2025 Charter County Surtax Update

Agenda

- The Process… an overview.
- What Happened?
- The Impact

Budget Process

November – February th

Budget Development
Budgets Due February th

February – May

Budget Review w/OMB & Meetings with Chiefs

June & July

Tax Rolls (June 1 & July 1)
Proposed Budget Released (July 15) .
Setting of Millage Rates

August

TRIM Notices Mailed
Town Hall Meetings

September

BCC Budget Meetings to Adopt Budget

October

Implementation

November

OMB Prepares Next Budget Process

December

<u>Trainings Scheduled</u>

Activities and Deadline

Budget Milestones

Department Budget		Proposed Budget	
OMB Changes		BCC Requests	
Mayor Changes		Mayor Changes	
Input from State		Input from Public	
Proposed Budget	+	1st Change Memo	+
1st Change Memo		2nd Change Memo	
1st Budget Hearing		2nd Budget Hearing	
2nd Change Memo	=	Adopted Budget	

What Happened?

F L O R I D A   H O U S E   O F   R E P R E S E N T A T I V E S

ENROLLED

HB 7031, Engrossed 1 — 2025 Legislature

thereto, and fixtures, and is synonymous with "realty" and "real estate."

~~(i) "License," as used in this chapter with reference to the use of real property, means the granting of a privilege to use or occupy a building or a parcel of real property for any purpose.~~

~~(j) Privilege, franchise, or concession fees, or fees for a license to do business, paid to an airport are not payments for leasing, letting, renting, or granting a license for the use of real property.~~

Section 37. Effective October 1, 2025, section 212.031, Florida Statutes, is repealed.

Section 38. Paragraph (a) of subsection (2) of section 212.04, Florida Statutes, is amended to read:

212.04 Admissions tax; rate, procedure, enforcement.—

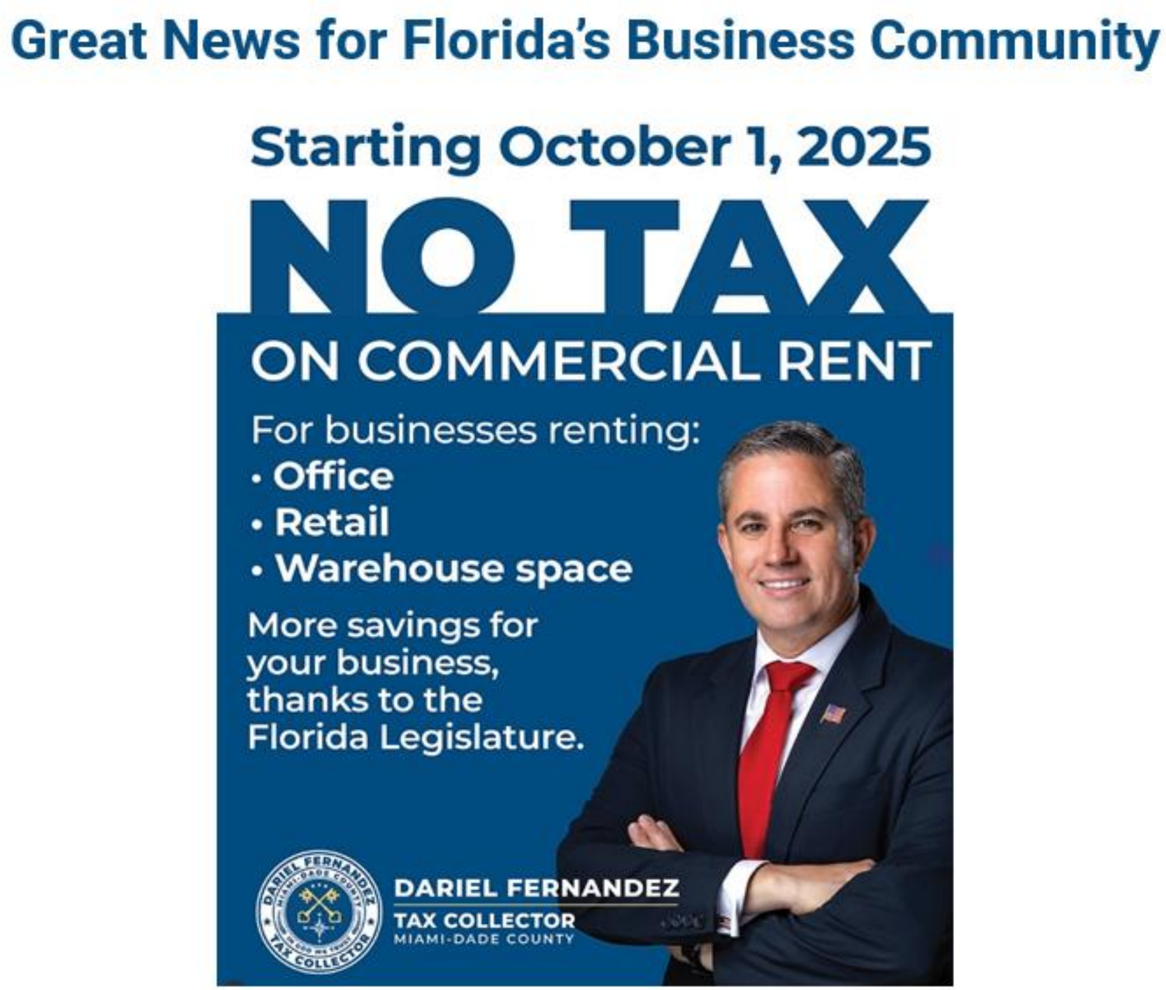
(2)(a) A tax may not be levied on:

