FTA-15 REMOVE OFFSET REQUIREMENTS FOR FIRE RESCUE SURTAX

STAFF ANALYSIS

PROPOSAL INFORMATION			
SUBMITTING COUNTY:	Marion County		
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FAC COMMITTEE:	Finance, Tax & Administration (FTA)	**CROSS-CLAIMS:**	
FAC STAFF:	M. Black	**DATE:**	October 2, 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 that would remove 212.055(8)(e) and amend 212.055(8)(f) F.S. to allow surtax revenues to supplement existing fire rescue funding for the purpose of ensuring sustainable growth in emergency services capacity.

I. SUMMARY:

Marion County asks FAC to support the repeal of s. 212.055(8)(e), F.S., and the amendment of (8)(f) so that proceeds of the voter-approved emergency fire rescue surtax may supplement, rather than replace, existing fire rescue property taxes and assessments. In summary, current law makes the surtax a tax swap: recipients must cut fire rescue levies (by ad valorem or non-ad valorem assessments) by the estimated surtax revenue and rebate surplus collections. Two of 65 eligible counties have levied the surtax since 2009 (Liberty and Hamilton counties).

II. PRESENT SITUATION:

Section 212.055(8), F.S., authorizes a county governing authority, other than a county that has imposed two separate discretionary surtaxes without expiration, to levy a discretionary sales surtax of up to 1 percent for emergency fire rescue services and facilities, upon the adoption on an ordinance and subject to approval by a majority of county electors in a referendum held at a general election.

"Emergency fire rescue services", as defined in s. 212.055(8), F.S., includes, but is not limited to, preventing and extinguishing fires; protecting and saving life and property from fires or natural or intentional acts or disasters; enforcing municipal, county, or state fire prevention codes and laws pertaining to the prevention and control of fires; and

providing prehospital emergency medical treatment. 65 counties are eligible to levy this surtax, excluding Madison and Miami-Dade counties. Proceeds are distributed through the county (less an administrative fee not to exceed 2 percent retained by the Department of Revenue) to every local government entity providing emergency fire rescue services, in proportion to each entity's average annual fire rescue expenditures over the five preceding fiscal years (s. 212.055(8)(c), F.S)

Two provisions make the surtax revenue neutral for recipients.

- Paragraph (8)(e) provides the following: “upon the surtax taking effect and initiation of collections, each local government entity receiving a share of surtax proceeds shall reduce the ad valorem tax levy or any non-ad valorem assessment for fire control and emergency rescue services in its next and subsequent budgets by the estimated amount of revenue provided by the surtax.”
    - In summary, paragraph (8)(e) requires each recipient entity to reduce its fire rescue ad valorem levy or non-ad valorem assessment in its next and subsequent budgets by the estimated surtax revenue.
- The latter part of paragraph (f) provides: “if surtax collections exceed projected collections in any fiscal year, any surplus distribution shall be used to further reduce ad valorem taxes in the next fiscal year. These proceeds shall be applied as a rebate to the final millage, after the TRIM notice is completed in accordance with this provision. If a local government entity receiving a share of the surtax is unable to further reduce ad valorem taxes because the millage rate is zero, the funds shall be applied to reduce any non-ad valorem assessments levied for the purposes described in this section. If no ad valorem or non-ad valorem reduction is possible, the surplus surtax collections shall be returned to the county, and the county shall reduce the county millage rates to offset the surplus surtax proceeds.
    - In summary, paragraph (8)(f) preserves chapter 200 millage, reserve, rollback, and budget requirements, and requires collections above projections to be rebated against the next year's final millage after TRIM; if millage is zero, the surplus may reduce non-ad valorem assessments, and if no reduction is possible, it returns to the county, which must reduce county millage. The 2009 Senate staff analysis describes the design as a tax shift from property taxes to sales tax.

III. EFFECT OF THE PROPOSAL:

The proposal requests the repeal of s. 212.055(8)(e) and amends (8)(f) to strike the reduction of ad valorem levies or non-ad valorem assessments and the surplus-rebate sentences while retaining the requirement that recipient entities comply with chapter 200. Essentially, the proposal requests that surtax proceeds are allowed to be layered on existing fire rescue funding to address service gaps, staffing, and capital needs. The referendum requirement, distribution formula, eligibility limitation, and chapter 200 TRIM obligations would remain.

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IV. COUNTY IMPACT:

• Discretionary Surtaxes are optional; counties are permitted to place a fire rescue surtax before voters as a supplemental revenue source but are not required to.
    - o Recipient entities may retain existing fire rescue millage and assessments, or elect to reduce them, as a local budget decision.
• Counties continue to distribute proceeds under the five-year expenditure formula and comply with chapter 200 TRIM requirements.
• Counties should continue to monitor HJR 1F on the November 2026 ballot as any change as a result of the amendment would increase the non-school homestead exemption and restrict remaining property taxes to core services; if adopted, the interaction between reduced ad valorem capacity and a surtax that must offset ad valorem revenue becomes more pronounced.
• Scope: the 65 eligible counties and all municipalities and special districts providing fire rescue services within any levying county. Practical effect is greatest in fast-growing counties whose service demand outpaces existing revenue.
Protective of Home Rule: Yes — the proposal removes a state-imposed restriction on the use of locally approved revenue, imposes no preemption or new duty, and leaves the levy decision to county voters.

V. FISCAL IMPACT:

- State revenue: none. The surtax is a local levy; DOR administration is unchanged.
- Local revenue: positive but indeterminate, and only where voters approve a levy; net fire rescue revenue would rise by up to the full surtax yield. The REC scored the 2015 revisions as zero or positive indeterminate for local governments. A new revenue estimate would be needed.

Unfunded Mandate (Art. VII, s. 18, Fla. Const.): No — the proposal requires no expenditure, does not reduce county revenue-raising authority, and imposes no duty on municipalities or other counties.

VI. LEGISLATIVE & FAC HISTORY:

• 2009: SB 1000 (Fasano) created the surtax with the ad valorem and non-ad valorem offset requirement (ch. 2009-182, L.O.F.).
• 2015: CS/CS/HB 209 (Artiles) repealed the interlocal agreement prerequisite and adopted the expenditure-based distribution formula, retaining the offsets (ch. 2015-169, L.O.F.); companion CS/CS/SB 668 (Latvala) was laid on the table. Both analyses noted no county had levied the surtax.
• Recent sessions: staff identified no bill since 2015 proposing removal of the offset requirements in s. 212.055(8).
• Adoption record: two of 65 eligible counties have levied the surtax in the 17 years since enactment — Liberty (0.5 percent, 2017) and Hamilton (1 percent, 2025).

• The Legislature's recent direction favors property tax relief. This proposal requests a surtax in addition to taxes and assessments currently collected and reduced.
    - Ch. 2025-208, L.O.F. lets boards reduce or repeal surtaxes without expiration by two-thirds vote after four years. CS/CS/HJR 203 (2026) passed the House 80–30 and died in Senate Appropriations.
• Past FAC statements: None.
• Guiding Principles coverage: FTA Guiding Principles on Revenue, FAC supports Local Revenue Authority and **“**counties rely on local option sales surtaxes.”
• BoCC action: the Marion County BoCC has voted to support the proposal, as stated in the submission.

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