BAL HARBOUR

- VILLAGE -

Neca Logan, Chair
Jonathan Kader, Vice Chair
Ed Ilyadzhanov, Committee Member
Andrew J. Shechtel, Committee Member
Raj Singh, Committee Member

Village Manager Jorge M. Gonzalez
Village Clerk Dwight S. Danie
Village Attorneys Weiss Serota Helfman
Cole & Bierman, P.L.

BUDGET ADVISORY COMMITTEE
REGULAR MEETING AGENDA
JUNE 10, 2026
AT 6:30 P.M.

Bal Harbour Village Hall • 655 – 96th Street • Bal Harbour • Florida 33154

This meeting will be conducted in-person. Members of the public are encouraged to participate in person or by emailing (meetings@balharbourfl.gov) or by telephoning 305-865-6449.

1. CALL TO ORDER / ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

a. Budget Advisory Committee Meeting Minutes - May 11, 2026
BudgetAdvisoryCommitteeMinutes-May11_2026.pdf

4. CURRENT FISCAL ENVIRONMENT

a. Status and Other Legislative Efforts
   i. Property Tax Reform Update
   4ai - LTC 089-2026 - Property Tax Amendment Update.pdf
   ii. Other

5. REVIEW OF FYE 2027 BUDGET RELATED ITEMS

a. Preliminary June 2026 Assessment Roll Estimate - Set Tentative Millage (Includes Legal Defense Funding)

b. Solid Waste Assessment - First Reading

c. Departmental Budget Reviews (Discussion)
   i. Police
   ii. Public Works & Beautification
   iii. Recreation

d. Considerations - Employee Benefits
   i. Cost of Living (4% Increase)

ii. Pension Plan Actuarial Reports
    1. GE
    2. Police
    3. FRS

e. Considerations - Other Costs

i. Inflationary Impact on Current Level of Service

ii. Other - Pass Through Costs (July 2026)
    1. Miami-Dade Water and Sewer
    2. Miami Beach Sewer Surcharge (2nd Year)
    3. Tax Collector Commission

iii. Insurance (Placeholder 10% Increase)
    1. Property
    2. Health
    3. Other

6. IMPORTANT DATES

a. Assessment Roll Estimate Roll Calcs.
    i. July 1st

b. Council Meetings
    i. July 17th - Establish Millage Rate Ceiling
    ii. September 15th - Millage Rate Affirmation & 1st Budget Hearing
    ii. September 25th - Second & Final Budget Hearing

7. FUTURE MEETING DATES

a. Next Meetings - Budget Advisory
    i. Tuesday, July 21st, 2026
    ii. Thursday, August 6th, 2026

b. Upcoming Council Meetings - Budget Related
    i. Tuesday, June 16th, 2026
    ii. Monday, July 13th, 2026
    iii. TBD

8. OTHER BUSINESS

9. PUBLIC COMMENT

10. ADJOURNMENT

One or more members of any Village Committee/Board may attend this meeting of the Council and may discuss matters which may later come before their respective Boards/Committees. On public comment matters, any person is entitled to be heard by this Council on any matter; however, no action shall be taken by the Council on a matter of public comment, unless the item is specifically listed on the agenda, or is added to the agenda by Council action.

Any person who acts as a lobbyist, pursuant to Village Code Section 2-301 (Lobbyists), must register with the Village Clerk, prior to engaging in lobbying activities before Village staff, boards, committees, and/or the Village Council. A copy of the Ordinance is available in the Village Clerk's Office at Village Hall.

If a person decides to appeal any decision made by the Village Council with respect to any matter considered at a meeting or hearing, that person will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (F.S. 286.0105).

In accordance with the Americans with Disabilities Act of 1990, all persons who are disabled and who need special accommodations to participate in this proceeding because of that disability should contact the Village Clerk's Office (305-866-4633), not later than two business days prior to such proceeding.

All Village Council meeting attendees, including Village staff and consultants, are subject to security screening utilizing a metal detector and/or wand, prior to entering the Council Chamber, Conference Room, or other meeting area located within Village Hall. This is for the safety of everyone. Thanks for your cooperation.

BAL HARBOUR

- VILLAGE -

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Neca Logan, Committee Member
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BUDGET ADVISORY COMMITTEE
REGULAR MEETING MINUTES
MAY 11, 2026
AT 6:30 P.M.

Bal Harbour Village Hall • 655 – 96th Street • Bal Harbour • Florida 33154

This meeting was conducted in-person. Members of the public were encouraged to participate in person or by emailing (meetings@balharbourfl.gov) or by telephoning 305-865-6449.

