

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 Appropriations

BILL: SB 7046

INTRODUCER: Finance and Tax Committee

SUBJECT: Taxation

DATE: February 27, 2026

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
<u>Khan</u>	<u>Khan</u>		FT Submitted as Comm. Bill/Fav
1. <u>Khan</u>	<u>Sadberry</u>	<u>AP</u>	Pre-meeting

I. Summary:

SB 7046:

- Makes the following changes to property taxes:
 - For the Live Local exemption opt-out, requires a taxing authority to make a finding that Shimberg’s annual reports for each of the 3 previous years identify a surplus of affordable housing rather than 1 report.
 - For the Live Local exemption opt-out, provides that an exemption may be granted to a project that received final site plan approval within 4 years before a taxing authority opted out and may continue receiving the exemption for each subsequent consecutive year that the same owner or successive owners apply for and are granted the exemption.
 - Revises the distribution of school taxes collected from a voter approved property tax levy by removing a reference which excludes certain charter schools.
- Makes the following changes to local taxes and assessments:
 - Prohibits counties, municipalities, and special districts from levying special assessments against more than 400 square feet of each RV parking space or campsite at RV parks.
- Regarding fiscally constrained counties:
 - Amends the criteria for being designated as a fiscally constrained county.
 - Changes the revenue source for the fiscally constrained counties distribution from the direct-to-home satellite service tax to sales tax.
 - Provides to fiscally constrained counties a distribution from sales tax in an amount equal to no less than \$50 million each fiscal year.
 - Makes several changes to the fiscally constrained counties’ distribution, including changing distribution factors for allocating revenue among counties and creating spending requirements.
- Makes the following changes to sales and use tax:
 - Permanently exempts liquified petroleum gas tanks with a capacity of 20 pounds or less.
 - Provides a sales tax holiday for hunting, fishing, and camping items. The items include ammunition, firearms, bows, crossbows, and certain accessories for firearms, bows and

crossbows. Items also include certain fishing and camping supplies. The holiday is approximately 3.5 months from September 7, 2026, through December 31, 2026.

- Prohibits governmental entities from adopting or requiring the adoption of net-zero policies; expending government funds to support, implement, or advance net-zero policies; imposing taxes, fees, penalties, charges, offsets, or assessments to advance net-zero policies; and implementing, administering, or enforcing a program that functions as a cap-and-trade program.
- Changes tax administration by requiring taxing authorities that have not levied any millage rate in the prior year to adopt a rate either by a unanimous vote of the membership of the governing body, or by a three-fourths vote of the membership of the governing body if the governing body has nine or more members, or if the rate is approved by a referendum.

The bill is estimated by staff to reduce revenues in Fiscal Year 2026-2027 by \$34.1 million and by an indeterminate amount recurring. See Section V., Fiscal Impact Statement for more information.

Except as otherwise provided, the bill takes effect July 1, 2026.

II. Present Situation:

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.¹ The property appraiser annually determines the “just value”² of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”³ The state constitution prohibits the state from levying ad valorem taxes⁴ and it limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.⁵

¹ 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.

² 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).

³ *See* ss. 192.001(2) and (16), F.S.

⁴ FLA. CONST. art. VII, s. 1(a).

⁵ *See* FLA. CONST. art. VII, s. 4.

General Overview of Sales and Use Tax

Florida levies a 6 percent tax on the sale or rental of most items of tangible personal property,⁶ admissions,⁷ transient rentals,⁸ 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.⁹

The governing body of a county and school boards are authorized to levy local discretionary sales surtaxes in addition to the state sales tax.¹⁰ A surtax applies to “all transactions ... subject to the state tax ... on sales, use, services, rentals, admissions, and other transactions”¹¹ In counties with discretionary sales surtaxes, the combined county and school board rates vary from 0.5 to 2 percent.¹² Two counties, Citrus and Collier, have no discretionary sales surtax levies.

Specific current law discussion related to provisions of the bill are provided in Section III. Effect of Proposed Changes

III. Effect of Proposed Changes:

Sections 1, 2, 3 and 4 – Limitation on Non-ad Valorem Assessments at Recreational Vehicle Parks

Present Situation

Special Assessments

The Florida Constitution provides local governments with expansive home rule powers.¹³ Given these powers, local governments may impose proprietary fees, regulatory fees, and special assessments to pay the cost of providing a facility or service or regulating an activity.¹⁴ The validity of these fees and assessments depends on requirements established in Florida case law.¹⁵

Counties and municipalities utilize special assessments as a home rule revenue source to fund certain services and to construct and maintain capital facilities. Section 125.01(1)(r), F.S., authorizes the levy of special assessments by county governments. Chapter 170, F.S., authorizes the levy of special assessments by municipal governments. Section 125.271, F.S., authorizes the levy of special assessments by certain counties for emergency medical services. Special districts

⁶ Section 212.05(1)(a)1.a., F.S.

⁷ Section 212.04(1)(b), F.S.

⁸ Section 212.03(1)(a), F.S.

⁹ Section 212.07(2), F.S.

¹⁰ Section 212.055, F.S.

¹¹ Section 212.054(2)(a), F.S.

¹² FLA. DEPT. 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 Feb. 21, 2026).

¹³ FLA. CONST. art. VIII; *See also* ss. 125.01(2) and 166.021(4), F.S.

¹⁴ *Collier County v. State*, 733 So. 2d 1012, 1014 (Fla. 1999)

¹⁵ *See* OFF. OF ECON. AND DEMOGRAPHIC RSCH., *2025 Local Government Financial Information Handbook*, pgs. 9-18 (February 2026), available at <https://edr.state.fl.us/Content/local-government/reports/index.cfm#local-government> (last visited Feb. 21, 2026).

derive their authority to levy special assessments through general law or the special act creating the district.¹⁶

While similar to taxes, legally imposed special assessments are not taxes. As stated by the Florida Supreme Court:

Taxes and special assessments are distinguishable in that, while both are mandatory, there is no requirement that taxes provide any specific benefit to the property; instead, they may be levied throughout the particular taxing unit for the general benefit of residents and property. On the other hand, special assessments must confer a specific benefit upon the land burdened by the assessment.¹⁷

As established by case law, a special assessment must meet two requirements to be validly imposed: First, the property assessed must derive a special benefit from the improvement or service provided; and second, the assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.¹⁸

In determining whether a special benefit is conferred on property by the special assessment, the test to be applied is whether there is a “logical relationship” between the services provided and the benefit to real property.¹⁹ Many assessed services and improvements have been upheld as providing the requisite special benefit. Such services and improvements include solid waste disposal,²⁰ fire protection,²¹ and stormwater management services.²² Special assessments for emergency medical services, however, have been held invalid because they do not confer a special benefit to the property.²³

While the special assessment must be fairly and reasonably apportioned, the methodology for apportioning the amount may vary. Front foot²⁴ or square foot²⁵ methodologies may be traditional, but other methods are permissible, such as the market value method.²⁶ The Florida Supreme Court has explained that “[t]he manner of the assessment is immaterial and may vary within the district, as long as the amount of the assessment for each tract is not in excess of the proportional benefits as compared to other assessments on other tracts.”²⁷ An apportionment is considered reasonable unless it “so transcend[s] the limits of equality and reason that its exaction

¹⁶ See *id.* For example, s. 153.73, F.S., authorizes levies by county water and sewer districts; s. 163.514, F.S., authorizes levies by neighborhood improvement districts; s. 190.021, F.S., authorizes levies by community development districts; and s. 191.009, F.S., authorizes levies by independent special fire control districts.

¹⁷ *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992).

¹⁸ *Id.*

¹⁹ *Whisnant v. Stringfellow*, 50 So. 2d 885, 886 (Fla. 1951) (citing *Crowder v. Phillips*, 1 So. 2d 629, 631 (Fla. 1941)).

²⁰ *Harris v. Wilson*, 693 So. 2d 945 (Fla 1997).

²¹ *S. Trail Fire Control Dist. v. State*, 273 So. 2d 380 (Fla. 1973).

²² *Sarasota Cnty. v. Sarasota Church of Christ, Inc.*, 667 So. 2d 180 (Fla. 1995).

²³ *City of North Lauderdale v. SMM Properties, Inc.*, 825 So. 2d 343 (Fla. 2002).

²⁴ See *Atlantic Coast Line R.R. v. City of Winter Haven*, 151 So. 321, 324 (Fla. 1933).

²⁵ See *Meyer v. City of Oakland Park*, 219 So. 2d 417 (Fla. 1969).

