

FLORIDA HOUSE OF REPRESENTATIVES

FINAL BILL ANALYSIS

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BILL #: [CS/HB 4071](#)
TITLE: Palm Beach County
SPONSOR(S): Snyder

COMPANION BILL: None
LINKED BILLS: None
RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 116 Y's 0 N's **GOVERNOR'S ACTION:** Pending

SUMMARY

Effect of the Bill:

The bill provides that a municipal service taxing unit in Palm Beach County whose primary purpose is the provision of fire rescue and emergency medical services may continue to provide services to real property in the county annexed after January 1, 2027, for six years, notwithstanding any requirement set by general law, special act, or municipal charter or ordinance. The bill establishes a process for funding the provision of services during this period and procedures for ensuring a transition of services at the end of the period.

Fiscal or Economic Impact:

None.

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ANALYSIS

EFFECT OF THE BILL:

The bill provides that a [municipal service taxing unit](#) (MSTU) in Palm Beach County whose primary purpose is the provision of fire rescue and emergency medical services may continue to provide services to real property in the county annexed after January 1, 2027, for six years, notwithstanding any requirement set by general law, special act, or municipal charter or ordinance. (Section [1](#))

If parcels are annexed by a municipality that does not have a charter provision, ordinance, or interlocal agreement allowing a Palm Beach County MSTU to provide fire rescue and emergency medical services in the entirety of the municipality, the bill provides that such parcels are contracted from the MSTU and the county will no longer levy ad valorem taxes on the property. Instead, the bill requires the annexing municipality to make an annual payment equal to the actual cost of the service provided. (Section [1](#))

These provisions are similar to, but with a longer time frame than, current law provisions concerning [municipal annexation areas contained within an independent special district](#).

The bill allows the county, through the MSTU, to continue to collect fire rescue impact fees on annexed real property that would have been collectable prior to annexation. (Section [1](#))

After the six-year transition period, the bill provides that the provision of services by the MSTU, the annual payment from the municipality to the MSTU, and the authority to collect impact fees on the annexed parcels terminates unless:

- The annexing municipality advises the county that it will not provide fire rescue and emergency medical services;
- The county and the annexing municipality enter into an interlocal agreement providing for fire rescue and emergency medical services in the annexed area; or
- The data from the analysis established by the good faith negotiations described below demonstrates that the transfer for fire rescue and emergency medical services to the annexing municipality should occur prior to the six-year term or the six-year term is extended by an interlocal agreement between Palm Beach County and the annexing municipality. (Section [1](#))

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DATE: 3/20/2026

The bill requires Palm Beach County and the annexing municipality to enter into good faith negotiations and discussions regarding the time period for transitioning fire rescue and emergency medical services, as well as the expenditure of assets for capital and operational purposes by both the county and the annexing municipality in the annexed areas. These discussions are intended to ensure residents of the annexed areas enjoy appropriate levels of service without the inefficient expenditure of both county and municipal assets by preventing duplicative and unnecessary expenditures and duplicative collection of fire rescue impact fees and other fees. (Section [1](#))

Palm Beach County and the annexing municipality may mutually approve a written agreement that shortens or lengthens the transition period. In order to make that determination, both parties must rely on the following data:

- Both the county and municipality must calculate the cost based upon the actual operational and capital expenses necessary to provide the annexed area with at least the same level of service as the level of service provided prior to the annexation.
- Mutually agreed upon level of service, communications plans, and data validation based upon objective total response time data, depth of service, fire suppression outcomes, and ability to achieve proper staffing levels for a first alarm fire for the area being annexed. (Section [1](#))

The bill provides that the transfer of the fire rescue and emergency medical services to the annexing municipality occurs unless the mutually agreed upon data does not demonstrate that the services can be provided by the annexing municipality at the same cost or less and to at least the same level of service, but the transfer must occur if these conditions are met at any time. (Section [1](#))

The bill provides that if the Palm Beach County Board of County Commissioners and annexing municipality are unable to enter into an interlocal agreement, either party may initiate conflict resolution procedures established in ch. 164, Florida Statutes. If the conflict is not resolved within 120 days, the bill authorizes the parties to file an action in circuit court. (Section [1](#))

The provisions of the bill do not apply to annexation of an enclave of 10 acres or less. (Section [1](#))

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law. (Section [2](#))

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

According to the Economic Impact Statement (EIS) submitted for the bill, the bill will result in no additional costs to Palm Beach County residents. The EIS states that the proposal may prevent spending on duplicate resources to provide overlapping services.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Municipal Service Taxing Units](#)

Counties are authorized to establish municipal service taxing or benefit units (MSTUs or MSBUs) in all or part of the unincorporated areas of the county in order to provide municipal-type services to those areas.¹ Services that may be provided by an MSTU include:

- Fire protection;
- Law enforcement;

¹ [S. 125.01\(1\)\(q\), F.S.](#) See generally Katherine A. Emrich, [Toward Solving the Double Taxation Dilemma Among Florida's Local Governments: The Municipal Service Taxation Unit](#), 8 Fla. St. U. L. Rev. 749 (1980).

- Beach erosion control;
- Recreation service and facilities;
- Water and, alternative water supplies, including, but not limited to, reclaimed water and water from aquifer storage and recovery and desalination systems;
- Streets, sidewalks, and street lighting;
- Garbage and trash collection and disposal;
- Waste and sewage collection and disposal;
- Drainage;
- Other transportation facilities;
- Indigent health care and mental health care services; and
- Other essential facilities and municipal services.

