FTA-13 HIGH TOURISM IMPACT TDT COUNTY ELIGIBILITY
STAFF ANALYSIS

PROPOSAL INFORMATION			
SUBMITTING COUNTY:	Flagler County		
SPONSOR CONTACT:	Andy Dance, Commissioner; adance@flaglercounty.gov; 386-627-5600		
FAC COMMITTEE:	Finance, Tax & Administration (FTA)	**CROSS-CLAIMS:**	CUA
FAC STAFF:	M. Black	**DATE:**	October 1, 2026

This staff analysis is based on the proposal as submitted and does not reflect an adopted position of the Florida Association of Counties.

POLICY PROPOSAL:

FAC supports legislation providing for the inclusion of additional counties within the eligibility provisions for the one-percent High Tourism Impact Tourist Development Tax, allowing qualifying counties, upon approval by the Board of County Commissioners and as provided by law, to levy the additional penny and use the revenue for beach park facilities and beach, channel, lake or lagoon improvement, maintenance, renourishment, restoration, and erosion control.

I. SUMMARY:

Flagler County requests FAC to support amending s. 125.0104(3)(m), F.S., to extend the one-percent High Tourism Impact Tax to counties currently below the statutory thresholds. In addition, the proposal requests that the authorized uses of the High Tourism Impact revenue are expanded for beach and waterway uses. The authority to impose an additional 1 percent (1%) by ordinance and approved by referendum, after being designated a high tourist impact county, is conditioned upon:

- Certification by the Department of Revenue to such county that the sales subject to the tax levied pursuant to this section
  - exceeded $600 million during the previous calendar year, or
  - were at least 18 percent of the county's total taxable sales under chapter 212 where the sales subject to the tax levied pursuant to this section were a minimum of $200 million.
- The county NOT being authorized to levy a convention development tax pursuant to s. 212.0305, F.S.

The revenue generated from the additional 1 percent (1%) levied in a high tourism impact county is limited to one or more of the specific tourism-related authorized uses provided in subsection (5) of s. 125.0104, F.S. The categories of uses include Publicly Owned and Operated Facilities, Tourism Promotion and Advertising, Tourist Information

and Bureaus, Beach and Shoreline Maintenance. Currently, s. 125.0104(5)(a),5. F.S. authorizes the use of TDT funds to finance beach park facilities, or beach, channel, estuary, or lagoon improvement, maintenance, renourishment, restoration, and erosion control, including construction of beach groins and shoreline protection, enhancement, cleanup, or restoration of inland lakes and rivers to which there is public access as those uses relate to the physical preservation of the beach, shoreline, channel, estuary, lagoon, or inland lake or river. However, in counties of fewer than 100,000 population, up to 10 percent of the revenues from the tourist development tax may be used for beach park facilities.

II. PRESENT SITUATION:

Section 125.0104, F.S. allows counties to impose local option transient rental taxes (or tourist development taxes) on rentals or leases of accommodations in hotels, motels, apartments, rooming houses, mobile home parks, RV parks, condominiums, or timeshare resorts for a term of six months or less. The revenues may be used for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance. The approved uses vary according to the levy. Depending on a county's eligibility, the maximum tax rate varies from a minimum of 3% to a maximum of 6%.

Section 125.0104, F.S., authorizes five tourist development taxes on transient rentals of six months or less: 1) the original 1- or 2-percent tax; 2) an additional 1 percent (*after imposing the original 1- or 2-percent tax for a minimum of 3 years*); two professional sports franchise facility taxes of up to 1 percent each; and the 1-percent High Tourism Impact Tax. Some counties are also authorized to levy a convention development tax under s. 212.0305, F.S. which are generally capped at 2 percent.

<u>1% or 2% Tax</u>
This tourist development tax may be levied by the county's governing body at a rate of 1% or 2% on the total amount charged for transient rental transactions. Generally, the revenues may be used for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance.

<u>Additional 1% Tax</u>
In addition to the 1% or 2% tax, the county's governing body may levy an additional 1% tax on the total amount charged for transient rental transactions. Generally, the revenues may be used for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance.

To be eligible to levy the tax, a county must have levied the 1% or 2% tax for a minimum of 3 years before the effective date of the levy and imposition of this additional 1% tax. If the 1% or 2% tax is levied within a subcounty special district, then this additional tax can be levied only in the district.