²⁶ See *City of Boca Raton v. State*, 595 So. 2d 25, 31 (Fla. 1992); see also *City of Naples v. Moon*, 269 So. 2d 355 (Fla. 1972) (upholding the market value method).

²⁷ *City of Boca Raton*, 595 So. 2d at 31 (quoting *S. Trail Fire Control Dist. v. State*, 273 So. 2d 380, 384 (Fla. 1973)).

would cease to be a tax or contribution, and become[s] extortion and confiscation” of the assessed property.²⁸

Special assessments may be collected on an annual ad valorem tax bill. Under this collection procedure, the special assessment is characterized as a “non-ad valorem assessment.”²⁹

Recreational Vehicle Parks

Chapter 513, F.S., provides the regulatory requirements governing RV parks. This chapter also contains standards and requirements for operators of these types of recreational facilities. The Department of Health (DOH) is the agency that is responsible for administering and enforcing all laws and rules relating to sanitation, control of communicable diseases, illnesses and hazards to health, and permitting and operational matters related to RV parks.³⁰

Section 513.01(11), F.S., defines a “recreational vehicle park” as:

[A] place set aside and offered by a person, for either direct or indirect remuneration of the owner, lessor, or operator of such place, for the parking, accommodation, or rental of five or more recreational vehicles or tents; and the term also includes buildings and sites set aside for group camping and similar recreational facilities. For the purposes of this chapter, the terms “campground,” “camping resort,” “RV resort,” “travel resort,” and “travel park,” or any variations of these terms, are synonymous with the term “recreational vehicle park.”

Recreational vehicle parks are similar to hotels in many respects. Like hotels, these parks offer lodging accommodations to the public. Recreational vehicle park operators own the accommodations or a portion thereof and allow transient guests to purchase a revocable license to enter and remain on the property. The real difference between hotels and recreational parks is the nature of the facilities provided.

Dimensions of Recreational Vehicle Sites

Under s. 513.1115, F.S., the separation distances between RV sites within an RV park and the setback distances from the exterior property boundary must all remain the same as those established at the time of initial approval of the RV park by DOH and the local government. Pursuant to DOH rule 64E-15.002, F.A.C., an RV park must be planned to accommodate the designated number of RV spaces as well as space for parking, loading, and maneuvering RVs without requiring the use of sidewalks, rights-of-way, or any private ground outside of the park. The rule also requires that each RV space contain a minimum of 1200 square feet, each tent space contain a minimum of 500 square feet, and that the density not exceed 25 RVs per acre.

²⁸ *Atlantic Coast Line R.R.* at 324.

²⁹ Section 197.3632, F.S.

³⁰ Section 513.012, F.S.

Special Assessments on Recreational Vehicle Parks

Sections 125.0168, 166.223 and 189.052, F.S., provide that special assessments on recreational vehicle parks levied by counties, municipalities, and special districts, respectively, may not be based on the assertion that the recreational vehicle park is comprised of residential units. Instead, they must be assessed as a commercial entity in the same manner as a hotel, motel, or other similar facility.³¹ As an example, Osceola County imposed special assessments for Fiscal Year 2025 for fire rescue on RV parks on a per unit basis, grouping RV parks with short term rentals, hotels, motels, and timeshare units.³²

Litigation Related to Special Assessments on Recreational Vehicle Parks

The proper apportionment of special assessments for recreational vehicle parks is the subject of several current circuit court lawsuits filed in Florida's fifth judicial circuit in Sumter County.³³ In November of 2024, these cases were consolidated, but litigation is ongoing.³⁴

Proposed Changes

Sections 1, 2, and 3 amends sections 125.0168, 166.223, and 189.052, F.S., to prohibit counties, municipalities, and special districts from levying special assessments against more than 400 square feet of each RV parking space or campsite at RV parks.

Section 4 specifies that the changes made to sections 125.0168, 166.223, and 189.052, F.S., first apply to the 2026 assessment roll and take effect upon becoming a law.

Sections 5 and 6 –Missing Middle Opt-out

Present Situation

The Live Local Act created an ad valorem tax exemption for owners that provide affordable housing³⁵ in newly constructed multifamily rental developments.³⁶ Also known as the “Missing Middle” exemption, developments must contain more than 70 units or, if in an area of critical state concern, as designated by s. 380.0552, F.S., or chapter 28-36, F.A.C.,³⁷ 10 units, dedicated to housing natural persons or families below prescribed income thresholds.

³¹ Sections 125.0168, 166.223 and 189.052, F.S.

³² Osceola County, Resolution No. 24-151R (2024); see Osceola County, *Fire Rescue Assessments*, available at https://www.osceola.org/files/assets/county/v/1/doing-business/building-amp-permits/documents/impact-and-mobility-fees-office/2024-10-21_serviceassessments-fy2024-2025-accessible.pdf (last visited Feb. 21, 2026).

³³ *MRVZ Park Investors 2, LLC v. Sumter Cnty.*, No. 2024-CA-00404 (Fla. Sumter Cnty. Ct.); *NHC-FL124, LLC v. Sumter Cnty.*, No. 2024-CA000405 (Fla. Sumter Cnty. Ct.), and *FL RV Village Wildwood, LLC v. Sumter Cnty.*, No. 2024-CA-00407 (Fla. Sumter Cnty. Ct.).

³⁴ *FL RV Village Wildwood LLC v. Sumter Cnty.*, Nos. 2024-CA-407, 2024-CA-405, 2024-CA-404 (Fla. Sumter Cnty. Ct. Nov. 19, 2024) (amended agreed order on defendant Sumter County's motions to consolidate cases).

³⁵ Section 8, Ch. 2023-17, L.O.F. codified under s. 196.1978(3), F.S.

³⁶ The term “newly constructed” means an improvement to real property which was substantially completed within 5 years before the date of an applicant’s first submission of a request for a certification notice pursuant to this subsection.

³⁷ An area of critical state concern, as designated by s. 380.0552 or chapter 28-36, Florida Administrative Code refers to the City of Key West and the Florida Keys Area, which includes unincorporated Monroe County and the municipalities of Layton, Islamorada, Marathon and Key Colony Beach.

In addition, the property must be rented to persons or families whose annual household income does not exceed 120 percent of the median annual adjusted gross income (AMI) in amounts that do not exceed limits established by the United States Department of Housing and Urban Development, which are published by the Florida Housing Finance Corporation, or 90 percent of the fair market value rent as determined by a rental market study.³⁸

Such property used to provide affordable housing at the 80 to 120 percent AMI threshold receives an exemption of 75 percent of the assessed value of the affordable units, while property providing affordable housing up to the 80 percent AMI threshold receives a complete ad valorem tax exemption for the affordable units.

Beginning with the 2025 tax roll, a taxing authority may elect not to exempt property used to house persons or families whose annual household income is greater than 80 percent but not more than 120 percent of the median annual adjusted gross income. An election made pursuant to this law may apply only to the ad valorem property tax levied within a county by the taxing authority making the election.³⁹

A taxing authority electing to not exempt such property, must make a finding in an ordinance or resolution that the most recently published Shimberg Center for Housing Studies Annual Report identifies that a county that is part of the jurisdiction of the taxing authority is within a metropolitan statistical area or region (MSA) where the number of affordable and available units in the MSA is greater than the number of renter households in the MSA for the category entitled “0-120 percent AMI.”⁴⁰ Essentially, an area where there is a surplus of affordable housing for persons up to the 120 percent AMI threshold. An ordinance or resolution takes effect on the January 1 immediately after adoption and expires on the second January 1 after having taken effect. The ordinance or resolution may be renewed before expiring if the taxing authority meets the statutory requirements.

This exemption first applied to the 2024 tax roll and will expire on December 31, 2059.

The Community Planning Act and Site Plans

Adopted in 1985, the Local Government Comprehensive Planning and Land Development Regulation Act,⁴¹ also known as Florida’s Growth Management Act, was significantly revised in 2011, becoming the Community Planning Act.⁴² The Community Planning Act governs how local governments create and adopt their local comprehensive plans.

Local comprehensive plans must include principles, guidelines, standards, and strategies for the orderly and balanced future land development of the area and reflect community commitments to implement the plan. The Community Planning Act intends that local governments manage growth through comprehensive land use plans that facilitate adequate and efficient provision of transportation, water, sewage, schools, parks, recreational facilities, housing, and other

³⁸ Section 196.1978(3)(b)3., F.S.

³⁹ Section 196.1978(3)(o), F.S.

⁴⁰ Section 196.1978(3)(o) 2., F.S.

⁴¹ See ch. 85-55, s. 1, Laws of Fla.

