

## **Resolution Spotlight**

The Resolutions adopted by the members of the County Judges and Commissioners Association of Texas (CJCAT) at the Annual Conference originate among members of Commissioners Courts and serve as the CJCAT Legislative Platform.

### **County Local Option Revenue Sources County Judge or Commissioner → CJCAT → Legislature**

At the county level, property taxes are the primary source of funding for nearly every service counties rely on from law enforcement and public safety to maintaining vital records like birth certificates and marriage licenses, said Atascosa County Judge Weldon Cude.

“In short – property taxes are the backbone of our budget,” Cude summarized.

Counties cannot independently adopt other revenue sources due to constitutional limitations.

“When the legislature requires or expands mandatory services without state funding, the Commissioners Court must either 1) raise property taxes, or 2) reduce other services,” explained CJCAT Senior General Counsel Jim Allison. “If the legislature limits the county ability to increase revenue, the Commissioners Court is forced to reduce other services provided to the citizens.”

For years, County Judges and Commissioners have visited with their senators and representatives about additional revenue sources in an effort to help pay for mandated and discretionary county services without continuing to raise the property tax or reducing services. Some lawmakers asked for suggestions on local option revenue sources, which led to an examination of property tax rates and revenue sources in other states.

## **Property Tax Comparison**

Like Texas, the State of Florida does not have a state income tax and uses the property tax to help pay for county services.

The Okaloosa County, Florida, FY 2025 budget is \$648 million, confirmed the office of Okaloosa County Commissioner Paul Mixon.

The Fort Bend County, Texas, FY 2025 budget, including a drainage district, is \$731.6 million, reported Pamela Gubbels, Fort Bend County director of finance and investments.

**Property taxes represent approximately 16.9 percent of the Okaloosa County, Florida, revenue stream.**

**Property taxes represent approximately 75 percent of the Fort Bend County, Texas, revenue stream.**

## **Revenue Source Comparison**

As an arm of the State of Texas, counties in Texas may only take those actions that are **authorized by law**. Florida counties have the option to operate under “home rule authority” and may take action **unless prohibited by law**. When it comes to revenue sources, this operational premise opens the door to a variety of local option revenue sources in Florida.

**Texas Counties** have access to the following as primary revenue sources to support mandated and discretionary functions:

- ❖ *Property tax*
- ❖ *Fees and fines*

Other sources include:

- ❖ *Intergovernmental revenue*
- ❖ *Interest*
- ❖ *Miscellaneous revenues or transfers*

**Florida Counties** have access to multiple sources of revenue including:

- *Charges for Services*
- *Ad Valorem Property Taxes*
- *Intergovernmental Revenue*
- *Sales and Use Taxes*
- *Licenses and Permit Fees*
- *Fines and Forfeitures*
- *Miscellaneous Revenues*
- *Utility Taxes*

The Florida Legislature's Office of Economic and Demographic Research published the latest Government Financial Information Handbook in May 2025, available at <https://bit.ly/florida-co-rev>. The handbook breaks down several of the categories listed above, citing other local revenue sources such as:

- *Communications Services Tax*
- *Convention Development Taxes*
- *Discretionary Surtax on Documents*
- *Green Utility Fee*
- *Gross Receipts Tax on Commercial Hazardous Waste Facilities*
- *Highway Safety Fees - Red Light Cameras*
- *Insurance Premium Tax*
- *Local Business Tax (Including Panama City and Panama City Beach's Local Business Taxes on the Gross Sales of*
- *Retail and Wholesale Merchants)*
- *Local Discretionary Sales Surtaxes*
- *Local Option Food and Beverage Taxes*
- *Motor Fuel and Diesel Fuel Taxes (Ninth-Cent, 1-6 Cents, and 1-5 Cents Local Option Fuel Taxes)*
- *Municipal Pari-mutuel Tax*
- *Municipal Parking Facility Space Surcharges*
- *Municipal Resort Tax*
- *Public Service Tax*
- *Tourist Development Taxes*
- *Tourist Impact Tax*

Texas Counties are interested in learning more about several of the local option revenue sources in Florida. For starters, Commissioners Courts would like the ability, with local approval, to implement a county local option sales tax, a local option severance tax, a local option motor fuel tax, and an increase in local vehicle registration fees, as stated in the following resolution:

### **County Local Option Revenue Sources**

**WHEREAS**, county revenue sources are extremely limited; and

**WHEREAS**, under current statutes, counties are forced to rely upon property taxes to fund necessary services; and

**WHEREAS**, county taxpayers should have the option to adopt a local sales tax, a local severance tax, a local motor fuel tax, an increase in local vehicle registration fees, and other revenue sources to reduce property taxes;

**NOW, THEREFORE, BE IT RESOLVED**, that the County Judges and Commissioners Association of Texas requests that the Legislature amend the tax statutes to allow the adoption of a county local option sales tax, a local option severance tax, a local option motor fuel tax, an increase in local vehicle registration fees, and other revenue sources for the reduction of property taxes without imposing any additional revenue caps.