1. CALL TO ORDER/ ROLL CALL The meeting was called to order at 6:00 P.M**.**

The following were present:
Ed Ilyadzhanov (by Zoom)
Jonathan Kader
Andrew Shechtel
Raj Singh
The following were not present:
Neca Logan
The following were also present:
Jorge Gonzalez, Village Manager
Claudia Dixon, Chief Financial Officer
Dwight Danie, Village Clerk

2. PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was led by Claudia Dixon.

3. SELECTION OF CHAIR AND VICE CHAIR

There was a general consensus from the Committee to appoint Neca Logan as Chair and Jonathan Kader as Vice Chair.

4. APPROVAL OF MINUTES

a. Budget Advisory Committee Meeting Minutes - August 6, 2025

MOTION: A motion to approve the August 6, 2025 Budget Advisory Committee Meeting Minutes was moved by A. J. Schechtel and seconded by Raj Singh.

VOTE: The motion passed by unanimous voice vote (4-0).

5. CURRENT FISCAL ENVIRONMENT

- **a.** Status and Other Legislative Efforts:
  - i. Property Tax Reform
  - ii. Other
- **b.** BHS Processing and Defense Fund
- **c.** FYE 2026 - Mid-Year Amendment
- **d.** Stormwater Utility
- **e.** 2026-30 Capital Budget and 5-Year Capital Improvement Program

Mr. Gonzalez reviewed the upcoming budget schedule, saying that the process will begin with the receipt of the preliminary assessment roll around June 1, followed by the receipt of the final roll on July 1, the tentative millage rate to be set by the Village Council July, and finalized at the two budget hearings in September.

He described recent State legislative proposals related to business tax receipts and property tax reform, saying business tax receipts generate approximately $800,000 annually for the Village, and that although related legislation did not pass this session, similar proposals may return in the future. He described similar property tax reform proposals, including potential elimination or reduction of taxes on homesteaded property, while discouraging or restricting municipalities from cutting police or public safety funding. He said that any major property tax change would require voter approval through a constitutional amendment, with the earliest likely budget impact in FY 2027–2028.

He said that Bal Harbour would be less affected than many municipalities because approximately 16% of its taxable value is homesteaded property, but eliminating municipal taxes on homesteaded properties would reduce Village revenue by approximately $2.7 million.

Vice Chair Kader asked whether the State expected municipalities to raise rates on non-homesteaded or second-home properties, to which Mr. Gonzalez said that the State would likely expect municipalities to reduce their budgets. He said municipalities may respond by increasing fees, charging more for services, or adjusting millage on commercial and non-homesteaded properties.

Mr. Shechtel asked about the impact of doubling the homestead exemption. Mr. Gonzalez said that the estimated $2.7 million revenue reduction applied to eliminating municipal property taxes on homesteaded properties entirely, not doubling the exemption. He said that doubling the exemption would have a smaller impact, possibly under $1 million, and Ms. Dixon said that she would provide a more precise estimate at the next meeting.

Mr. Gonzalez said that the budget is expected to include normal increases for health insurance and pension obligations. He said that pension changes may largely offset each other, although the Village was still waiting to hear from FRS. He said that departments

have been directed to prepare status quo budgets. He noted that property roll growth may also help offset increased expenses.

He provided updates on major capital projects, including the Jetty and new Village Hall. He said that the Jetty project is proceeding through a guaranteed maximum price process. He said the initial estimate of $47 million exceeded the $35 million budget, was reduced to $43 million, and will be rebid among subcontractors before a final GMP is presented. He said that, if the final amount is not acceptable, the Village may bid the project on the open market.

Mr. Shechtel asked how construction could begin before the end of the year if a contractor had not yet been finalized for the Jetty project, to which Mr. Gonzalez clarified that he was referring the issuance of the notice to proceed and the beginning of work.

Mr. Gonzalez then discussed utility rates, noting that the upcoming fiscal year will include the second portion of a pass-through water and sewer increase from Miami-Dade County and Miami Beach. He reported that the Gated Community water project had been completed, with some sanitary sewer work and paving remaining.

He next provided an update on litigation with Bal Harbour Shops. He said that the Council rejected the proposed settlement agreement, and that the Bal Harbour Shops Defense Fund has generated approximately $2.4 million over two years, with approximately $1 million remaining. He said that the Committee may be asked to consider whether the millage should be adjusted to generate additional funds for the defense fund.

Mr. Shechtel asked how much of the $35 million Jetty budget consisted of Bal Harbour funds and whether any funds could be released if the project scope or cost changed. Mr. Gonzalez said that any additional funding required for the Jetty would likely come more from Resort Tax than the General Fund. Ms. Dixon added that the project had received additional grant funding not yet reflected in the schedule and that the project was being funded significantly through external sources.

Mr. Shechtel asked whether Resort Tax could be used for litigation if the litigation protected tourism. Mr. Gonzalez stated that he would advise against using Resort Tax for that purpose. He said that, since the prior budget, the Village had received an $8 million state grant. And noted that Council had already directed about $6 million of surplus into the capital reserve.