⁴² See ch. 2011-139, s. 17, Laws of Fla.

requirements and services.⁴³ A housing element is required as part of every comprehensive plan in the state. Among other things, the housing element must address “the creation or preservation of affordable housing to minimize the need for additional local services and avoid the concentration of affordable housing units only in specific areas of the jurisdiction.”⁴⁴

The comprehensive plan is implemented via land development regulations. Each county and municipality must adopt and enforce land development regulations, such as zoning or other housing-related ordinances, which are consistent with and implement their adopted comprehensive plan.⁴⁵

Development Orders, Permits, and Site Plans

Under the Community Planning Act, a development permit is any official action of a local government that has the effect of permitting the development of land including, but not limited to, building permits, zoning permits, subdivision approval, rezoning, certifications, special exceptions, and variances.⁴⁶ A development order is issued by a local government and grants, denies, or grants with conditions an application for a development permit.⁴⁷

While not required by the Community Planning Act, most jurisdictions require, as a step towards development, a site plan or development plan review. This step may vary in depth depending on jurisdiction and development project scale, and may include, for example, confirmation that proposed development is consistent with applicable zoning standards, environmental management standards, and infrastructure requirements.⁴⁸ The step may be simultaneous with or separate from plat approval, as developers may seek a plat contingent on the underlying uses being acceptable for the development sought. Site plan or development plan approval typically leads into application for specific permits to begin development.⁴⁹

Shimberg Report

The Shimberg Center for Housing Studies was established at the University of Florida in 1988.⁵⁰ The Center conducts research on housing policy and planning and provides data and research to state agencies and other interested persons.⁵¹ The Department of Commerce’s research and planning functions include the collection of data on the need for affordable housing and the extent to which that need is being met. The Shimberg Center fulfills the department’s function, in part, through quantifying affordable housing needs in this state and inventorying the supply of affordable housing.⁵² By December 31 of each year, the Shimberg Center for Housing Studies

⁴³ Section 163.3161(4), F.S.

⁴⁴ Section 163.3177(6)(f)1.g., F.S.

⁴⁵ Section 163.3202, F.S.

⁴⁶ Section 163.3164(16), F.S.

⁴⁷ See ss. 125.022, 163.3164(15), and 166.033, F.S.

⁴⁸ See, e.g., Sec. 10-7.407 – *Site and development plan review criteria*, Leon County Code of Ordinances.

⁴⁹ See, e.g., Sec. 10-7.410 – *Effect of final approval, or approval with conditions, of an application*, Leon County Code of Ordinances.

⁵⁰ Shimberg Center for Housing Studies University of Florida, *News Highlights*, available at <http://www.shimberg.ufl.edu/> (last visited Feb. 19, 2026)

⁵¹ Shimberg Center for Housing Studies University of Florida, *About the Shimberg Center*, available at <http://www.shimberg.ufl.edu/about> (last visited Feb. 19, 2026)

⁵² Section 420.6075, F.S.

must submit to the Legislature an updated housing report describing the supply of and need for affordable housing.⁵³

The 2025 Annual Report indicates that renter households outnumber affordable and available units statewide by 73,307 in the 0-120 percent category.⁵⁴

Proposed Changes

Section 5 amends section 196.1978(3), F.S., to require a taxing authority make a finding that Shimberg’s annual reports for each of the 3 previous years identify the number of affordable and available units in the metropolitan statistical area or region is greater than the number of renter households in the metropolitan statistical area or region for the category entitled “0-120 percent AMI.” Additionally, the bill provides that an exemption may be granted to a project that received final site plan approval within 4 years before a taxing authority opted out and may continue receiving the exemption for each subsequent consecutive year that the same owner or successive owners apply for and are granted the exemption.

Section 6 specifies that the amendments made to section 196.1978, F.S., first apply to the 2027 property tax roll.

Section 7 – Maximum Millage Vote Threshold (No Prior Year Levy)

Present Situation

In each fiscal year, the maximum millage rate that a county, municipality, special district dependent to a county or municipality, municipal service taxing unit, or independent special district may levy is a rolled-back rate based on the amount of taxes which would have been levied in the prior year if the maximum millage rate had been applied, adjusted for change in per capita Florida personal income, unless a higher rate was adopted, in which case the maximum millage rate is the prior year adopted rate.⁵⁵

Once the maximum millage rate has been calculated, a local government may only adopt a higher rate under the following conditions:

- A rate of not more than 110 percent of the rolled-back rate based on the previous year’s maximum millage rate, adjusted for change in per capita Florida personal income, may be adopted if approved by a two-thirds vote of the membership of the governing body of the county, municipality, or independent district.⁵⁶
- A rate in excess of 110 percent may be adopted if approved by a unanimous vote of the membership of the governing body of the county, municipality, or independent district or by a three-fourths vote of the membership of the governing body if the governing body has nine or more members, or if the rate is approved by a referendum.⁵⁷

⁵³ *Id.*

⁵⁴ Shimberg Center for Housing Studies, *2025 Annual Report*, available at http://www.shimberg.ufl.edu/publications/Shimberg_Center_Annual_Report_2025.pdf (last visited Feb. 19, 2026)

⁵⁵ Section 200.065(5)(a), F.S.

⁵⁶ Section 200.065(5)(a)1., F.S.

⁵⁷ Section 200.065(5)(a)2., F.S.

Voted millage and taxes levied by a municipality or independent special district that has levied ad valorem taxes for less than 5 years are not subject to the voting thresholds associated with the maximum millage limitation discussed above.⁵⁸

The maximum millage rate limitation in statute does not explicitly specify the vote threshold to adopt a rate when a taxing authority is in its first year or when a taxing authority had a millage rate of zero in the previous year. The Attorney General's Office opined that:

In a situation where the previous year's millage is zero and the resulting rolled-back rate is zero, however, any increase in the millage rate in a subsequent year would be in excess of 110 percent of the rolled-back rate. Thus, section 200.065(5)(a)2., Florida Statutes, by its plain language applies to any rate increase in excess of 110 percent and would authorize such an increase by a unanimous vote of the board or by referendum approval.⁵⁹

Proposed Changes

Section 7 amends section 200.065(5)(b), F.S., to specify that the nonvoted millage rate that any other taxing authority that is subject to the maximum millage limitation may levy in its first year or in a year immediately succeeding a year in which the millage rate was zero must be approved by a vote as provided for in section 200.065(5)(a)2, F.S.

Section 200.065(5)(a)2, F.S., states that a rate in excess of 110 percent may be adopted if approved by a unanimous vote of the membership of the governing body of the county, municipality, or independent district or by a three-fourths vote of the membership of the governing body if the governing body has nine or more members, or if the rate is approved by a referendum.

Sections 8, 10, 11, and 18 through 38 – Distribution Change and Definition Change for Fiscally Constrained Counties

Present Situation

Fiscally Constrained Counties

Fiscally constrained counties are counties entirely within a rural area of opportunity or where a 1-mill levy would raise no more than \$5 million in annual tax revenue.⁶⁰ A “rural area of opportunity” is a rural community, or a region composed of rural communities, designated by the Governor, which has been adversely affected by an extraordinary economic event, severe or chronic distress, or a natural disaster. A rural area of opportunity may also be a community or communities that present a unique economic development opportunity of regional impact.⁶¹

⁵⁸ Section 200.065(5)(b), F.S.

⁵⁹ Op. Att’y Gen. Fla. 2010-33 (2010).

⁶⁰ Section 218.67(1), F.S.

⁶¹ Section 288.0656 (1), F.S.

There are 29 counties that currently meet these conditions; Baker, Bradford, Calhoun, Columbia, Desoto, Dixie, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Highlands, Holmes, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Okeechobee, Putnam, Suwannee, Taylor, Union, Wakulla, and Washington.⁶² Although each of the counties is designated by the Governor as a rural area of opportunity,⁶³ Highland's and Putnam's 1-mill levy currently surpass the \$5 million threshold.⁶⁴

Direct-to-Home Satellite Service Tax Distribution

Retail sales of direct-to-home satellite service received in Florida are subject to the communications service tax at the rate of 9.07 percent and the gross receipts tax at the rate of 2.37 percent.⁶⁵

From these communications services tax receipts, 55.9 percent is distributed through the state's "standard" sales tax distribution formula.⁶⁶ The remaining 44.1 percent is transferred to the Local Government Half-cent Sales Tax Trust Fund.⁶⁷

Seventy percent of the transfer is distributed formulaically to all counties within the state. The remaining 30 percent is distributed to fiscally constrained counties that are eligible to participate in the local government half-cent sales tax distribution.⁶⁸ Fiscally constrained counties may use the funds from this distribution for any public purpose, except for debt service.⁶⁹

The collections from the tax on direct-to-home satellite service have declined in recent years; with distributions to fiscally constrained counties decreasing from \$18.1 million in Fiscal Year 2018-2019⁷⁰ to \$9.5 million in Fiscal Year 2024-2025.⁷¹

Distribution Factors

Each fiscally constrained county receives a portion of the total direct-to-home satellite service distribution. At the beginning of each fiscal year, the Department of Revenue (DOR) determines the amount to be distributed to each fiscally constrained county using the prior fiscal year's certified school taxable value, county millage rate, and latest April 1 county population,

⁶² Florida Department of Revenue, *Fiscally Constrained Counties*, available at https://www.floridarevenue.com/property/Documents/fcc_map.pdf (last visited Feb. 18, 2026).

