not affect the imposition or increasing of a state tax or fee nor decreases or eliminates a state tax or fee exemption or credit. Thus, the constitutional requirements may not apply.

E. **Other Constitutional Issues:**

None identified.

V. Fiscal Impact Statement:

A. **Tax/Fee Issues:**

None identified.

B. **Private Sector Impact:**

The bill's provisions relating to tax exemptions and sales and use taxes may have an indeterminate positive fiscal impact for businesses that lease from or partner with Space Florida or are involved with a project authorized by the Space Florida board of directors.

C. **Government Sector Impact:**

The Revenue Estimating Conference has not reviewed SB 1512. The bill may reduce state revenue due to sales and use tax exemptions, and local government revenue by deeming certain property as being used for a governmental purpose, which may result in an exemption from property taxation.

VI. Technical Deficiencies:

None identified.

VII. Related Issues:

None identified.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 196.012, 212.08, and 331.302.

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.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