Mr. Shechtel asked whether surplus or reserve funds were available to increase the legal defense fund. Mr. Gonzalez stated that funds were available but that he would first recommend using the dedicated millage, as it would show that the millage increase was specifically tied to defending the Village in the Shops litigation rather than drawing down fund balance.

Mr. Gonzalez said that the Village was considering a new funding and management structure for stormwater improvements in the Gate Community that has a large independent basin. He said that consultants had recommended that stormwater expense for that basin should not be in the general fund. He said that the Village had secured grant funding for stormwater work, including a stormwater pump station project of about $7.5 million paid entirely by grant and that there is another $7 million to $8 million pump-related project that had been identified but not funded.

He said the current idea was that Gated Community would pay for the stormwater system through a second assessment, similar to the existing assessment. He said that, under the proposed arrangement, to be worked out in a milestone agreement, the Gated Community would manage the improvements, including pipe replacement, additional pumps, curb and gutter changes, and related work, while the Village would remain fiscal agent.

Mr. Singh asked how green space credits might be considered in calculating the proposed assessment. He said that Bal Harbour should be viewed as one Village, and that the residential side provides green space, trees, and parks that benefit the broader community, while the oceanfront contributes in other ways.

Mr. Gonzalez said that the issue would need to be discussed further with the Civic Association. He said staff had proposed a different approach, but the Civic Association did not support it. He said that the assessment would be based on lot square footage, using 10,000 square feet as one equivalent unit, with larger properties paying more. He added that the milestone agreement was still being worked through and would come through the budget process.

Mr. Gonzalez said that, in response to the State's property tax reform proposals that restricted cutting police funding, staff would be reviewing the Police Department budget make sure that it reflects only traditional police functions. He said that certain expenses currently housed within the Police Department, such as Code Enforcement, fleet replacement, and off-duty officer costs, may be shown elsewhere in the budget, not be to reduce services, staffing, or reporting structures, but to reclassify expenses.

6. REVIEW OF FYE 2027 BUDGET RELATED ITEMS:

- **a.** Considerations - Employee Benefits:
  - i. Employee Health Insurance (Placeholder 10% Increase)
  - ii. Pension Plan Actuarial Reports:
    1. GE
    2. Police
    3. FRS
- **b**. Considerations -Other Costs:
  - i. Inflationary Impact on Current Level of Service

ii. Other - Pass Through Costs:
    1. Miami Beach Sewer Surcharge (2nd Year)
    2. Tax Collector Commission

c. Insurance:
- i. Property
- ii. Health
- iii. Other

7. APPROACH TOWARDS DEPARTMENTAL BUDGET REVIEWS (DISCUSSION)

Ms. Dixon said that the budget process begins around February with the Council retreat, when Council sets priorities for the Administration. She said that prior-year financial statements are then presented to Council with any needed budget amendments. She said the Budget Advisory Committee and the Resort Tax Committee each participate in the process.

She said that the tax roll helps staff prepare the budget and allows Council to set the tentative millage ceiling in July, and that the Committee would be asked to provide a recommendation on the tentative millage for the TRIM process. She said the final millage and budget approval would then occur in September.

Ms. Dixon explained that the Committee reviews the Operating and Capital Budgets focusing mainly on spending recommendations, since most revenue figures are not available until later in the process.

Mr. Singh asked if the Miami-Dade or Miami Beach assessment had been significant, to which Julio Magrisso clarified that the two-year item was from Miami Beach sewer rates, with $1.11 one year and $1.18 the next year, while the water rate from the county increased only about 3 or 4 percent.

Ms. Dixon said the General Fund ended with a surplus of about $12.9 million, the Resort Tax Fund with about $800,000, Security and Landscape with about $293,000, and the Utility fund with about $771,000.

She said the $12.9 million general fund surplus was reduced by amounts set aside for reserves. She said that money received in advance for Village Hall is earning interest, and that the interest is placed back into the project. She also said building fees are collected in advance, while the work occurs later, so the building reserve was increased by $500,000.

Mr. Singh asked whether that left about $12 million, to which Ms. Dixon answered that, after reserve adjustments, about $6.2 million remained and Council approved placing that amount in the general capital reserve.

Vice Chair Kader asked how large the capital reserve was, to which Ms. Dixon said she would provide and answer at the next meeting.

Claudia Dixon said that about $30.6 million in prior-year unspent General Fund capital funds was being carried forward for which most of the money was tied to grants, developer contributions, or previously approved capital projects, including funding for the jetty and Village Hall. She said that about $4.4 million came from fund balance or other internal Village sources. She also said a $90,000 police vehicle item reflected insurance or related proceeds from two accident-damaged vehicles being re-budgeted so the vehicles could be replaced

Matilde Reyes, Capital Program Director, presented an update on Village Hall saying that the basis of design report had been approved by Council at its last meeting. She described the building as about three and a half stories with a mezzanine, a ground floor, and two office floors, with four tiers of parking in the back.