⁶³ Executive Office of the Governor, see Executive Orders 21-149, 23-132, and 25-141, available at <https://www.flgov.com/eog/news/executive-orders> (last visited Feb. 18, 2025).

⁶⁴ Florida Office of Economic and Demographic Research, *Detailed County Taxable Value* (January 2026), available at https://edr.state.fl.us/Content/conferences/advalorem/adval_StatewideComparisonCounty.pdf (last visited Feb. 21, 2026).

⁶⁵ Sections 202.12(1)(b) and 203.01(1)(b)2., F.S.

⁶⁶ Section 202.18(2)(b), F.S. See also s. 212.20(6)(d), F.S. Gross receipts tax revenues are distributed to the Public Education Capital Outlay (PECO) and Debt Service Trust Fund in accordance with section 9 of Article XII of the State Constitution.

⁶⁷ Section 202.18(2)(c)1., F.S.

⁶⁸ *Id.*

⁶⁹ Section 218.67(5), F.S.

⁷⁰ Florida Office of Economic and Demographic Research, *Ordinary, Emergency, Supplemental, and Fiscally-Constrained Distributions by County: SFY 1987-2024*, available at <https://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm> (last visited Feb. 21, 2026).

⁷¹ Florida Department of Revenue, Office of Tax Research, General Tax Distributions, Form 5, available at <https://floridarevenue.com/DataPortal/Pages/TaxResearch.aspx> (last visited Feb. 18, 2026).

excluding prisoners.⁷² The following factors are created by the DOR to determine each county's relative share of the total distribution available for the coming fiscal year:⁷³

The relative revenue-raising-capacity factor is based on a county's certified school taxable value and population and referred to in law as the ability of a county to generate property tax revenues from 1 mill on a per capita basis.⁷⁴ Counties that generate less per capita revenue receive a higher factor. For example, a county that raises \$25 or less per capita receives a factor value of 1; whereas a county that raises more than \$50 per capita receives a factor value of 0. In Fiscal Year 2025-2026, only two fiscally constrained counties were eligible for this factor.⁷⁵

The local-effort factor is based on a county's millage rate and referred to in law as a measure of the relative level of local effort of a county as indicated by the millage rate levied for the prior fiscal year.⁷⁶ This factor guarantees that each county receives a portion of the total distribution. It uses the most recently adopted countywide operating millage rate for each eligible county and multiplies that millage rate by 0.1. For example, a county with a countywide operating millage rate of 6.73 would receive a factor value of 0.673.

Sales and Use Tax and Fiscally Constrained Counties

A portion of Florida's state sales and use tax collections are distributed to all eligible counties and municipalities through the County and Municipal Revenue Sharing programs and the Local Government Half-Cent Sales Tax program. These programs distributed to fiscally constrained counties, including municipalities within the counties, approximately \$333.2 million in Fiscal Year 2024-2025.⁷⁷

In contrast to the tax on direct-to-home satellite service, collections from sales tax have increased from \$28.5 billion in Fiscal Year 2018-2019 to \$41.1 billion in Fiscal Year 2024-2025.⁷⁸ Additionally, sales tax collections are based on sales of a wide variety of goods and some services and change with the state's economic cycles.

Proposed Changes

Section 8 amends s. 202.18, F.S., to redirect the entire remainder of direct-to-home satellite service tax to the Local Government Half-Cent Sales Tax Trust Fund. This effectively ends the 30 percent distribution for fiscally constrained counties, which is replaced by a new distribution as described in the sections below.

⁷² Section 186.901, F.S.

⁷³ Section 218.67(3)(a), F.S.

⁷⁴ *Id.*

⁷⁵ Email correspondence with staff at the Department of Revenue, Dec. 4, 2025 (on file with the Senate Committee on Finance and Tax).

⁷⁶ Section 218.67(3)(b), F.S.

⁷⁷ Florida Department of Revenue, Office of Tax Research, General Tax Distributions, Forms 5 and 6, available at <https://floridarevenue.com/DataPortal/Pages/TaxResearch.aspx> (last visited Feb. 18, 2026).

⁷⁸ Florida Office of Economic and Demographic Research, *Revenue Estimating Conference Long-Term Revenue Analysis, Volume 41, Rev. Nov. 6, 2025*, available at <https://edr.state.fl.us/Content/conferences/longtermrevenue/index.cfm> (last visited Feb. 21, 2026).

Section 10 amends s. 212.20, F.S., to create a new sales tax distribution for fiscally constrained counties. The new distribution is the greater of \$50 million or 0.1412 percent of available sales tax proceeds.

Section 11 amends s. 218.67, F.S., to replace the fiscally constrained county distribution factors discussed in the present situation with:

- The contribution-to-revenue factor. This factor is calculated by dividing the county's population by the sales tax collections attributable to the county and then multiplying by 100.
- The personal-income factor. This factor is calculated by dividing the median per capita personal income of participating counties by the county's per capita personal income.

Each county's proportional allocation of the newly created sales tax distribution must be the same proportion as the sum of the county's two new factors is to the sum of the two factors for all eligible counties. The bill also adds requirements that the proportional rate computation must be carried to the fifth decimal place and that the amount to distribute to each county must be rounded to the next whole dollar amount.

The money distributed pursuant to this section must be allocated as follows: 50 percent of the distribution may be used for public safety, including for salaries for law enforcement, correctional officers, firefighters, emergency medical technicians, or paramedics; 30 percent may be used for infrastructure; and 20 percent may be used for any public purpose. The money received may not be used for debt service.

The bill removes the provision for a county to be classified as fiscally constrained if the county is entirely within a rural area of opportunity. It also increases the revenue qualification from where a 1-mill levy would raise no more than \$10 million, which is an increase from \$5 million.

Sections 18 through 38 make conforming changes throughout Florida Statutes and provides reenactments of provisions as necessary to implement the distribution change and definition change for fiscally constrained counties.

Sections 9 and 40 – Liquefied Petroleum Gas Tanks Exemption

Present Situation

Portable tanks for butane gas, propane gas, natural gas, and other types of liquefied petroleum gases are subject to sales and use tax.

The 2024 disaster preparedness sales tax holiday exempted a gas or diesel fuel tank with a sales price of \$50 or less. This included any gas or diesel fuel container, including LP gas and kerosene containers.⁷⁹ Effective August 1, 2025, Florida enacted a permanent sales tax exemption for portable gas or diesel fuel cans with a capacity of 5 gallons or less. However, tanks for butane gas, propane gas, natural gas, and other types of liquefied petroleum gases remain subject to sales and use tax.

⁷⁹ Florida Department of Revenue, *Tax Information Publication, 2024 Disaster Preparedness Sales Tax Holidays June 1, 2024 Through June 14, 2024 and August 24, 2024 Through September 6, 2024*, available at https://floridarevenue.com/taxes/tips/Documents/TIP_24A01-04.pdf (last visited Feb. 19, 2026).

Proposed Changes

Section 9 amends section 212.08, F.S., to exempt portable tanks for butane gas, propane gas, natural gas, or all other types of liquefied petroleum gases with a capacity of 20 pounds or less from Florida sales and use tax.

Section 40 provides the DOR with authorization to adopt emergency rules to implement the exemption.

Sections 12, 15, 16, and 17 - Net-zero Policies by Governmental Entities

Present Situation

Greenhouse gases trap heat in the atmosphere and warm the surface of the earth. There is broad scientific consensus that if the accumulation of greenhouse gases in the atmosphere continues, the risk of more severe climate impacts will increase,⁸⁰ including biodiversity loss, threats to human health, reduced food and water security, and more frequent and severe extreme weather events.⁸¹ Every additional degree of warming will intensify multiple and concurrent hazards.⁸² Near-term actions that limit warming to close to 1.5 degrees Celsius would be expected to substantially reduce projected losses and damages to human systems and ecosystems related to climate change.⁸³

Mechanisms used to achieve emissions reductions include net-zero policies, carbon taxes, carbon emissions trading programs, and other green initiatives.

