

FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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BILL #: [CS/CS/HB 1221](#)

TITLE: Local Option Taxes

SPONSOR(S): Miller, Basabe

COMPANION BILL: [CS/CS/SB 1664](#) (Trumbull)

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Ways & Means](#)

13 Y, 4 N, As CS



[Intergovernmental Affairs](#)

10 Y, 7 N



[State Affairs](#)

14 Y, 12 N, As CS

SUMMARY

Effect of the Bill:

The bill provides that local governments may reduce or repeal any local discretionary sales surtax by a two-thirds vote of the levying body beginning four years after the tax is levied, and that the local option food and beverage tax may only be levied for an eight-year period, subject to eight-year renewals.

The bill also changes tourist development taxes from limited use revenue to general revenue, which must be used to offset county property taxes beginning in 2026, dissolves tourist development councils, and dissolves tourism promotion agencies unless the agency is affirmatively approved by resolution of the board of county commissioners.

Fiscal or Economic Impact:

The Revenue Estimating Conference has not evaluated the impact of the bill on local government revenues.

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ANALYSIS

EFFECT OF THE BILL:

[Discretionary Sales Surtaxes](#)

The bill provides express authority for a levying local government (the board of county commissioners or the school board) of any discretionary sales surtax to reduce or repeal such surtax with a two-thirds vote of the board, beginning four years after a surtax is levied. The reduced rate can be any lower rate otherwise allowable under the applicable statutory provision. A reduced or repealed rate is effective on the January 1 following the board's vote, or on any subsequent January 1 as provided by the board. (Section [4](#))

[Tourist Development Taxes](#) (TDT)

The bill provides that, beginning July 1, 2025, all TDT revenues are available to counties to complete any project under way as of July 1, 2025, or for performance of any contract in existence on January 1, 2025, pursuant to the restrictions that exist currently. Revenues not needed for projects, contracts, or debt obligations may be used for any public purpose, rather than being limited to the current authorized uses of TDT. Bonds or other debt obligations may be refinanced, but the duration of such debt may not be extended and the outstanding principal may not be increased, except to account for costs of issuance. (Section [1](#))

Beginning in 2026, a credit against county ad valorem taxes must be applied to property tax bills that, in total, equals the prior year's TDT collections less any revenue needed for debt service or to continue any contract in effect on July 1, 2025. The credit on bills may either be proportionate shares of the TDT collections for all county taxpayers, or can be allocated among certain categories of taxpayers according to an ordinance adopted by the board of county commissioners. (Section [1](#))

All [tourist development councils](#) are dissolved December 31, 2025. (Sections [1](#) and [2](#))

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The bill dissolves all county tourism promotion agencies but provides that such agencies may continue if affirmatively extended by resolution of the board of county commissioners on or before December 31, 2025. (Sections [1](#) and [2](#))

[Local Option Food and Beverage Tax](#)

The bill provides an eight-year limitation for the imposition of the local option food and beverage tax under [s. 212.0306, F.S.](#), in those cities in Miami-Dade County which currently levy the municipal resort tax pursuant to ch. 67-930, L.O.F. An ordinance levying such a tax may be reenacted for subsequent eight-year periods if approved in a referendum. (Section [3](#))

[Conforming Changes](#)

The bill conforms cross-references to changes made by the bill. (Sections [5](#), [6](#), and [7](#))

[Effective Date](#)

The bill takes effect July 1, 2025. (Section [8](#))

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The Revenue Estimating Conference has not evaluated the impact of the bill on local government revenues.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Local Discretionary Sales Surtaxes](#)

Counties have been granted limited authority to levy discretionary sales surtaxes for specific purposes on all transactions occurring in the county subject to the state sales tax in ch. 212, F.S., and on communications services as defined in ch. 202, F.S.² A discretionary sales surtax is based on the rate in the county where the taxable goods or services are sold, or delivered into, and is levied in addition to the state sales and use tax of 6 percent. The surtax does not apply to the sales price above \$5,000 on any item of tangible personal property.

Approved purposes for levying a surtax include:

- Operating a regional transportation system in a charter county;³
- Financing local government infrastructure projects;⁴
- Providing additional revenue for specified small counties;⁵
- Providing medical care for indigent persons;⁶
- Funding trauma centers;⁷
- Operating, maintaining, and administering a county public general hospital;⁸
- Constructing and renovating schools;⁹
- Providing emergency fire rescue services and facilities;¹⁰ and

¹ Revenue Estimating Conference, https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2025/_pdf/page161-164.pdf (last visited Apr. 7, 2025).

