WES 02- PILT MODIFICATIONS
STAFF ANALYSIS

PROPOSAL INFORMATION			
SUBMITTING COUNTY:	Glades		
SPONSOR CONTACT:	Tim Stanley, Commissioner tstanley@myglades.com; 863-232-7314		
FAC COMMITTEE:	WES	**CROSS-CLAIMS:**	FTA
FAC STAFF:	Peter Abello	**DATE:**	October 19th 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 strengthening and providing protection in perpetuity for Payment in Lieu of Taxes (PILT) to ensure continuing compensation to eligible counties and local governments when taxable property is acquired by the State of Florida or a water management district and removed or reduced taxes from local ad valorem tax rolls, as well as amending applicable Florida Statutes to require an annual adjustment of PILT payments based on the Consumer Price Index (CPI) and legislation requiring the State to automatically remit PILT by July 31st based on modified formula to eligible counties.

I. SUMMARY:

Glades County asks FAC to support legislation strengthening payment in lieu of taxes (PILT) for land acquired by the state under s. 259.032, F.S., and by water management districts under s. 373.59, F.S. PILT compensates small counties and the local governments within them for the property tax revenue lost when land is acquired and removed from the tax rolls. The proposal would make three changes. It would add an annual Consumer Price Index adjustment so payments keep pace with inflation, protect PILT in perpetuity, which would most directly mean requiring rather than permitting state funding, and require the state to remit payments automatically by July 31, before counties adopt their budgets.

II. PRESENT SITUATION:

Under current law, Florida compensates small counties for property tax revenue lost when the state or a water management district acquires land and removes it from the tax rolls. PILT is available to counties with a population of 150,000 or fewer and the

local governments within them. Payments equal the average taxes paid on the property in the three years before acquisition and remain fixed, with no adjustment for inflation or changes in property value. State PILT also depends on the Legislature's discretionary annual appropriation, reported at about $2.1 million in 2025, and payments are prorated when funding falls short.

Section 259.032(10), F.S., provides that the Legislature may appropriate funds annually to the Department of Environmental Protection for payment in lieu of taxes (PILT) on land acquired by the Board of Trustees under the Florida Forever program or the former Florida Preservation 2000 program. Section 373.59, F.S., requires each water management district to reserve funds in its annual budget for PILT on land the district acquires. Both programs are limited to counties with a population of 150,000 or fewer and the local governments within them, and both calculate payments the same way: the average of the taxes paid on the property in the three years before acquisition. Local governments apply each year, the Department of Revenue certifies the amounts, and payments are prorated if funding falls short. Payments continue annually until the county exceeds the population threshold. The statewide appropriation for state PILT was reported in 2025 at about $2.1 million.

While these programs provide some compensation, the payments do not keep pace with the revenue counties lose. Each payment is fixed at the property's pre-acquisition taxes and is never adjusted for inflation or changes in property value, so its value declines every year. State PILT also depends on a discretionary appropriation, and neither statute sets a date by which payments must be made.

III. EFFECT OF THE PROPOSAL:

The proposal would strengthen both the state and water management district PILT programs under ss. 259.032 and 373.59, F.S., in three ways. First, it would add an annual Consumer Price Index adjustment to each PILT payment. Payments would still be based on the average taxes paid in the three years before acquisition, but that amount would grow each year with inflation rather than remaining fixed. Second, it would protect PILT in perpetuity. For the state program, this would most directly mean replacing the Legislature's discretionary authority to appropriate PILT with a requirement to fund it, giving eligible counties and local governments a dependable payment each year. Third, it would require the state to remit PILT automatically by July 31. Rather than applying each year, eligible local governments would be paid on a fixed date based on the modified CPI formula to eligible counties.

IV. COUNTY IMPACT:

This proposal would give eligible counties more reliable compensation for the tax revenue they lose when the state or a water management district acquires land within their taxing jurisdiction. With an annual CPI adjustment, PILT would keep pace with inflation rather than losing value each year. A funding requirement and a fixed July 31

DRAFT

payment date would allow counties to budget PILT as a predictable, recurring revenue and receive it before adopting their budgets. The effect would be concentrated in counties with a population of 150,000 or fewer that have substantial state or district land holdings.

Protective of Home Rule: Yes.

V. FISCAL IMPACT:

- Positive but indeterminate for eligible counties.
- The statewide PILT appropriation was reported in 2025 at about $2.1 million.
- Local governments: eligible counties and local governments would receive a
- No Revenue Estimating Conference estimate exists.

Unfunded Mandate (Art. VII, s. 18, Fla. Const.): No.

VI. LEGISLATIVE & FAC HISTORY:

- 2004: SB 2970 (Lynn) would have provided for annual increases in state PILT, subject to a maximum. It died in committee.
- 2005: SB 2532 (Argenziano) and HB 1577 (Kendrick) would have deleted the then-existing 10-year limit on water management district PILT and tied payments to rural funding indexes. Both died in committee.
- Past FAC statements: 2026 cycle—FTA-14—Payment in Lieu of Taxes (Glades County). Staff recommended Not Adopt, finding the proposal covered by Guiding Principles; board support was not indicated.
- Guiding Principles coverage: Finance, Tax and Administration.
- BoCC action: Glades County BoCC has voted to support the proposal.

DRAFT