Services provided by the MSTU are funded by service charges, special assessments, or taxes levied within the boundaries of the MSTU.² A county can levy an ad valorem tax of up to 10 mills for services provided by the MSTU in addition to any general ad valorem tax levied by the county.³ Areas inside the boundaries of the municipality may only be included within the boundaries of an MSTU if the governing body of the affected municipality adopts an ordinance giving consent. This consent may be provided annually or established for a term of years. If a municipality is included in an MSTU, the millage levied on any parcel of property for municipal purposes by all municipal service taxing units and the municipality may not exceed 10 mills.

Municipal Annexation Within Independent Special Districts

If a municipality annexes property within the boundaries of an independent special district that levies ad valorem taxes to provide services also provided by the municipality, the municipality may choose to provide those services instead, subject to certain conditions.⁴ The municipality must inform the special district, as well as the tax collector and the property appraiser of the county in which the annexed property is located, of its intent to deliver the service currently provided by the district.⁵ The municipality may include this information in its annexation ordinance.

Upon making the election to provide the service, the municipality and special district may enter into an interlocal agreement to address the orderly transfer of responsibilities, assets, equipment, and personnel from the district to the municipality.⁶ The agreement must also address:

- Allocating responsibilities for those services between the municipality and the district;
- Avoiding double taxation of property owners in areas of overlapped jurisdiction;
- Preventing loss of district revenues that would be detrimental to continued operation of the district;
- Avoiding the impairment of existing district contracts;
- Disposing of district property and equipment, as well as the assumption of associated debt;
- Determining the status and employee rights of any adversely affected employee of the district; and
- Any other matter reasonably related to the transfer of responsibilities.⁷

If the municipality and special district are unable to enter into an interlocal agreement, the municipality may unilaterally declare its intent to provide services to the annexed area. This declaration starts a four-year period, starting on October 1 of the calendar year following the calendar year in which the declaration is issued, in which the district remains the service provider in the annexed area but receives payment from the municipality equal to

² [S. 125.01, F.S.](#)

³ [S. 125.01\(1\)\(q\), F.S.](#) (“This paragraph authorizes all counties to levy additional taxes, within the limits fixed for municipal purposes, within such municipal service taxing units under the authority of the second sentence of s. 9(b), Art. VII of the State Constitution.”). See also [Art. VII, s. 9\(b\), Fla. Const.](#) (“A county furnishing municipal services may, to the extent authorized by law, levy additional taxes within the limits fixed for municipal purposes.”).

⁴ [S. 171.093, F.S.](#)

⁵ [S. 171.093\(2\), F.S.](#)

⁶ [S. 171.093\(3\), F.S.](#)

⁷ *Id.*

the ad valorem taxes or assessments that would have been collected had the property remained in the district.⁸ At the conclusion of the four-year period, or any mutually agreed extension, the municipality and the special district must enter into an agreement that:

- Identifies the existing district property located in the municipality or primarily serving the municipality that will be assumed by the municipality;
- The fair market value of such property; and
- The manner of transfer of such property and any associated indebtedness.⁹

If the municipality and the special district are unable to reach an agreement, either party may file suit in circuit court.

During the four-year period, or any mutually agreed extension, the district's service and capital expenditures in the annexed area must continue to be rationally related to both the annexed area's service needs and the proportion of total district revenue.¹⁰ The municipality must approve any capital expenditure of more than \$25,000 that is intended to be used primarily in the annexed area.

The annexed territory remains within the boundaries of the district as long as the municipality has not chosen to assume responsibility for services provided by the district.¹¹ If the municipality elects to provide services, the annexed territory is removed from the boundaries of the district at the time provided in the interlocal agreement or at the beginning of the four-year transition period.¹²

Local Bill Forms

The Florida Constitution prohibits the passage of any special act unless a notice of intention to seek enactment of the bill has been published as provided by general law or the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.¹³ A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website¹⁴ at least 30 days prior to the introduction of the local bill in the House or Senate.¹⁵ The bill was noticed in the [Palm Beach Post on October 28, 2025](#).

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement Form be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.¹⁶ Under the policy, a committee or subcommittee may not consider a local bill unless these forms have been filed. The following forms have been submitted for the bill:

- [Local Bill Certification Form](#)
- [Economic Impact Statement Form](#)

⁸ [S. 171.093\(4\)\(a\), F.S.](#)

⁹ [S. 171.093\(4\)\(b\), F.S.](#)

¹⁰ [S. 171.093\(4\)\(c\), F.S.](#)

¹¹ [S. 171.093\(5\), F.S.](#)

¹² [S. 171.093\(6\), F.S.](#)

¹³ [Art. III, s. 10, Fla. Const.](#)

¹⁴ [S. 50.0311\(2\), F.S.](#)

¹⁵ [S. 11.02, F.S.](#) If there is no newspaper circulated throughout or published in the county and no publicly accessible website has been designated, notice must be posted for at least 30 days in at least three public places in the county, one of which must be at the courthouse.

¹⁶ Intergovernmental Affairs Subcommittee, [Local Bill Policies and Procedures Manual](#), p. 11 (last visited Jan. 25, 2026).