Net-Zero

“Net-zero” refers to a scenario where human-caused greenhouse gas emissions from sources such as fossil fuel combustion and deforestation are offset by carbon dioxide (CO₂) removal from the atmosphere.⁸⁴

When the amount of CO₂ emitted is equal to the amount of CO₂ removed from the atmosphere, there is no net increase of CO₂ in the atmosphere.⁸⁵ This balance is referred to as net-zero CO₂. However, CO₂ is not the only greenhouse gas that contributes to climate change. Human activities also emit other greenhouse gases, including methane, nitrous oxide, and hydrofluorocarbons, all of which contribute to warming. To compare the climate impacts of

⁸⁰ U.S. Congressional Research Service, *Climate Change: What Are Net-Zero Emissions?*, 1 (2024), available at <https://www.congress.gov/crs-product/IF12753>.

⁸¹ See Intergovernmental Panel on Climate Change (IPCC), *Synthesis Report of the IPCC Sixth Assessment Report (AR6): Summary for Policymakers*, 4-18 (2023), available at https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf. See generally Levent Kutlu, *Greenhouse Gas Emission Efficiencies of World Countries*, 1 (2020), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7728308/pdf/ijerph-17-08771.pdf>.

⁸² IPCC, *AR6 Summary for Policymakers* at 12.

⁸³ *Id.*

⁸⁴ U.S. Congressional Research Service, *Climate Change: What Are Net-Zero Emissions?* at 1.

⁸⁵ *Id.*

different greenhouse gases, their warming effects are commonly expressed relative to CO₂ using a metric known as “CO₂ equivalent.”⁸⁶

Net-zero greenhouse gas emissions means the combined net emissions of all greenhouse gases, expressed in CO₂ equivalents, equal zero.⁸⁷ However, because there are currently no commercially available methods to remove non-CO₂ greenhouse gases from the atmosphere, achieving net-zero greenhouse gases emissions requires additional removal of CO₂ to counterbalance emissions of other greenhouse gases.⁸⁸ Net-zero greenhouse gas emissions is therefore achieved when total greenhouse gas emissions, measured in CO₂ equivalents, are offset by CO₂ removal from the atmosphere. Methods of CO₂ removal include natural absorption and storage in forests and other ecosystems as well as technological removal and storage.⁸⁹

An increasing number of countries, cities, businesses, and institutions are pledging to achieve net-zero emissions.⁹⁰ These net-zero initiatives include objectives such as transitioning to electric fleet vehicles, encouraging utilization of electric bikes and scooters, increasing greenspaces, installing solar panels on public buildings or parking structures, and requiring energy efficient standards for buildings.⁹¹

Carbon Taxes and Carbon Emissions Trading Programs

Carbon pricing is a fee on each unit of CO₂ or other greenhouse gas emissions released into the atmosphere. There are two primary methods of pricing carbon: carbon taxes and carbon emissions programs like cap-and-trade programs.⁹² A carbon tax directly sets a price per unit of emissions, requiring companies to pay a fee based on the amount of greenhouse gases they emit.⁹³ The price is usually expressed as a monetary unit per ton of CO₂ equivalent.⁹⁴

⁸⁶ *Id.*

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ *Id.*

⁹⁰ United Nations (UN), *Net Zero*, <https://www.un.org/en/climatechange/net-zero-coalition> (last visited Jan. 21, 2026).

⁹¹ See, e.g., City of Miami, *Miami Forever Carbon Neutral: Executive Summary*, 5-6, available at <https://www.miami.gov/files/d4782104-3340-460c-a086-6a466c00a3a1/Miami-Forever-Carbon-Neutral-Executive-Summary.pdf>; City of Fort Lauderdale, *Net Zero Plan*, 8-21 (2025), available at <https://www.fortlauderdale.gov/government/departments-i-z/parks-recreation/sustainability/sustainability-climate-resilience/net-zero>; City of Miramar, *Race to Zero*, <https://www.miramarfl.gov/Departments/Building-Planning-Zoning/Sustainable-Living/Race-to-Zero> (last visited Jan. 22, 2026); City of Boca Raton, *Race to Zero*, <https://www.myboca.us/2192/Race-to-Zero> (last visited Jan. 22, 2026); Broward County, *Broward County Net-Zero Plan*, <https://www.broward.org/Climate/Pages/netzeroplan.aspx> (last visited Jan. 22, 2026).

⁹² Columbia University, School of International and Public Affairs, *What You Need to Know About a Federal Carbon Tax in the United States* (2019), <https://www.energypolicy.columbia.edu/publications/what-you-need-to-know-about-a-federal-carbon-tax-in-the-united-states/>.

⁹³ See World Research Institute, *Carbon Tax vs. Cap-and-Trade: What's a Better Policy to Cut Emissions*, <https://www.wri.org/insights/carbon-tax-vs-cap-and-trade-whats-better-policy-cut-emissions> (last visited Jan. 22, 2026).

⁹⁴ World Bank Group, *State and Trends of Carbon Pricing*, 15 (2024), available at <https://openknowledge.worldbank.org/entities/publication/b0d66765-299c-4fb8-921f-61f6bb979087>.

In a cap-and-trade system, a government entity or other authority sets an emissions cap and issues a fixed quantity of emission allowances.⁹⁵ Covered entities must hold sufficient allowances to account for the greenhouse emissions they produce. These entities can buy and sell allowances from each other based on their need. This supply and demand dynamic establishes a market price for carbon.⁹⁶ Cap-and-trade programs have been implemented in several U.S. jurisdictions.⁹⁷ For example, the Regional Greenhouse Gas Initiative is a cooperative effort among several participating U.S. states to cap and reduce power sector CO₂ emissions.⁹⁸ The initiative establishes a regional CO₂ emissions cap, implemented through individual state CO₂ budget trading programs, and requires regulated fossil-fuel-fired power plants to hold allowances equal to their emissions. Allowances are distributed through quarterly regional auctions, with proceeds used by states to support energy efficiency, renewable energy, and other consumer benefit programs.⁹⁹

There are 75 carbon tax and emissions trading schemes in operation worldwide, covering approximately 24 percent of global emissions.¹⁰⁰

Green Initiatives and Sustainability Plans

Many cities and counties throughout Florida have adopted green initiatives and plans to advance environmental sustainability by reducing emissions, conserving resources, and minimizing waste and pollution. For example, Leon County has adopted an Integrated Sustainability Action Plan with the goal of reducing greenhouse gas emissions from county operations by 30 percent by 2030, primarily through energy efficiency in county buildings, fleet electrification and fuel efficiency, waste diversion, sustainable purchasing, and public education on energy efficiency.¹⁰¹ The City of Doral's sustainability plan sets a goal of reducing greenhouse gas emissions by 10-15 percent by 2050 through preserving greenspaces, enhancing public transportation, and creating energy efficiency standards for buildings, transportation, and infrastructure.¹⁰² Alachua County's Climate Action Plan includes a goal to reduce greenhouse gas emissions by 80 percent by 2050, with objectives that include strengthening food system security, supporting local production, improving energy efficiency and renewable energy use, protecting public health and

⁹⁵ Michigan State University, *State Cap-and-Trade Programs*, 2 (2023), available at https://www.canr.msu.edu/fccp/Uploads/Files/2b.%20Cap%20and%20Trade_FINAL_v2.pdf. See generally EPA, *What is Emissions Trading?*, <https://www.epa.gov/emissions-trading/what-emissions-trading> (last visited Jan. 21, 2026).

⁹⁶ *Id.*

⁹⁷ States with cap-and-trade programs include California, Oregon, Washington, and those states participating in the Regional Greenhouse Gas Initiative. Michigan State University, *State Cap-and-Trade Programs* at 7-13.

⁹⁸ Regional Greenhouse Gas Initiative (RGGI), *Elements of RGGI*, <https://www.rggi.org/program-overview-and-design/elements> (last visited Jan. 21, 2026). Participating states include Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. *Id.*

⁹⁹ *Id.*

¹⁰⁰ World Bank Group, *State and Trends of Carbon Pricing*, 9, 18, 22 (2024), available at <https://openknowledge.worldbank.org/entities/publication/b0d66765-299c-4fb8-921f-61f6bb979087>.

¹⁰¹ Leon County, *Integrated Sustainability Action Plan*, 5-24 (2019), available at <https://cms.leoncountyfl.gov/Portals/0/DeptFiles/Sustain/Docs/isap.pdf>.