1. Admissions to athletic or other events sponsored by elementary schools, junior high schools, middle schools, high

What Happened?

- Section 212.031 of the Florida Statutes, which taxed commercial rent, was repealed by House Bill 7031 and the repeal took effect on October 1, 2025.
- This means there is no longer a state sales tax or local option surtax on commercial rents for rental periods starting on or after that date.
- Some exceptions still exist, such as short-term residential rentals, vehicle parking, and boat or aircraft storage

What Happened?



Beginning October 1, 2025, commercial lease payments in Florida are no longer subject to state sales tax. This change means that businesses renting office, retail, or warehouse space will no longer pay state sales tax or local surtaxes on their leases, delivering meaningful, ongoing savings for entrepreneurs and business owners.

The Impact

AI Summary

House Bill 7031, particularly Section 212.031, impacts property tax exemptions in Florida. This section modifies the criteria for certain exemptions, specifically targeting affordable housing and residential properties. Here are the key points regarding its impact:

Changes to Exemptions

- **Affordable Housing Focus**: The bill aims to enhance property tax exemptions for affordable housing projects, encouraging development in this sector.
- **Eligibility Criteria**: It revises the eligibility requirements for property owners seeking these exemptions, potentially broadening access for developers and non-profits.

Financial Implications

- **Tax Revenue Effects**: Local governments may experience a decrease in tax revenue due to increased exemptions, which could affect funding for public services.
- **Incentives for Development**: By reducing tax burdens, the bill may incentivize more investment in affordable housing, addressing housing shortages.

Implementation and Oversight

- **Administrative Changes**: Local property appraisers will need to adjust their processes to accommodate the new criteria, which may require additional training and resources.
- **Monitoring Outcomes**: There will likely be a need for ongoing assessment to evaluate the effectiveness of these changes in increasing affordable housing availability.

The Impact

- Fiscal Impact is estimated at $25 million a year to the Transit Systems
- The Fiscal Impact would be in actuals
- The Fiscal Impact to the budget would be a different story…