² The tax rates, duration of the surtax, method of imposition, and proceed uses are individually specified in [s. 212.055, F.S.](#) General limitations, administration, and collection procedures are set forth in [s. 212.054, F.S.](#)

³ [S. 212.055\(1\), F.S.](#)

⁴ [S. 212.055\(2\), F.S.](#)

⁵ [S. 212.055\(3\), F.S.](#) Note that the small county surtax may be levied by extraordinary vote of the county governing board if the proceeds are to be expended only for operating purposes.

⁶ [S. 212.055\(4\)\(a\), F.S.](#) (for counties with more than 800,000 residents); [s. 212.055\(7\), F.S.](#) (for counties with less than 800,000 residents).

⁷ [S. 212.055\(4\)\(b\), F.S.](#)

⁸ [S. 212.055\(5\), F.S.](#)

⁹ [S. 212.055\(6\), F.S.](#)

¹⁰ [S. 212.055\(8\), F.S.](#)

- Funding pension liability shortfalls.¹¹

Current rates range from 0.5 percent to 2.0 percent in each of the 65 counties currently levying one or more surtaxes.¹² Many of the taxes have restrictions on what combination of taxes can be levied by a single county at one time.¹³

Fiscal Year (FY) 2023-24 levies for these taxes were as follows:

Surtax	Statute	Counties Levying/ Can Levy ¹⁴	2023-24 Statewide Revenue ¹⁵
Charter County Regional Transportation	s. 212.055(1), F.S.	3/23	\$1.07 Billion
Local Gov't Infrastructure	s. 212.055(2), F.S.	26/67	\$2.32 Billion
Small County	s. 212.055(3), F.S.	30/31	\$211 Million
Indigent Care (divided by population)	s. 212.055(4)(a), F.S. and 212.055(7), F.S.	1/8 (greater than 800k); 5/58 (fewer than 800k)	\$195 Million; \$88 Million
Trauma Center	s. 212.055(4)(b), F.S.	0/58	\$195 Million
County General Hospital	s. 212.055(5), F.S.	1/1	\$403 Million
School Construction	s. 212.055(6), F.S.	30/67	\$1.56 Billion
Emergency Fire Rescue Services	s. 212.055(8), F.S.	1/65	\$311,042
Pension Liability	s. 212.055(9), F.S.	0/26 ¹⁶	\$-

Most local discretionary sales surtaxes may only be approved by referendum, while some may be approved by a vote of the county commission.¹⁷ Some of the surtaxes have set periods of time that they can be enacted for before requiring reenactment, others have no such specified time limit. The Charter County and Regional Transportation System Surtax in [s. 212.055\(1\), F.S.](#), for example, is currently limited to 30 years if adopted on or after July 1, 2020.

Tourist Development Taxes

The Local Option Tourist Development Act¹⁸ authorizes counties to levy five separate taxes on transient rental¹⁹ transactions (tourist development taxes or TDTs) for specified purposes, all of which are generally related to the tourism industry.

Depending on a county's eligibility to levy such taxes, the maximum potential tax rate varies:

- The original TDT may be levied at the rate of 1 or 2 percent.²⁰
- An additional 1 percent tax may be levied by counties who have previously levied the original TDT at the 1 or 2 percent rate for at least three years.²¹

¹¹ S. [212.055\(9\), F.S.](#)

¹² Dept. of Revenue, Discretionary Sales Surtax Information for Calendar Year 2025, Form DR-15DSS, available at https://floridarevenue.com/Forms_library/current/dr15dss.pdf (last visited March 9, 2025).

¹³ See, e.g., ss. [212.055\(4\)\(a\)6](#), [212.055\(5\)\(f\)](#), and [212.055\(9\)\(g\), F.S.](#)

¹⁴ See Office of Economic and Demographic Research (EDR), 2024 Local Discretionary Sales Surtax Rates in Florida's Counties, <https://edr.state.fl.us/Content/local-government/data/county-municipal/2024LDSSrates.pdf> (last visited Apr 7, 2025).