¹⁰² City of Doral, *Resolution No. 24-222, Ex. A* (2024), available at <https://www.cityofdoral.com/files/assets/city/v/1/city-hall/city-clerk/resolutions-archived/2024/res.-no.-24-222-adoption-citywide-integrated-sustainability-plan-cisp.pdf>.

critical infrastructure, conserving natural and water resources, enhancing waste management, and promoting land-use and transportation strategies that increase climate resilience.¹⁰³

Regional plans such as the Southeast Florida Priority Climate Action Plan establish greenhouse gas emission reduction targets for participating counties and outline strategies to achieve those targets. These strategies include transitioning government fleets to electric alternatives, including work trucks, buses, and refuse vehicles; expanding publicly available electric vehicle charging infrastructure; increasing public transit ridership; leveraging existing residential programs that reduce greenhouse gas emissions through building improvements; promoting commercial equipment and building upgrades; and diverting organic waste from landfills, among other measures.¹⁰⁴

These initiatives often include a mix of planning commitments, regulatory measures, voluntary programs, and investments in renewable energy, energy efficiency, and waste diversion.

Paris Agreement

Goals for global temperature stabilization have been set by the Paris Agreement. The Paris Agreement is an international treaty to strengthen the global response to the threat of climate change, including through the reduction of greenhouse gas emissions.¹⁰⁵ The Agreement was adopted by 195 parties at the United Nations Climate Change Conference in Paris on December 12, 2015, and entered into force on November 4, 2016.¹⁰⁶

The Paris Agreement's goal is to hold the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.¹⁰⁷ The Agreement does not include mandatory targets or timetables for parties to reduce their emissions. Instead, parties to the Agreement submit nationally determined contributions (NDCs) every five years and pursue mitigation measures with the aim of achieving the objectives of such contributions.¹⁰⁸ In 2024, the U.S. announced an updated NDC establishing an economy-wide target of reducing its net greenhouse gas emissions by 61-66 percent below 2005 levels in 2035.¹⁰⁹

¹⁰³ Alachua County, *Climate Action Plan*, 2-3, 15-189 (2025), available at https://www.alachuacounty.us/Depts/epd/Documents/ADACompliant/Alachua-County-Climate-Action-Plan_Final_29Oct25.pdf.

¹⁰⁴ Southeast Florida Regional Climate Change Compact, *Southeast Florida Priority Climate Action Plan*, 27-46 (2024), available at https://southeastfloridaclimatecompact.org/wp-content/uploads/2024/03/Southeast-Florida-Priority-Climate-Action-Plan_Final2024.pdf. The Southeast Florida Regional Climate Change Compact is a partnership between Broward, Miami-Dade, Monroe, and Palm Beach counties.

¹⁰⁵ Paris Agreement to the United Nations Framework Convention on Climate Change (UNFCCC), art. 2 (Dec. 12, 2015), T.I.A.S. No. 16-1104, available at https://unfccc.int/sites/default/files/english_paris_agreement.pdf. The Paris Agreement is part of the UNFCCC, a framework established in 1992 for coordinated global action to address climate change. UN Climate Change (UNCC), *The Convention*, <https://unfccc.int/resource/bigpicture/> (last visited Jan. 21, 2026).

¹⁰⁶ See UNCC, *The Paris Agreement*, <https://unfccc.int/process-and-meetings/the-paris-agreement> (last visited Jan. 21, 2026).

¹⁰⁷ UNFCCC Paris Agreement, art. 2.1.

¹⁰⁸ UNFCCC Paris Agreement, art. 4.2, 4.9.

¹⁰⁹ UNFCCC, *The United States of America—Nationally Determined Contribution*, 2 (2024), available at <https://unfccc.int/sites/default/files/2024-12/United%20States%202035%20NDC.pdf>. The U.S. met and surpassed its 2020 target of net economy-wide emissions reductions in the range of 17 percent below 2005 levels, its initial Paris Agreement target set in 2015. *Id.* at 3.

The U.S. joined the Paris Agreement in September 2016¹¹⁰ but subsequently withdrew twice.¹¹¹ Researchers using varying techniques and different assumptions have found differing potential effects on the U.S. economy and global emissions as a result of withdrawal from the Paris Agreement.¹¹²

Florida's Energy Policy

The purpose of the state's energy policy is to ensure an adequate, reliable, and cost-effective supply of energy for the state in a manner that promotes the health and welfare of the public and economic growth.¹¹³ The Legislature intends that governance of the state's energy policy be efficiently directed toward achieving this purpose.¹¹⁴ The state's energy policy is guided by the following goals:

- Ensuring a cost-effective and affordable energy supply.
- Ensuring adequate supply and capacity.
- Ensuring a secure, resilient, and reliable energy supply, with an emphasis on a diverse supply of domestic energy resources.
- Protecting public safety.
- Protecting the state's natural resources, including its coastlines, tributaries, and waterways.
- Supporting economic growth.¹¹⁵

In furtherance of the goals, it is the policy of the state to:

- Promote the cost-effective development and use of a diverse supply of domestic energy resources in the state and discourage energy waste.
- Promote the cost-effective development and maintenance of energy infrastructure that is resilient to natural and manmade threats to the security and reliability of the state's energy supply.
- Reduce reliance on foreign energy resources.
- Include energy reliability and security considerations in all state, regional, and local planning.
- Utilize and manage effectively energy resources used within state agencies.
- Encourage local governments to include energy considerations in all planning and to support their work in promoting energy management programs.
- Include the full participation of citizens in the development and implementation of energy programs.

¹¹⁰ UN Treaty Collection, Chapter XXVII: Environment, 7.d, Paris Agreement (Sept. 3, 2016), *available at* <https://treaties.un.org/doc/Publication/CN/2016/CN.612.2016-Eng.pdf>.

¹¹¹ On November 4, 2019, the U.S. formally notified the UN Secretary General of its withdrawal. U.S. Department of State, *On the U.S. Withdrawal from the Paris Agreement*, <https://2017-2021.state.gov/on-the-u-s-withdrawal-from-the-paris-agreement/>. The withdrawal took effect on November 4, 2020, pursuant to article 28 of the Paris Agreement, which states that withdrawal takes effect one year after notification of withdrawal. See UNFCCC Paris Agreement, art. 28.2. The U.S. rejoined the Agreement on February 19, 2021. U.S. Department of State, *The United States Officially Rejoins the Paris Agreement*, <https://2021-2025.state.gov/the-united-states-officially-rejoins-the-paris-agreement/>. On January 20, 2025, President Trump issued an executive order directing the withdrawal from the Agreement. 90 Fed. Reg. 8455 (Jan. 30, 2025).

¹¹² U.S. Congressional Research Service, *U.S. Withdrawal from the Paris Agreement: Process and Potential Effects*, 1, 12-16 (2025) *available at* <https://www.congress.gov/crs-product/R48504>.

¹¹³ Section 377.701(1), F.S.

¹¹⁴ *Id.*

¹¹⁵ Section 377.601(2), F.S.

- Consider in its decisions the energy needs of each economic sector, including residential, industrial, commercial, agricultural, and governmental uses, and reduce those needs whenever possible.
- Promote energy education and the public dissemination of information on energy and its impacts in relation to the state’s energy goals.
- Encourage the research, development, demonstration, and application of domestic energy resources, including the use of renewable energy resources.
- Consider the impacts of energy-related activities on the state’s energy goals, including the whole-life-cycle impacts of any potential energy use choices, so that detrimental effects of these activities are understood and minimized.
- Develop and maintain energy emergency preparedness plans to minimize the effects of an energy shortage within this state.¹¹⁶

Proposed Changes

Section 12 creates s. 377.817, F.S., regarding net-zero and carbon policies, expenditures, taxes, assessments, and trade programs. The bill provides a legislative finding that net-zero policies, carbon taxes and assessments, and carbon emissions trading programs, commonly known as “cap-and-trade” or “cap-and-tax” programs, are detrimental to the state’s energy security and economic interests. The bill provides that it is the policy of this state to govern under the energy policy outlined in s. 377.601, F.S., and to prohibit the adoption or implementation of a net-zero policy by a governmental entity¹¹⁷ in any way, including through government expenditures, taxes, assessments, or carbon emissions¹¹⁸ trading programs.

The bill prohibits a governmental entity from adopting, or requiring a person to adopt, a net-zero policy. This prohibition includes references to or the inclusion of such policies in comprehensive plans, land development regulations, transportation plans, or any published or adopted government policy or procedure.

The bill defines “net-zero policy” as any target, threshold, initiative, action, framework, requirement, or policy related to reducing the use of a carbon-intensive product or activity, including:

- A requirement imposed by a governmental entity which requires the governmental entity to meet a statewide, regional, or geographically specific reduction in carbon dioxide or greenhouse gas¹¹⁹ emissions equal to zero or when annual anthropogenic emissions of greenhouse gases or carbon dioxide equivalent emissions¹²⁰ to the atmosphere are balanced by removals over a specific period.