Vice Chair Kader asked about the building's location, to which Ms. Reyes said that it is just north of the Shops.

She said the ground floor includes a Council chamber, and that the Police Department and Building Department are accessed from the ground floor as the public-facing parts of the Village. She said the second floor would include the first parking level and a mezzanine for executive conference rooms.

Vice Chair Kader asked whether the parking is only for Village Hall use, to which Ms. Reyes answered yes. She said construction is expected to begin in September 2027, with substantial completion in March 2030, and that the project is budgeted at about $34 million.

Mr. Shechtel asked how much of Village Hall was grant-funded as opposed to Village-funded and whether there was developer contribution, to which Ms. Dixon said that, out of about $34.5 million, about $8.3 million was anticipated as appropriation of fund balance or carryover.

Mr. Shechtel asked whether that meant the Village was on the hook for cost increases and decreases, to which Ms. Dixon said yes, noting that the Village is seeking additional grant funding, including resiliency and emergency operations center-related funding, to offset costs.

Ms. Reyes then discussed the jetty project saying that the design concept included over-water platforms and ta canopy, with a new seawall. She said the project was at 95 percent design and had been submitted to the building department, with revisions underway. She said the Village would obtain a final guaranteed maximum price at 100 percent design, hopefully in July. She said the project was anticipated for late fall, likely November or December, with completion in fall 2028.

Mr. Shechtel asked whether parts originally planned under the bridge had been scrapped, to which Ms. Reyes said they had been eliminated because of competing requirements and cost control.

Julio Magrisso, Director Public Works and Beautification Department, provided an update on projects inside the gated community. He said that the water system work was 99.9 percent complete, with the stormwater project next in line for completion. He said about $1.5 million had been spent out of $7 million, with completion expected around April 2027.

He said a second stormwater pump station for Park Drive would be needed but that project was not funded, not designed, and could cost around $8 million. He said that the remaining sewer work was along Camden Drive is currently in design, and that the project likely would not start until sometime in 2027. He added that the Village is replacing water meters. which include a cellular component allowing residents to use an app to see daily and hourly consumption and receive leak information.

Police Chief Raleigh Flowers said that their new radios had been tested before deployment, and that officers and sergeants reported that the radios worked well. He said that the Village had entered a financing arrangement involving annual payments, after which the Village would own the radios.

Deputy Police Chief Mauricio Escarra added that dispatchers also have Command Central software connected to the radio system. He said the Village has Motorola license plate readers, Vigilant cameras, and cameras approved for the Cutwalk and Jetty project, and that the Command Central Aware program can pull those cameras together. He said the system can send messages and pictures, such as a photo of a lost child, to officers, and is useful in a marine environment.

Ms. Dixon said departments were generally expected to hold the line, with no major new spending anticipated beyond contractual increases, including the second year of a previously approved 4 percent COLA. She said that departmental presentations would likely focus more on accomplishments and service delivery than major budget changes.

8. IMPORTANT DATES

- **a.** Assessment Roll Estimate Roll Calcs:
  - i. June 1st
  - ii. July 1st
- **b.** Council Meetings:
  - i. July 13th - Establish Millage Rate Ceiling
  - ii. September TBD - Millage Rate Affirmation & 1st Budget Hearing
  - iii. September TBD - Second & Final Budget Hearing

9. FUTURE MEETING DATES

a. Next Meetings - Budget Advisory:
   i. Tuesday, May 26th, 2026
   ii. Wednesday, June 10th, 2026
   iii. Tuesday, July 21st, 2026
   iv. Thursday, August 6th, 2026

b. Upcoming Council Meetings - Budget Related:
   i. Tuesday, June 16, 2026
   ii. Monday, July 13th, 2026
   iii. TBD

Ms. Dixon reviewed the budget process timeline, explaining that TRIM-related numbers would begin arriving June 1, with final numbers on July 1 and at the July 13 Council meeting, the Council would set the millage rate ceiling.

She said the next Committed meeting was scheduled for June 10 and that she would poll Committee members to determine a date for a second June meeting.

10. OTHER BUSINESS

Mr. Shechtel asked that Agenda presentations be provided to Committee members several days in advance to allow time for them to be reviewed.

11. PUBLIC COMMENT

12. ADJOURNMENT - The meeting was adjourned at 8:15 P.M.

_____
Neca Logan, Chair

Attest:

_____
Dwight S. Danie, Village Clerk

BAL HARBOUR

- VILLAGE -

OFFICE OF THE VILLAGE MANAGER

LETTER TO COUNCIL

NO. 089-2026

To: Mayor Seth E. Salver and Members of the Village Council

From: Jorge M. Gonzalez, Village Manager

Date: June 5, 2026

Subject: **UPDATE ON PROPERTY TAX CONSTITUTIONAL AMENDMENT**

On June 2, 2026, the Florida Legislature approved a constitutional amendment proposal that will be placed on the November 3, 2026 statewide ballot for voter consideration. The measure was approved during a special legislative session held from June 1-3, 2026, and passed both the Florida Senate and Florida House of Representatives with the required supermajorities in each chamber.