¹⁵ Revenue estimates taken from EDR, *2023 Local Government Financial Information Handbook*, pp. 169-199, available at <https://edr.state.fl.us/Content/local-government/reports/lgfi23.pdf> (last visited March 16, 2025).

¹⁶ The Pension Liability Surtax has been approved in a referendum to take effect in Duval County no later than January 1, 2031, but is not currently levied. See Duval County Ordinance 2017-257-E, available at https://library.municode.com/FL/Jacksonville/ordinances/code_of_ordinances?nodeId=826832 (last visited Mar. 24, 2025).

¹⁷ See generally [s. 212.055, F.S.](#); but see [ss. 212.055\(3\)](#) (small county surtax may be approved by extraordinary vote of the county commission as long as surtax revenues are not used for servicing bond indebtedness) and [212.055\(5\), F.S.](#) (county public hospital surtax may be approved by extraordinary vote of the county commission).

¹⁸ S. [125.0104, F.S.](#)

¹⁹ Section [125.0104\(3\)\(a\)\(1\), F.S.](#), considers "transient rental" to be the rental or lease of any accommodation for a term of six months or less.

²⁰ S. [125.0104\(3\)\(c\), F.S.](#)

²¹ S. [125.0104\(3\)\(d\), F.S.](#)

- A high tourism impact tax may be levied at an additional 1 percent.²²
- A professional sports franchise facility tax may be levied up to an additional 1 percent.²³
- An additional professional sports franchise facility tax no greater than 1 percent may be imposed by a county that has already levied the professional sports franchise facility tax.²⁴

TDTs are levied in 62 of 67 counties, and total rates range from 2 to 6 percent.²⁵

FY 2023-24 levies for these taxes were as follows:

Tax	Statute	Counties Levying/ Can Levy ²⁶	2023-24 Statewide Revenues ²⁷
Original TDT	s. 125.0104(3)(c), F.S.	62/67 (all at 2%)	\$709 Million
Additional TDT	s. 125.0104(3)(d), F.S.	56/59	\$291 Million
High Tourism Impact TDT	s. 125.0104(3)(m), F.S.	10/14	\$201 Million
Pro Sports TDT	s. 125.0104(3)(l), F.S.	46/67	\$330 Million
Additional Pro Sports TDT	s. 125.0104(3)(n), F.S.	36/65	\$252 Million

Prior to the authorization of a new TDT, the levy must be approved by a countywide referendum held at a general election²⁸ and approved by a majority of the electors voting in the county.²⁹ TDTs have no maximum period for which they may be levied, and no currently adopted TDT has a scheduled expiration date.³⁰

Each county proposing to levy the original 1 or 2 percent tax must adopt an ordinance for the levy and imposition of the tax,³¹ which must include a plan for tourist development prepared by the tourist development council.³² The plan for tourist development must include the anticipated net tax revenue to be derived by the county for the two years following the tax levy, as well as a list of the proposed uses of the tax and the approximate cost for each project or use.³³ The plan for tourist development may not be substantially amended except by ordinance enacted by an affirmative vote of a majority plus one additional member of the governing board.³⁴

Once a county has obtained approval to levy a TDT through a referendum, that county is not required to seek electorate approval through a referendum to continue levying such TDT.

[Tourist Development Councils](#)

A Tourist Development Council (TDC or Council) is a county level advisory council appointed by the governing board of a county when the county intends to enact or renew the 1 or 2 percent Original TDT.³⁵ The Council must

²² S. [125.0104\(3\)\(m\), F.S.](#)

²³ S. [125.0104\(3\)\(l\), F.S.](#) Revenue can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities or professional sports franchises, and convention centers and to promote and advertise tourism.

²⁴ S. [125.0104\(3\)\(n\), F.S.](#)

²⁵ EDR, *2023 Local Government Financial Information Handbook*, pp. 255-256, available at <https://edr.state.fl.us/Content/local-government/reports/lghf23.pdf>, (last visited March 10, 2025).

²⁶ EDR, *Local Option Tourist Taxes County Tax Rates: CY 2007-2025, 2024 Rates*, available at <http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm> (last visited March 16, 2025).

²⁷ EDR, *2023 Local Government Financial Information Handbook* (January 2024), p. 259, <http://edr.state.fl.us/Content/local-government/reports/lghf23.pdf> (last visited March 16, 2025).