¹¹⁶ *Id.*

¹¹⁷ The bill defines “governmental entity” as the state or any political subdivision thereof, including the executive, legislative, and judicial branches of government; the independent establishments of the state, counties, municipalities, districts, authorities, boards, or commissions; and any agencies subject to ch. 377, F.S., regarding energy resources. The term also includes community development districts, improvement districts, and homeowners’ associations.

¹¹⁸ The bill defines “emissions” as the release of greenhouse gases into the atmosphere or air by a person.

¹¹⁹ The bill defines “greenhouse gas” as carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrogen trifluoride.

¹²⁰ The bill defines “carbon dioxide equivalent emissions” as the number of metric tons of carbon dioxide emissions with the same global warming potential as one metric ton of another greenhouse gas.

- A requirement imposed by a governmental entity which requires a person or business activity, including a carbon-intensive activity, to do any of the following:
 - Meet a specific reduction in greenhouse gas or carbon dioxide equivalent emissions equal to zero or when annual anthropogenic emissions of greenhouse gases into the atmosphere are balanced by removals over a specific period.
 - Meet any goal of the Paris Agreement, defined as the resolution adopted by the United Nations Framework Convention on Climate Change’s 21st Conference of the Parties in Paris, France; or any similar initiative adopted by the Federal Government or any geopolitical organization affiliated with the World Bank or World Economic Forum related to such.
 - Support the goal of a regional governing authority or multistate entity that commits to a reduction in greenhouse gas emissions equal to zero or when annual anthropogenic emissions of greenhouse gases to the atmosphere are balanced by removals over a specific period.
 - Restrict a carbon-intensive activity from which a person would not otherwise be restricted, for the sole purpose of meeting a net-zero policy. This may not be construed to legalize an otherwise illegal action by a person.
 - Prohibit the use, sale, purchase, or exchange of a carbon-intensive product or carbon for the sole purpose of meeting a net-zero policy. This may not be construed to legalize an otherwise illegal action by a person.

The bill defines “carbon dioxide” as a naturally occurring gas composed of one carbon atom and two oxygen atoms that occurs as a byproduct of burning fossil fuels, such as oil, gas, or coal; a byproduct of burning biomass; a byproduct of land use changes; or a byproduct of industrial processes.

The bill defines “carbon-intensive product” as any of the following, including a product containing a component of such:

- Products containing iron; steel; steel mill products, including pipe and tube; aluminum; cement; glass, including flat, container, and specialty glass and fiberglass; oil or a component thereof; minerals and metals; pulp; and paper.
- An agricultural commodity or product, whether raw or processed, including a commodity or product derived from livestock which is marketed in the United States for human or livestock consumption. The term also includes agricultural, aquacultural, horticultural, viticultural, and dairy products; livestock and the products thereof; the products of poultry and bee raising; the edible products of forestry; and products raised or produced on farms and the processed or manufactured products thereof transported or intended to be transported in interstate or foreign commerce.

The bill defines “carbon-intensive activity” as any business activity¹²¹ or other activity performed by a person which supports any of the following:

- The movement of people or goods through methods of transportation, including automobiles, commercial vehicles, freight haulers, aircraft, vessels, pipelines, delivery devices, and similar methods, and the use of energy resources to power or operate such transportation methods.

¹²¹ The bill defines “business activity” as any activity or series of activities that (1) involve the emission of a greenhouse gas or a combination thereof; and (2) form a single undertaking or enterprise with regard to any relevant circumstances.

- The creation or transmission of energy resources for the following commercial and residential uses: electricity; manufacturing; sustaining human life, including refrigeration and cooling in enclosed or partially enclosed spaces; waste management; or the operation or manufacturing of appliances for human use.
- The performance of activities to support the production of a carbon-intensive product, including farming, agriculture, hunting and gathering, or the taking of fish and wildlife to sustain human life.
- The operation or purchase of a vessel for transporting a person or an object by use of an energy source.
- The use of methods authorized by authorities to take fish and wildlife resources.
- The mining, exploration, or manufacturing of products to support the continued livelihood of mankind.

The bill prohibits a governmental entity from expending government funds¹²² to a person in a manner that supports, implements, or advances a net-zero policy, including by doing any of the following:

- Providing procurement or purchasing preferences for non-carbon-intensive products.
- Instituting purchasing preferences for passenger vehicles, commercial vehicles, or heavy equipment based solely on the fuel source of such vehicles or equipment.
- Expending government funds to pay dues for a nongovernmental organization, including a trade association or league of government entities, that has adopted or supports a net-zero policy.

The bill prohibits a governmental entity from imposing a tax, a fee, a penalty, a charge, an offset, or an assessment to advance a net-zero policy. This includes, but is not limited to, a tax, a fee, a penalty, a charge, an offset, or an assessment on any of the following:

- The carbon content of a fuel.
- The emission of carbon dioxide or other greenhouse gas which results from the use, production, or consumption of a good or service.
- A carbon-intensive activity.
- The use, sale, purchase, or exchange of a carbon-intensive product or carbon-intensive activity to advance a net-zero policy.

The bill provides that a governmental entity may not implement, administer, or enforce a program that has the effect of doing any of the following:

- Establishing a statewide, regional, or geographic specific limit or cap on the amount of emissions of carbon dioxide or other greenhouse gas which result from the use, production, or consumption of a carbon-intensive product or carbon-intensive activity.
- Providing for the allocation, auction, or transfer of emissions allowances or credits among pollutant sources as a means of compliance with emissions limits.
- Requiring a governmental entity or a person within this state to participate in a carbon emissions trading program.

¹²² The bill defines “government funds” as state funds, as that term is described in s. 215.31, F.S., and any moneys of the state or of any Florida College System institution or state university, county, school district, political subdivision, special district, metropolitan government, or municipality, including agencies, boards, bureaus, commissions, and institutions of any of the foregoing, or of any court, and includes the moneys of all county officers, including constitutional officers.

The bill provides that, beginning January 1, 2027, the Department of Environmental Protection must annually require all governmental entities to submit an affidavit signed under penalty of perjury by an authorized official of the governmental entity attesting compliance with this section.

The bill provides that this section applies to a proposed action by a governmental entity on or after July 1, 2026, which is otherwise not allowable by law.

Section 15 amends s. 125.01, F.S., regarding powers and duties of county governments. The bill provides that county comprehensive plans, and zoning and business regulations must comply with this bill. The bill provides that counties may not levy and collect taxes that are prohibited by this bill.

Section 16 amends s. 166.021, F.S., regarding powers of municipalities. Currently, “municipal purpose” is defined as any activity or power which may be exercised by the state or its political subdivisions. The bill specifies that this term does not include the prohibitions listed in this bill.

Section 17 amends s. 166.201, F.S., regarding taxes and charges by municipalities. The bill prohibits a municipality from raising money through taxation and licenses or other charges or fees that are inconsistent with this bill.

Sections 13 and 14 – Voted Millage for Charter Schools

Present Situation

A school district is authorized to levy, subject to approval by local referendum or in a general election, additional millage for school operational purposes up to an amount that, when combined with nonvoted millage levied under the district school tax law, does not exceed the 10-mill limit established in the state constitution. Any such levy must be for a maximum of 4 years and must be counted as part of the 10-mill limit established in the state constitution. For the purpose of distributing taxes collected pursuant to this subsection, the term “school operational purposes” includes charter schools sponsored by a school district.¹²³ Charter schools are tuition free public schools created through an agreement or “charter” that provides flexibility relative to regulations created for traditional public schools.¹²⁴

Funds levied under this subsection must be shared with charter schools sponsored by a school district based on each charter school’s proportionate share of the district’s total unweighted full-time equivalent student enrollment.¹²⁵ In addition to a school district sponsoring a charter school, a charter school may also be sponsored by any of the following: a state university approved to sponsor certain lab schools, a state university approved by DOE, or a Florida College System institution approved by the DOE.¹²⁶

¹²³ Section 1011.71(9), F.S.

¹²⁴ Florida Department of Education, *Frequently Asked Questions(Charter Schools)*, available at <https://www.fldoe.org/schools/school-choice/charter-schools/charter-school-faqs.stml> (last visited Feb. 21, 2026).

¹²⁵ *Id.*

¹²⁶ Section 1002.33 (5)(a), F.S.