Attached is a summary prepared by our lobbyist Ron L. Book of the Joint Resolution passed by the State Legislature as well as the staff analysis of the Senate and House bills, and Senate Bill (SB) 4F which outlines the administration of the plan.

For the proposed amendment to pass, it must receive at least 60% of the votes cast and if so, would then become effective on January 1, 2027 and apply to the Fiscal Year (FY) 2027-28. Key provisions of the proposal include:

- Increase the homestead exemption to $150,000 in FY 2027-28.
- Increase it again to $250,000 in FY 2028-29.
- Exclude school district taxes from the new exemption.
- Reduce the assessment-growth cap on many non-homestead properties (such as second homes and commercial properties) from 10% to 5%.

If you have any questions or need additional information, feel free to let me know.

SJR 2F C1 Summary: Titled "**Save our Homes from Excessive Property Taxes**," the Senate passed several amendments to the bill which now would accomplish the following:

- **Homestead Exemption Increases**: For all levies other than school district levies, the homestead exemption amount is increased to $150,000 beginning January 1, 2027, and $250,000 beginning January 1, 2028
- **New Resident Requirements**: Any person who did not maintain a permanent residence in Florida as of December 31, 2026, will be limited to a $50,000 exemption for non-school levies for their first four years of exemption; they qualify for the full $250,000 exemption beginning with the fifth year
- **Inflation Adjustments**: The new $250,000 homestead exemption will be adjusted annually for inflation beginning January 1, 2029
- **Protects schools** by excluding school ad valorem taxes from being part of the property tax reduction
- **Shields small businesses** by reducing the annual assessment increase cap for non-residential real property from 10% to 5% for all levies except school districts
- **Restricts Use of Local Taxes**: Ad valorem taxes levied by counties and municipalities would now only be used for specific core purposes only (beginning on SJR 2F C1, line 412):
    - **Public Safety**: This includes law enforcement, fire services, and emergency medical services.
    - **Education**: Providing funding specifically for education and public schools.
    - **Infrastructure**: Financing or refinancing the construction and maintenance of roads and bridges, as well as stormwater control.
    - **Natural Resource Projects**: Financing or refinancing projects related to natural resources, including flood control measures.
    - **Debt Obligations**: Issuing local bonds for any of these core uses and making debt service payments for existing obligations.
    - **Employee Retirement**: Meeting the obligations for the retirement benefits of local government employees.
    - **Government Operations**: Funding the administration and operations of municipalities and county officers and commissioners including expenditures approved by those governing bodies that are not prohibited by general law.
- Additionally, the Senate removed the original language proposing a trust fund for assistance to local governments (the reason given is that this does not need to be included, there is no source of funding at this time, and can be done legislatively. Further, it may have called into question the single subject requirement).
- Effective Date: If approved by voters, these constitutional changes will take effect January 1, 2027

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: CS/HJR 1F	**COMPANION BILL:** SJR 2-F (Avila)
TITLE: Save our Homes from Excessive Property Taxes	**LINKED BILLS:** None
SPONSOR(S): Overdorf	**RELATED BILLS:** None

Committee References

State Affairs
20 Y, 7 N, As CS

SUMMARY

Effect of the Bill:
The joint resolution proposes amendments to the Florida Constitution to:

- Provide a new homestead exemption for non-school taxes only for the first $150,000 of assessed value of homestead properties in 2027, and the first $250,000 of assessed value in 2028 and thereafter.
- Create a five-year homestead exemption on the first $50,000 of assessed value of homestead properties ($25,000 for school levies, $50,000 for non-school levies) for owners who are not permanent Florida residents as of December 31, 2026, and allow such property owners to receive the same homestead exemption as permanent Florida residents after five years.
- Require the Legislature to prescribe a uniform procedure for certain local governments to increase the amount of assessed value exempt from taxes.
- Reduce the non-homestead property assessment increase limitation from 10 percent to 5 percent per year.
- Limit the use of ad valorem revenue by counties and municipalities to specific purposes.

Subject to voter approval, the proposed amendments will take effect on January 1, 2027.

Fiscal or Economic Impact:
See Fiscal or Economic Impact Section of the Analysis.