²⁸ S. [125.0104\(6\)\(a\), F.S.](#)

²⁹ S. [125.0104\(6\), F.S.](#)

³⁰ EDR, *Local Option Tourist Taxes - Summary of Impositions, Expirations, and Rate Changes* available at <https://www.edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm> (last visited March 14, 2025).

³¹ S. [125.0104\(4\)\(a\), F.S.](#)

³² S. [125.0104\(4\), F.S.](#)

³³ See [s. 125.0104\(4\), F.S.](#)

³⁴ See [s. 125.0104\(4\), F.S.](#) The provisions found in s. 125.0104(4)(a)-(d), F.S., do not apply to the high tourism impact tax, the professional sports franchise facility tax, or the additional professional sports franchise facility tax.

³⁵ S. [125.01014\(4\)\(b\), F.S.](#)

prepare a tourist development plan that estimates the revenue from the tax and allocates the funds toward specific uses.³⁶ The tourist development plan is prepared by the Council in anticipation of the county levying the TDT.

The board of county commissioners (Board) must approve the plan and incorporate it into an ordinance authorizing the levy of the TDT.³⁷ County electors must then approve the ordinance authorizing the levy of the tax by referendum. The Council is intended to have an advisory capacity and any major amendments it makes to the tourism development plan must be approved by the Board.

Membership on a TDC is limited to citizens of the county and consists of the following³⁸:

- One member of the Board;
- Two elected municipal officials, one of whom must be from the most populous city in the county or sub-county tax district; and
- Six members who are individuals involved in the tourism industry, three or four of whom must be owners or operators of motels, hotels, RV parks, or other tourist accommodations in the county.

The statute contemplates the Council providing guidance and oversight for the original TDT, but in some cases it appears the TDC is involved in spending decisions for all five TDTs.³⁹

Local Option Food & Beverage Tax (Miami-Dade)

In 1967, Florida authorized the municipal resort tax.⁴⁰ The law authorized cities and towns meeting certain population requirements located within counties also meeting certain population requirements to levy the tax.⁴¹ The tax could be levied at a rate of up to 4 percent on rentals of hotel rooms and similar accommodations, and it could also be levied on sales of food and certain beverages consumed in restaurants and bars at a rate of up to 2 percent.⁴² The municipal resort tax is currently levied in the cities of Bal Harbour, Surfside, and Miami Beach, all of which are located within Miami-Dade County.⁴³

Florida has since authorized Miami-Dade County to levy the local option food and beverage tax.⁴⁴ The local option food and beverage tax consists of two taxes: a 2 percent tax on the sale of food, beverages, and alcoholic beverages sold in hotels and motels, and a 1 percent tax on the sale of food, beverages, and alcoholic beverages sold at an establishment licensed by the state to sell alcoholic beverages on site.⁴⁵ Sales in cities levying the municipal resort tax were exempt from the local option food and beverage tax through July 1, 2023.⁴⁶

In 2023, HB 7063⁴⁷ authorized the imposition of the 1 percent local option food and beverage tax in a city or town that levies the municipal resort tax if the levy is approved by referendum in the city or town at a general election. HB 7073 (2024)⁴⁸ clarified that the approval of the tax in a referendum as authorized in the 2023 Tax Package

³⁶ S. [125.0104\(4\)\(c\), F.S.](#)

³⁷ S. [125.0104\(4\)\(d\), F.S.](#)

³⁸ S. [125.0104\(4\)\(e\), F.S.](#)

³⁹ See, e.g., the [Duval County TDC](#) which “oversees the collection and distribution of the local-option tourist development tax authorized to counties by s. 125.0104, F.S...Jacksonville currently levies a six percent tourist development tax...” and the [Lee County TDC](#) where the “TDC members oversee the entire tourist development tax fund...” and the [Orange County TDC](#), which must “make recommendations to the board of county commissioners for the effective operation of the special projects or uses of the tourist development tax revenue raised by the tax hereby levied...” (all last visited April 21, 2025).

⁴⁰ Ch. 67-930, L.O.F.

⁴¹ Ch. 67-930, s. 1, L.O.F.

⁴² *Id.*

⁴³ See EDR, *2023 Local Government Financial Information Handbook*, p. 201, available at <https://edr.state.fl.us/Content/local-government/reports/lgfih23.pdf>, (last visited March 25, 2025).