Proposed Changes

Section 13 amends s. 1011.71 (9), F.S., to revise the distribution of school taxes collected from a voter approved property tax levy to remove a reference which excludes certain charter schools. Consequently, all charter schools will become eligible for the distribution of funds, regardless of a charter school’s sponsoring entity.

Section 14 provides that the amendments made to s. 1011.71(9), F.S., amending the distribution of taxes collected from certain voted discretionary operating millages levied by school districts, apply to such levies authorized by a vote of the electors on or after July 1, 2026.

Section 39 – Hunting, Fishing, and Camping Sales Tax Holiday – Approximately 3.5 Months – September 7, 2026, through December 31, 2026

Present Situation

The sale of ammunition, firearms, bows, crossbows, and associated accessories is subject to sales and use tax. The sale of fishing and camping supplies is also subject to sales and use tax.

Florida enacted a hunting, fishing, and camping sales tax holiday for approximately 3.5 months from September 8, 2025, through December 31, 2025, for the following items.

Item	Details
Firearms, Ammunition, and Accessories	<ul style="list-style-type: none"> • Ammunition, which means an object consisting of all of the following: a fixed metallic or nonmetallic hull or casing containing a primer, one or more projectiles, one or more bullets, or shot, and gunpowder • A firearm, which means a weapon capable of firing a missile and includes a pistol, rifle, or shotgun using an explosive charge as a propellant • Charging handles, cleaning kits, holsters, pistol grips, sights or optics, and stocks. • No price caps
Bows, Crossbows, and Accessories	<ul style="list-style-type: none"> • A bow, which means a device consisting of flexible material having a string connecting its two ends, either indirectly by cables or pulleys or directly, for the purpose of discharging arrows; which propels arrows only by the energy stored by the drawing of the device; and which is handheld, hand-drawn, and hand-released • A crossbow, which means a device consisting of flexible material having a string connecting its two ends, either indirectly by cables or pulleys or directly, affixed to a stock for the purpose of discharging quarrels, bolts, or arrows; which propels quarrels, bolts, or arrows only by the energy stored by the drawing of the device; and which uses a non-handheld locking mechanism to maintain the device in a drawn or ready-to-discharge condition • Arrows, bolts, quarrels, quivers, releases, sights or optics, and wristguards • No price caps

Item	Details
Camping Supplies	<ul style="list-style-type: none"> • Tents with a sales price of \$200 or less • Sleeping bags, portable hammocks, camping stoves, and collapsible camping chairs with a sales price of \$50 or less • Camping lanterns and flashlights with a sales price of \$30 or less
Fishing Supplies	<ul style="list-style-type: none"> • Rods and reels with a sales price of \$75 or less if sold individually, or \$150 or less if sold as a set • Tackle boxes or bags with a sales price of \$30 or less • Bait or fishing tackle with a sales price of \$5 or less if sold individually, or \$10 or less if multiple items are sold together. • Fishing supplies does not include supplies used for commercial fishing purposes

Proposed Changes

Section 39 provides a Hunting, fishing, and camping sales tax holiday for approximately 3.5 months from September 7, 2026, through December 31, 2026. During the holiday, the following items are exempt from the state sales tax and county discretionary sales surtaxes.

- Ammunition, which means an object consisting of all of the following: a fixed metallic or nonmetallic hull or casing containing a primer, one or more projectiles, one or more bullets, or shot, and gunpowder.
- A firearm, which means a weapon capable of firing a missile and includes a pistol, rifle, or shotgun using an explosive charge as a propellant.
- The following firearm accessories: charging handles, cleaning kits, holsters, pistol grips, sights or optics, or stocks.
- A bow, which means a device consisting of flexible material having a string connecting its two ends, either indirectly by cables or pulleys or directly, for the purpose of discharging arrows; which propels arrows only by the energy stored by the drawing of the device; and which is hand-held, hand-drawn, and hand-released.
- A crossbow, which means a device consisting of flexible material having a string connecting its two ends, either indirectly by cables or pulleys or directly, affixed to a stock for the purpose of discharging quarrels, bolts, or arrows; which propels quarrels, bolts, or arrows only by the energy stored by the drawing of the device; and which uses a non-handheld locking mechanism to maintain the device in a drawn or ready-to-discharge condition.
- The following accessories used for bows or crossbows: arrows, bolts, quarrels, quivers, releases, sights or optics, or wristguards.
- Camping supplies, which means tents with a sales price of \$200 or less, sleeping bags, portable hammocks, camping stoves, and collapsible camping chairs with a sales price of \$50 or less, and camping lanterns and flashlights with a sales price of \$30 or less.
- Fishing supplies, which means rods and reels with a sales price of \$75 or less, if sold individually, or \$150 or less, if sold as a set; tackle boxes or bags with a sales price of \$30 or less; and bait or fishing tackle with a sales price of \$10 or less if sold individually, or \$20 or less if multiple items are sold together. Fishing supplies does not include supplies used for commercial fishing purposes.

The DOR is authorized to adopt emergency rules to implement this sales tax holiday.

Section 41 – Effective Date

The bill takes effect July 1, 2026, except as otherwise provided.

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 mandates requirements do not apply to laws having an insignificant impact,¹²⁷ which is \$2.4 million or less for Fiscal Year 2026-2027.¹²⁸

The bill may reduce the authority for counties and municipalities to raise revenue through property tax, special assessments, and local option surtax by an indeterminate amount. Also, the bill distributes a portion of the state sales tax collections to certain counties. If the bill reduces the authority to raise revenue in the aggregate 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:

None.

C. Trust Funds Restrictions:

None.

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

¹²⁷ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See FLA. SENATE COMM. ON COMTY. AFFAIRS, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Feb. 21, 2026).

¹²⁸ Based on the Demographic Estimating Conference's estimated population adopted on June 30, 2025, available at <https://edr.state.fl.us/Content/conferences/population/archives/250630demographic.pdf> (last visited Feb. 21, 2026).

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.

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:

The bill is estimated by staff to reduce revenues in Fiscal Year 2026-2027 by \$34.1 million and by an indeterminate amount recurring, which reflects the annual value of permanent tax cuts when fully implemented. The bill reduces General Revenue Fund receipts by \$76.7 million (\$50.3 million recurring); state trust fund receipts are reduced by an indeterminate amount; and local government revenue is increased by \$42.6 million (\$50.3 million recurring), as displayed in the table below.

FY 2026-27	SB 7046							
	General Revenue		State Trust Funds		Local/Other		Total	
	1st Yr.	Recur.	1st Yr.	Recur.	1st Yr.	Recur.	1st Yr.	Recur.
<u>Sales and Use Tax</u>								
Florida hunting, fishing, and camping sales tax holiday - Sept. 7 - Dec. 31, 2026	(26.4)	-	(*)	-	(7.7)	-	(34.1)	-
Exempt portable tanks for LP gas - 20 lbs. or less	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
<u>Sales Tax/CST</u>								
Fiscally constrained counties distribution change	(50.3)	(50.3)	-	-	50.3	50.3	-	-
<u>Ad Valorem</u>								
School district 4-yr voted millage distribution to all charter schools	-	-	-	-	-	-	-	-
Missing Middle opt-out report lookback period extension and exemption for property with an approved site plan	-	-	-	-	-	(**)	-	(**)
<u>Local Taxes & Assessments</u>								
Limit non-ad valorem assessments at recreational vehicle parks	-	-	-	-	(**)	(**)	(**)	(**)
<u>Other</u>								
Net-zero Policies by Governmental Entities	-	-	-	-	-	-	-	-
Fiscally constrained counties redefined and prescribed uses	-	-	-	-	-	-	-	-
Tax Administration -								
Establish maximum millage for taxing authorities that have not levied in the prior year								
2026-27	(76.7)	(50.3)	(**)	(**)	42.6	50.3	(34.1)	(**)

(*) Impact is less than \$100,000
 (**) Impact is indeterminate

B. Private Sector Impact:

Taxpayers, both businesses and individuals, will experience tax savings.

C. Government Sector Impact:

Various departments and agencies will need to implement provisions of this bill. This may require the expenditure of funds.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 125.01, 125.0168, 166.021, 166.201, 166.223, 189.052, 196.1978, 200.065, 202.18, 212.08, 212.20, 218.67, 1011.71, 212.205, 288.11621, 288.11631, 443.191, 571.26, and 571.265.

This bill reenacts the following sections of the Florida Statutes: 125.0104, 193.624, 196.182, 218.12, 218.125, 218.135, 218.136, 252.35, 288.0655, 288.102, 339.2816, 403.064, 403.0741, 589.08, and 1011.62.

This bill creates section 377.817 of the Florida Statutes.

This bill creates undesignated sections of the Florida law.

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.