



## City of Key West Staff Report NR: 011-2026

Subject: Local Government Finances – Budget Transparency and Impact Fees  
Bill Numbers: CS/CS/HB 1329  
Effective Date: July 1, 2026  
Reference Documents: CS/CS/HB 1329

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### I. BILL SUMMARY

CS/CS/HB 1329, titled the “Local Government Financial Transparency and Accountability Act,” revises state law governing municipal and county budget transparency, budget amendment posting, employee compensation reporting, budget development calendars, transportation fee coordination, and impact fee administration. If signed by the Governor, the act would take effect **January 1, 2027**.

The bill’s primary effect is to impose additional statewide reporting, posting, and process requirements on local governments while also tightening statutory standards for the adoption and increase of impact fees. For municipalities, the bill would require earlier and longer online posting of budget documents, a public budget reduction exercise, quarterly compensation summaries, publication of a budget development calendar, and website posting of certain budget amendments.

For the City of Key West, the most significant issues appear to be the new municipal financial transparency requirements and the bill’s more prescriptive impact fee rules. If enacted, the City would likely need to review its budget calendar, website posting practices, compensation reporting procedures, and any current or future impact fee methodologies to ensure compliance with the new statutory framework.

### II. PRESENT SITUATION

#### **Municipal Budgeting and Financial Transparency Generally**

Municipalities currently adopt tentative and final budgets under section 166.241, Florida Statutes, and section 200.065, Florida Statutes, with existing requirements for public hearings and online posting of tentative and final budgets. Local governments also amend

budgets during the fiscal year under procedures established by general law and, where applicable, municipal charter.

### **Current Municipal Budget Administration**

Under current law, municipalities already provide public access to adopted budgets and submit certain annual financial information to the Office of Economic and Demographic Research. However, current law does not require the full set of online postings, budget reduction exercises, quarterly compensation summaries, and budget development calendars created by this bill.

### **Impact Fees and Transportation Fee Coordination**

Local governments that adopt impact fees must comply with existing statutory requirements concerning nexus, accounting, notice, and phase in limitations. Counties and municipalities that both charge transportation related fees for development impacts may also need interlocal coordination to avoid duplicate charges and allocate revenues appropriately. CS/CS/HB 1329 expands and clarifies these requirements and imposes more detailed standards for demonstrated need studies and certain impact fee increases.

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## **III. EFFECT OF THE BILL**

CS/CS/HB 1329 makes several substantive changes affecting local government finances and municipal administrative practices.

### **Municipal Budget Posting Requirements**

The bill revises section 166.241, Florida Statutes, to require that a municipality's tentative budget be posted on its official website at least 5 days before the budget hearing and remain posted for at least 45 days. The final adopted budget must be posted within 30 days after adoption and remain posted for at least 5 years. In addition, each tentative budget, adopted tentative budget, and final budget must be posted in a downloadable format and include specified information for the proposed fiscal year, the current fiscal year, and the preceding 4 fiscal years, including summaries of revenues, expenditures, debt, capital projects, staffing, and reserves. Effect: This provision would likely require the City to review how budget documents are formatted, archived, and published online.

### **Budget Reduction Workshop**

The bill requires each municipality to hold a budget workshop at which the governing body performs a budget reduction exercise identifying strategies to potentially reduce the ensuing fiscal year budget by 10 percent compared with the current year budget without compromising essential public services or legal obligations. The exercise, or a link to a recording of the workshop, must be posted online, and the workshop must occur at least 14 days before final budget adoption. Effect: This provision would add a new public budget

planning step and may require scheduling and presentation changes during the City's annual budget process.

### **Quarterly Compensation Summaries**

The bill requires each municipality to prepare and post a quarterly summary of compensation for all employees funded with municipal appropriations, including job titles, names, and salaries. Effect: This provision would create an ongoing reporting obligation for the City and may require coordination among Finance, Human Resources, and Information Technology staff to ensure timely and consistent publication.

### **Budget Development Calendar**

The bill requires municipalities to publish, by January 30 of each year, a budget development calendar listing expected timeframes for agency budget submissions, property appraiser information, budget workshops, public hearings, and the budget reduction exercise. The bill also provides that publication of the calendar may not serve as a basis for challenging adoption of the City's budget. Effect: This provision would require the City to formalize and publish its annual budget schedule earlier in the calendar year.

### **Budget Amendment Posting Requirements**

The bill requires proposed municipal budget amendments adopted under section 166.241(9)(c), Florida Statutes, to be posted online 5 days before adoption and require adopted amendments to remain posted for at least 5 years. Effect: This provision would likely require updates to current posting and retention practices for qualifying budget amendments.

### **Impact Fee Methodology and Increased Requirements**

For impact fees adopted or increased after July 1, 2026, the bill requires that calculations be based on a demonstrated need study that is plan-based and uses the most recent and localized data available within 4 years of the current impact fee update. The bill also imposes more specific requirements concerning accounting, notice, timing of collection, nexus, and use of revenues. Effect: If the City adopts or increases any impact fee after that date, the City will likely need to ensure that supporting studies and ordinances satisfy these expanded statutory requirements.