DRAFT

High Tourism Impact Tax

In addition to any other tourist development tax imposed, a county with a high tourism impact may levy an additional 1% tax on the total amount charged for transient rental transactions. The proceeds must be used according to s. 125.0104(5), F.S. The provisions in s. 125.0104(4)(a)-(d), F.S., regarding the preparation of the county tourist development plan do not apply to this tax. Monroe, Orange, Osceola, Palm Beach and Pinellas Counties have imposed the high tourism impact tax after being certified by the Department of Revenue as having met the required level of taxable transient rental activity. Authorized Uses of revenues generated from High Tourism Impact Tax are typically used for convention centers, promotion and advertising of tourism, and authorized public facilities or debt service connected to high-volume tourism infrastructure.

Under s. 125.0104(3)(m), F.S., to be certified as a **high tourism impact county**, the county must meet specific volume or percentage thresholds during the previous calendar year.

- **Sales Volume Threshold:** Taxable sales subject to the tourist development tax exceeded **$600 million**.
- **Percentage and Minimum Sales Threshold:** Taxable tourist development sales constituted at least **18 percent** of the county's total taxable sales under Chapter 212, with a minimum threshold of **$200 million** in tourist tax-exempt/subject sales.

Section 125.0104 (5)(a)5. already authorizes any TDT revenue for beach park facilities and beach, channel, estuary, or lagoon improvement, maintenance, renourishment, restoration, and erosion control, including restoration of publicly accessible inland lakes and rivers. However, there is a limitation in counties of fewer than 100,000 population; only up to 10 percent of the revenues from the tourist development tax may be used for beach park facilities.

III. EFFECT OF THE PROPOSAL:

The proposal requests an amendment to s. 125.0104(3)(m), F.S., to create an alternative eligibility pathway for counties that do not currently meet the (3)(m)2. Thresholds (provided above), which authorizes an additional 1-percent TDT. Existing and new eligible High Tourism Impact counties would keep the full range of subsection (5) uses, including the use for beach park facilities and beach, channel, estuary, or lagoon improvement, maintenance, renourishment, restoration, and erosion control. For a county at 5 percent, the new penny would bring its combined TDT to 6 percent, the current ceiling for high tourism impact counties.

IV. COUNTY IMPACT:

Counties, not previously eligible, may enact an ordinance levying the penny and, under current law, submit it to voters.

DRAFT

Counties must, if levied, hold the referendum at a general election (absent an enacted exception), furnish the ordinance to the Department of Revenue, and confine the new penny to the authorized uses.
Counties must prepare for the elections requirements necessary to move forward with referendum on this item.

Protective of Home Rule: Yes — the proposal expands an optional local revenue source subject to local decision and imposes no preemption.

V. FISCAL IMPACT:

- State: no direct revenue effect; TDT is a local tax (s. 125.0104(3)(i)).
- Local: positive but indeterminate, depending on criteria, county elections to levy, and referendum outcomes. No Revenue Estimating Conference estimate exists because no bill has been filed.
- Statewide context: House staff reported $201 million in FY 2023-24 High Tourism TDT collections across 10 counties. The prior-year figures ($272 million, 11 counties, FY 2024-25) were not independently verified.

Unfunded Mandate (Art. VII, s. 18, Fla. Const.): No — the authority is permissive, requires no county or municipal expenditure, and expands revenue-raising authority.

VI. LEGISLATIVE & FAC HISTORY:

- Enacted: the High Tourism TDT tax dates to 1989 (per the submission); ch. 2023-157 moved TDT levies to referendum, and Manatee County then took its High Tourism TDT penny to the November 2024 ballot; HB 7031 (2025), ch. 2025-208, amended TDT uses.
- 2025: CS/CS/HB 1221 (Miller), redirecting TDT to property-tax offsets and requiring reauthorization referenda, passed the House and died in Senate Appropriations; SB 1114 and SB 1116 (Smith) died in Senate Commerce and Tourism; HB 6031 (Eskamani) died in House Ways & Means.
- 2026: SB 454 (Smith)/HB 6007 (Eskamani) and SB 456 (Smith) died in committee.
- Trajectory: no 2025 or 2026 bill sought to expand (3)(m) eligibility; TDT activity has centered on uses and voter approval, and use-expansion bills have consistently died in Senate Commerce and Tourism.
- Past FAC statements: 2021—FTA-PP-05—Tourist Development Tax–High Tourism Impact Tax (Manatee). 2025—FTA-12—TDT High Tourism Impact Tax (Flagler; deferred to the Legislative Conference; not in the 2026 Legislative Action Plan).
- Guiding Principles coverage: FTA—Revenue, (Local Revenue Authority)- “FAC supports tourist development taxes. Counties rely on tourist development taxes to meet local service, infrastructure and community needs.; WES—Environmental Sustainability, Beaches, Waterways, and Natural Systems.
- BoCC action: the Flagler County BoCC has voted to support the proposal, as stated in the submission.

DRAFT