Extraordinary Vote Required for Passage:
The joint resolution requires a three-fifths vote of the membership of both houses of the Legislature for final passage.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The joint resolution proposes amendments to Article VII, sections 4, 6, and 9 of the Florida Constitution to:

- Provide a new homestead exemption for non-school taxes only for the first $150,000 of assessed value of homestead properties in 2027, and the first $250,000 of assessed value of homestead properties in 2028 and thereafter. The $250,000 is indexed to inflation beginning in 2029. The exemption would apply to all ad valorem taxes.
- Create a five-year homestead exemption on the first $50,000 of assessed value of homestead properties for property owners who are not permanent residents of Florida as of December 31, 2026. The first $25,000 of the exemption applies to non-school levies, and full $50,000 exemption applies to non-school levies. The non-school exemption is indexed to inflation beginning in 2028. After five years of Florida residency, the homestead owner would receive the full homestead exemption available to Florida residents.
- Require the Legislature, by general law, to prescribe a uniform procedure for counties, municipalities, and school districts to increase the amount of assessed value exempt from taxes.

- Allow special districts to increase, by referendum, the amount of assessed value exempt from taxes, and to index that exemption amount to inflation.
- Lower the existing limitation on the annual increase in assessments of 10 percent each year for non-homestead property (non-homestead residential and nonresidential) to 5 percent. These changes apply to ad valorem taxes levied by counties, municipalities, and special districts, but do not apply to school districts.
- Limit the use of ad valorem revenue by counties and municipalities to the following list of core needs:
    - Provide for public safety, including law enforcement, fire service, and emergency medical service;
    - Provide funding for education and public schools;
    - Finance or refinance infrastructure, including expenditures on road and bridge construction and maintenance and stormwater control;
    - Finance or refinance natural resource projects, including flood control measures;
    - Issue local bonds for uses consistent with the approved uses above, and to make debt service payments for existing obligations;
    - Meet obligations for retirement benefits of local government employees; or
    - Fund the operations and administration of county officers and commissioners established under Article VIII of the Florida Constitution and municipalities, and the expenditures approved by such county officers or county or municipal governing bodies, except those expenditures prohibited by general law.

Subject to approval by 60 percent of the voters during the 2026 general election, the amendments proposed in the joint resolution will take effect on January 1, 2027. The joint resolution is not subject to the Governor's veto powers.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The State Constitution requires publication of a proposed amendment in a newspaper of general circulation in each county.[1] The Division of Elections within the Department of State must advertise the full text of the amendment twice in a newspaper of general circulation in each county where the amendment will appear on the ballot. In addition, the division must provide each supervisor of elections with either booklets or posters displaying the full text of each proposed amendment.[2] The fiscal impact on the state is indeterminate at this time but likely insignificant.

LOCAL GOVERNMENT:

The Revenue Estimating Conference has not estimated the potential impacts on local government revenues from the constitutional amendments proposed by the joint resolution. If the proposed amendments are approved by the voters, staff estimates the impact on local government revenues in Fiscal Year (FY) 2027-28 could be more than -$4.6 billion in non-school taxes. Staff estimates the impact on local government revenues in FY 2028-29 could be more than -$8.4 billion in non-school taxes.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Ad Valorem Taxes

The ad valorem tax or "property tax" is an annual tax levied by counties, municipalities, school districts, and some special districts. The Florida Constitution reserves to local governments the authority to levy ad valorem taxes on

[1] Art. XI, s. 5(d), FLA. CONST.
[2] S. 101.171, F.S.

real and tangible personal property.[3] Ad valorem taxes are levied annually by local governments based on the value of real and tangible personal property as of January 1 of each year.[4]

The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes,[5] and provides for specified assessment limitations, property classifications, and exemptions.[6] After the property appraiser considers any assessment limitation or use classification affecting the just value of a parcel of real property, an assessed value is produced. The assessed value is then reduced by any exemptions to produce the taxable value.[7]

Unless expressly exempted from taxation, all real and personal property and leasehold interests in the state are subject to taxation.[8] The Florida Constitution limits the Legislature's authority to grant an exemption or assessment limitation from taxes,[9] and any modifications to existing ad valorem tax exemptions or limitations must be consistent with the constitutional provision authorizing the exemption or limitation.[10]

Homestead Exemptions

Every person having legal and equitable title to real estate and who maintains a permanent residence on the real estate (homestead property) is eligible for an exemption on the first $25,000 of assessed value of the property that is applicable to all ad valorem tax levies, including levies by school districts.[11] An additional $25,000 exemption applies to the assessed value of homestead property between $50,000 and $75,000.[12] This exemption is adjusted annually for inflation[13] and does not apply to ad valorem taxes levied by school districts.[14]

Homestead Property

Homestead property is real estate (real property) for which a person, on January 1, has the legal or beneficial title and who in good faith makes the property his or her permanent residence (or the permanent residence of another legally or naturally dependent on him or her).[15] The property may be owned jointly, as tenancy by the entireties, or otherwise in common with others, and can be apportioned among such shared owners.[16] Only one homestead exemption is allowed to any one person or on any one dwelling house.[17] Individual condominium owners, however, can each qualify for a separate homestead designation.[18]