The Impact

MONTH	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 Est
Oct	$ 21,006,780.59	$ 18,681,579.76	$ 24,264,130.29	$ 26,896,031.65	$ 27,108,843.62	$ 28,053,434.66	$ 28,614,503.35
Nov	$ 21,589,991.93	$ 18,359,939.08	$ 26,175,433.33	$ 27,603,584.37	$ 28,247,446.01	$ 30,037,435.48	$ 30,638,184.19
Dec	$ 25,897,291.50	$ 22,582,043.59	$ 32,109,362.17	$ 33,427,802.69	$ 32,502,262.67	$ 33,987,289.28	$ 34,667,035.07
Qtr Adj	$ 7,267,767.34	$ 9,172,361.80	$ 14,546,440.89	$ 14,791,529.52	$ 15,227,481.68	$ 16,580,224.13	$ 16,911,828.61
1ST QUARTER	**$ 75,761,831.36**	**$ 68,795,924.23**	**$ 97,095,366.68**	**$ 102,718,948.23**	**$ 103,086,033.98**	**$ 108,658,383.55**	**$ 110,831,551.22**
Jan	$ 22,522,405.66	$ 20,259,704.25	$ 25,555,499.96	$ 27,787,726.82	$ 28,170,791.77	$ 28,210,470.08	$ 28,774,679.48
Feb	$ 20,980,873.75	$ 20,243,644.25	$ 27,116,797.91	$ 28,043,527.83	$ 28,766,866.64	$ 30,492,800.88	$ 31,102,656.90
Mar	$ 15,449,094.23	$ 25,240,021.36	$ 30,460,920.43	$ 31,134,430.76	$ 31,343,516.38	$ 32,596,466.89	$ 33,248,396.23
Qtr Adj	$ 8,237,304.90	$ 9,953,957.92	$ 16,508,599.91	$ 16,031,806.58	$ 17,265,039.38	$ 18,317,540.87	$ 18,683,891.69
2ND QUARTER	**$ 67,189,678.54**	**$ 75,697,327.78**	**$ 99,641,818.21**	**$ 102,997,491.99**	**$ 105,546,214.17**	**$ 109,617,278.72**	**$ 111,809,624.29**
Apr	$ 11,550,735.25	$ 24,525,630.88	$ 28,963,906.01	$ 27,864,257.94	$ 28,833,753.20	$ 30,584,716.79	$ 31,196,411.13
May	$ 13,466,000.29	$ 24,889,103.13	$ 27,786,695.74	$ 28,074,511.11	$ 30,930,612.88	$ 29,793,722.61	$ 30,389,597.06
Jun	$ 16,819,847.29	$ 25,312,621.79	$ 27,492,443.99	$ 26,418,589.10	$ 27,650,480.89	$ 28,807,197.70	$ 29,383,341.65
Qtr Adj	$ 7,673,241.53	$ 9,638,572.80	$ 14,696,461.22	$ 14,219,702.05	$ 15,926,084.48	$ 17,301,894.91	$ 17,647,932.81
3RD QUARTER	**$ 49,509,824.36**	**$ 84,365,928.60**	**$ 98,939,506.96**	**$ 96,577,060.20**	**$ 103,340,931.45**	**$ 106,487,532.01**	**$ 108,617,282.65**
Jul	$ 16,069,543.74	$ 24,800,305.78	$ 25,862,190.07	$ 26,705,793.97	$ 27,167,002.94	$ 29,100,512.93	$ 29,682,523.19
Aug	$ 15,968,900.10	$ 22,536,303.51	$ 25,754,498.99	$ 25,818,181.44	$ 26,650,319.37	$ 27,982,835.34	$ 28,542,492.05
Sep	$ 18,027,385.80	$ 23,472,455.12	$ 25,770,982.65	$ 26,358,452.88	$ 27,014,874.51	$ 28,365,618.24	$ 28,932,930.60
Qtr Adj	$ 8,139,643.38	$ 11,237,883.38	$ 13,725,179.26	$ 13,490,965.13	$ 15,460,641.18	$ 13,733,673.24	$ 13,008,346.70
4TH QUARTER	**$ 58,205,473.02**	**$ 82,046,947.79**	**$ 91,112,850.97**	**$ 92,373,393.42**	**$ 96,292,838.00**	**$ 99,182,639.74**	**$ 100,166,292.54**
ANNUAL TOTALS:	**$ 250,666,807.28**	**$ 310,906,128.40**	**$ 386,789,542.82**	**$ 394,666,893.84**	**$ 408,266,017.60**	**$ 423,945,834.02**	**$ 431,424,750.70**
					HB7031		(25,000,000.00)
					Five Percent Reduction		(20,321,237.54)
					FY 2025-26 Adopted Budget		$ 386,103,513.17
				FY 2024-25 Adopted Budget for FY26		$ 376,000,000.00	$ 383,000,000.00

- **Questions?**