### **Extraordinary Circumstances and Impact Fee Increases**

The bill defines "extraordinary circumstances" and revises the standards for increasing impact fees beyond existing phase in limitations. Among other things, a demonstrated need study must expressly support the increase, the jurisdiction must hold at least two publicly noticed workshops, the ordinance must be approved unanimously, and any such increase must be phased in over at least two and not more than four equal annual increments. The bill also prohibits certain data and calculation practices. Effect: These changes would make

large impact fee increases more procedurally demanding and may constrain future rate adjustments.

### **Refunds and Credits for Impact Fee Overpayments**

The bill creates a process requiring local governments to respond within 30 days to written requests for refunds or credits based on alleged overpayment of impact fees, and if approved, to provide the refund or credit within 30 days after the payor's election. Effect: This provision would create a new statutory response timeline for impact fee administration.

### **Transportation Fee Coordination and Interlocal Agreements**

The bill clarifies that counties and municipalities may adopt alternative transportation systems that are mobility plans and fee based or not mobility plan and fee based, including impact fees, so long as the system complies with impact fee law. It also limits the duration of certain transportation fee interlocal agreements and continues requirements intended to prevent duplicate charges for the same transportation capacity impacts. Effect: This provision may be relevant to the City to the extent transportation capacity fees or future interlocal coordination with Monroe County are implicated.

### **Local Government Infrastructure Surtax Cross-Reference**

The bill makes a conforming cross reference change within the local government infrastructure surtax statute. Effect: This appears to be a technical conforming revision with limited direct operational impact on the City.

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## **IV. FISCAL IMPACT**

### **Local Governments**

Potential impacts include additional staff time and administrative coordination for website posting, document retention, compensation reporting, budget calendar development, workshop preparation, and review of impact fee studies and ordinances. Municipalities that seek to adopt or increase impact fees may incur consultant or legal costs to ensure compliance with the bill's plan-based methodology, localized data, workshop, and voting requirements.

### **City of Key West**

The exact fiscal impact on the City of Key West is uncertain at this time. However, the bill may require administrative and legal review by the Finance Department, Human Resources Department, Information Technology staff, Planning Department, Growth Management staff, and the City Attorney's Office. Potential impacts may include staff time for recurring online postings and compensation reporting, budget document formatting changes, and additional

consultant or legal work if the City updates any impact fee study or ordinance after the applicable statutory date.

### **State Government**

The bill imposes implementation responsibilities on state entities involved in budget reporting and local government finance oversight and establishes statewide policy requirements applicable to local governments and certain special districts.

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## **V. POLICY CONSIDERATIONS**

### **Home Rule and Local Administrative Authority**

CS/CS/HB 1329 continues the Legislature's trend toward prescribing more detailed statewide requirements for local budget presentation, public transparency, and impact fee administration. Although municipalities retain budget and fee setting authority within statutory limits, the bill narrows local discretion in how certain financial and development-related processes are carried out.

### **Transparency and Public Access**

The bill is intended to increase public visibility into local budgets, staffing costs, and budget development timelines. Supporters may view these provisions as promoting accountability and public understanding, while local governments may view them as additional administrative mandates.

### **Impact Fee Flexibility and Growth Management**

The bill's impact fee provisions place greater emphasis on recent localized data, plan-based methodology, and procedural safeguards for large fee increases. For municipalities experiencing growth pressures or major infrastructure needs, these provisions may improve standardization but also make it more difficult to adjust impact fees quickly or rely on older studies.

### **Implementation and Interdepartmental Coordination**

If enacted, implementation would likely require coordination among Finance, Human Resources, Information Technology, Planning, and Legal staff. The City may wish to review current website posting practices, records retention procedures, annual budget scheduling, and any existing impact fee programs to identify compliance gaps before the effective date.

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## **VI. DRAFTING ISSUES OR AMBIGUITIES**

The full operational effect of the bill may depend on legal interpretation of the scope and format of the required budget postings, including how best to present historical financial information, narratives, and graphical illustrations for the preceding fiscal years.

Additional review may be warranted regarding how the quarterly compensation summary requirement interacts with existing public records practices, collective bargaining considerations, and administrative reporting systems.

Implementation questions may also arise concerning how the bill's impact fee provisions apply to any existing City fee structures, future updates to transportation-related fees, and the evidentiary standards necessary to support any increase based on extraordinary circumstances.

Further guidance may be needed regarding the practical application of the new refund and credit timelines for alleged impact fee overpayments and how those deadlines would be administered internally.

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## **VII. EFFECTIVE DATE**

The act takes effect January 1, 2027.

However, the bill's impact fee provisions apply to impact fees adopted or increased after July 1, 2026, as specified in the act.