Permanent Residents

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[3] Art. VII, ss. 1(a) and 9(a), FLA. CONST.
[4] Section 192.001(12), F.S., defines "real property" as land, buildings, fixtures, and all other improvements to land. The terms "land," "real estate," "realty," and "real property" may be used interchangeably. Section 192.001(11)(d), F.S., defines "tangible personal property" as all goods, chattels, and other articles of value (but does not include the vehicular items enumerated in Art. VII, s. 1(b) of the Florida Constitution and elsewhere defined) capable of manual possession and whose chief value is intrinsic to the article itself.
[5] Art. VII, s. 4, FLA. CONST.
[6] Art. VII, ss. 3, 4, and 6, FLA. CONST.
[7] S. 196.031, F.S.
[8] S. 196.001, F.S.; *see also Sebring Airport Authority v. McIntyre*, 642 So. 2d 1072, 1073 (Fla. 1994), noting exemptions are strictly construed against the party claiming them.
[9] *Archer v. Marshall*, 355 So. 2d 781, 784 (Fla. 1978).
[10] *Sebring Airport Auth. v. McIntyre,* 783, So. 2d 238, 248 (Fla. 2001); *Archer v. Marshall,* 355 So. 2d 781, 784. (Fla. 1978); *Am Fi Inv. Corp v. Kinney,* 360 So. 2d 415 (Fla. 1978); *see also Sparkman v. State,* 58 So. 2d 431, 432 (Fla. 1952).
[11] Art. VII, s. 6(a)(1)a., FLA. CONST., and s. 196.031(1)(a), F.S.
[12] Art. VII, s. 6(a)(1)b., FLA. CONST., and s. 196.031(1)(b), F.S.
[13] Art. VII, s. 6(a)(3), FLA. CONST., and s. 196.031(1)(b), F.S. In 2025, the adjusted value of this exemption is $25,722. *See* https://floridarevenue.com/property/Documents/2025_cpi_homestead_exemption.pdf (last visited 11/2/2025).
[14] Art. VII, s. 6(a)(1)b., FLA. CONST., and s. 196.031(1)(b), F.S.
[15] Art. VII, s. 6(a), FLA. CONST., and s. 196.031(1)(a), F.S.
[16] S. 196.031(1)(a), F.S.
[17] *Id.*
[18] *Id.*

Florida law defines "permanent resident" to mean a person who has established a permanent residence in Florida.[19] "Permanent residence" is defined as "that place where a person has his or her true, fixed, and permanent home and principal establishment to which, whenever absent, he or she has the intention of returning."[20]

Whether a person is considered a Florida resident for homestead purposes is a fact-based decision made by the property appraiser. Current law sets forth the following factors a property appraiser may consider in determining whether a person is considered a permanent resident of Florida:

- An applicant's formal declaration of domicile recorded in the public records of the county where the exemption is being sought.
- Evidence of the location where the applicant's dependent children are registered for school.
- The place of employment of the applicant.
- The previous permanent residency by the applicant in a state other than Florida or in another country and the date that residency was terminated.
- Proof of Florida voter registration with the voter information card address of the applicant, or other official correspondence from the supervisor of elections providing proof of voter registration, both of which must match the address of the physical location where the exemption is being sought.
- A valid Florida driver license or a valid Florida identification card, and evidence of relinquishment of any driver licenses from other states.
- Issuance of a Florida license tag on any motor vehicle owned by the applicant.
- The address listed on federal income tax returns filed by the applicant.
- The location where the applicant's bank statements and checking accounts are registered.
- Proof of payment for utilities at the property for which permanent residence is being claimed.[21]

Limitation on Annual Increases in Assessments for Real Property

Homestead Property

The Florida Constitution[22] provides that, for those entitled to a homestead exemption, the assessed value of the homestead for all levies must be changed annually on January 1 of each year.[23] Those changes in assessments cannot exceed the lesser of 3 percent of the prior year's assessment or the percent change in the Consumer Price Index[24] for the preceding calendar year.[25]

Non-homestead Property

Property that is residential real property but does not qualify as homestead property, or which is not residential property and is not subject to special classification (e.g., agricultural property), is colloquially referred to as "non-homestead property." This type of real property is assessed at just value on January 1 of the year the property is purchased or the year it becomes non-homestead property (in the case of a homestead property that is shifted to another use, like a vacation home or rental property).[26]

For non-homestead property, for purposes of all levies other than school district levies, the property is reassessed each January 1, but cannot increase by more than 10 percent over the prior year's assessed value.[27] Property is generally reassessed at just value on January 1 following a change of ownership,[28] and changes, additions, or

[19] S. 196.012(16), F.S.
[20] S. 196.012(17), F.S.
[21] S. 196.015, F.S.
[22] As amended by Constitutional Amendment 10 (1992), commonly referred to as the "Save Our Homes" initiative.
[23] Art. VII, s. 4(d)(1), FLA. CONST.
[24] Specifically, the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967=100, or successor reports.
[25] Art. VII, s. 4(d)(1), FLA. CONST., implemented by s. 193.155, F.S.
[26] Ss. 193.1554(2) and 193.1555(2), F.S.
[27] Art. VII, s. 4(g)(1) and 4(h)(1), FLA. CONST., implemented by ss. 193.1554(3) and 193.1555(3), F.S.
[28] Art. VII, s. 4(g)(3) and 4(h)(4), FLA. CONST., implemented by ss. 193.1554(5) and 193.1555(5), F.S.

improvements are also generally assessed at just value on January 1 following the change.[29] The assessed value of non-homestead property is not limited by the 10 percent cap for purposes of school levies.