⁴⁴ S. [212.0306, F.S.](#)

⁴⁵ S. [212.0306\(1\), F.S.](#)

⁴⁶ S. [212.0306\(2\)\(d\), F.S.](#) (2022).

⁴⁷ Ch. 2023-157, L.O.F.

⁴⁸ Ch. 2024-158, L.O.F.

must be by a majority of the voters voting in the election (not a majority of registered voters). Currently, none of the three cities have authorized the tax in a referendum at a general election.⁴⁹

Miami-Dade County reports collections for food and beverage taxes for FY 2022-23 to have been \$53.6 million, and estimates the FY 2024-25 collections will be \$55.0 million.⁵⁰

Referendum Procedures

The Florida Election Code provides the general requirements for a referendum.⁵¹ The question presented to voters must contain a ballot summary with clear and unambiguous language, such that a “yes” or “no” vote on the measure indicates approval or rejection, respectively.⁵² The ballot summary should explain the chief purpose of the measure and may not exceed 75 words.⁵³ The ballot summary and title must be included in the resolution or ordinance calling for the referendum.⁵⁴ For some discretionary sales surtaxes, the form of the ballot question is specified by statute.⁵⁵

Five types of elections exist under the Florida Election Code: primary elections, special primary elections, special elections, general elections, and presidential preference primary elections.⁵⁶ Historically, voter turnout during a general election is higher than during other elections.⁵⁷ A referendum to adopt, amend, or reenact a local government discretionary sales surtax must be held at a general election. A referendum to reenact an expiring surtax must be held at a general election occurring within the 48-month period immediately preceding the effective date of the reenacted surtax. Such a referendum may appear on the ballot only once within the 48-month period.⁵⁸

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2024	CS/HB 7073	McClain		The bill as passed in the House provided duration restrictions for local taxes; removed before final passage.
2023	HB 7063	McClain		Ch. 2023-157, L.O.F., required all referenda to approve local taxes be held at specified elections.
2022	CS/CS/HB 777	Robinson, W.	Boyd	Ch. 2024-214, L.O.F., required certain TDTs to be approved at general elections.

⁴⁹ EDR, *2024 Local Option Tourist/Food and Beverage Tax Rates in Florida Counties*, available at <https://edr.state.fl.us/Content/local-government/reports/lghf23.pdf>, pp. 255-256 (last visited March 10, 2025).

⁵⁰ EDR, *Local Option Food and Beverage Tax Collections, Total Collections: LFY 2004-2025* available at <https://www.edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm> (last visited March 14, 2025).

⁵¹ S. [101.161, F.S.](#)

⁵² S. [101.161\(1\), F.S.](#)

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ See [s. 212.055\(4\)\(b\), F.S.](#)

⁵⁶ S. [97.021\(13\), F.S.](#)

⁵⁷ Department of State, Division of Elections, *Data and Statistics, Election Data, Voter Turnout*, available at: <http://dos.myflorida.com/elections/data-statistics/elections-data/voter-turnout/> (last visited March 14, 2025).

⁵⁸ S. [212.055\(10\), F.S.](#)

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Ways & Means Committee	13 Y, 4 N, As CS	3/20/2025	Aldridge	Berg
THE CHANGES ADOPTED BY THE COMMITTEE:	<ul style="list-style-type: none"> • Ensure only discretionary sales surtaxes subject to a referendum under current law are subject to the renewals and limitations in the bill, other than the surtax already excluded; • Correct cross-references and dates; and • Provide specificity for certain ordinance and referendum requirements. 			
Intergovernmental Affairs Subcommittee	10 Y, 7 N	4/9/2025	Darden	Jones
State Affairs Committee	14 Y, 12 N, As CS	4/22/2025	Williamson	Darden
THE CHANGES ADOPTED BY THE COMMITTEE:	<ul style="list-style-type: none"> • Provide express authority for the board of county commissioners or school board levying a local discretionary sales surtax to reduce or repeal such tax with a two-thirds vote of the board, beginning four years after the surtax is levied. • Authorize the use of tourist development taxes for general purposes, subject to exceptions for existing projects, contracts, and bonds funded using TDT dollars. • Require counties, beginning in 2026, to use the amount of prior year TDT collections to rebate county ad valorem taxes. • Dissolve tourist development councils and county tourism promotion agencies, but allows counties to maintain their county tourism promotion agency by adopting a resolution by December 31, 2025. • Conform cross-references. 			

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