Use of Budgeted Funds

Counties and Municipalities

The Florida Constitution grants counties and municipalities broad home rule authority. Counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by the vote of the electors, while non-charter county governments may exercise those powers of self-government that are provided by general or special law.[30] Municipalities have governmental, corporate, and proprietary powers that enable them to conduct municipal government, perform municipal functions and provide municipal services, and exercise any power for municipal purposes except when expressly prohibited by law.[31]

County and municipal ad valorem taxes may be used for all valid purposes of the respective unit of government.[32] Counties and municipalities expend funds according to a budget system established by general law.[33] Each county and municipality must prepare, approve, adopt, and execute a budget for each fiscal year.[34] At a minimum, the budget must show for each fund, as required by law and sound financial practices, budgeted revenues and expenditures by organizational unit that are at least as detailed as the categories required for the local government's annual financial report submitted to the Department of Financial Services (DFS).[35] DFS has adopted a uniform accounting system that classifies local government expenses using the following top-level categories:

- General government services (administrative costs, financial and legal services, comprehensive planning, debt service payments, pensions, and other services not specifically classified in other activity categories).
- Public safety (law enforcement, fire control, corrections, inspections, emergency and disaster relief, ambulance, medical examiners, and consumer affairs).
- Physical environment (utility services, garbage and solid waste, conservation, and stormwater management).
- Transportation.
- Economic environment (housing and urban development, veteran's services, job placement assistance, economic development).
- Human services (hospitals, health care, indigent care, developmental disability services).
- Culture and recreation (libraries, parks and other recreational facilities, cultural events, and special purpose facilities such as stadiums, auditoriums, civic centers, and marinas).
- Other uses and non-operating expenses (primarily measuring the internal transfer of funds between budget categories).
- Court-related expenditures.[36]

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[29] Art. VII, s. 4(g)(4) and 4(h)(5), FLA. CONST., implemented by ss. 193.1554(6) and 193.1555(6), F.S.
[30] Art. VIII, s. 1(f)-(g), FLA. CONST. *But see* s. 125.01(1)(w), F.S. (providing all counties, including non-charter counties, have the power to carry on county government that includes "any other acts not inconsistent with law.")
[31] Art. VIII, s. 2(b), FLA. CONST.; *see also* s. 166.021, F.S. (defining the scope of this power by providing that a municipal purpose is "any activity or power which may be exercised by the state or its political subdivisions" and providing that the legislative body of each municipality has the power to enact legislation concerning any subject matter upon which the Legislature may act, except for subjects preempted to the state or county or that result in the exercise of extraterritorial power).
[32] Art. VII, s. 9(b), FLA. CONST. Additionally, counties may provide municipal services to the extent authorized by law and levy additional taxes within the limits established for municipal services for that purpose. *See* art. VII, s. 9(b), FLA. CONST. and s. 125.01(1)(q), F.S.
[33] *See* ch. 129, F.S., and s. 166.241, F.S.
[34] Ss. 129.01(1) and 166.241(2), F.S.
[35] *See id.* and s. 218.32(1), F.S.
[36] DFS, Bureau of Financial Reporting, *Uniform Accounting System Manual for Florida Local Governments (2014 Edition)*, pgs. 101-130.

For the local fiscal year ending September 30, 2024, counties and municipalities statewide expended the following amounts in these categories:[37]

	Counties		Municipalities	
	Amount	**Percent of Total**	**Amount**	**Percent of Total**
Total Expenditure	$63,699,846,975		$46,691,364,525	
General Government	$12,268,164,622	19.3%	$11,581,886,858	24.8%
Public Safety	$15,191,473,666	23.8%	$10,508,316,555	22.5%
Physical Environment	$6,632,976,751	10.4%	$11,655,219,094	25.0%
Transportation	$7,226,601,145	11.3%	$2,818,850,437	6.0%
Economic Environment	$2,483,380,769	3.9%	$1,281,478,216	2.7%
Human Services	$5,836,526,956	9.2%	$504,259,564	1.1%
Culture and Recreation	$2,502,281,617	3.9%	$3,175,003,812	6.8%
Other Uses and Non-operating	$10,472,814,700	16.4%	$5,126,777,665	11.0%
Court-related	$1,085,626,749	1.7%	$39,572,324	0.1%

For county governments, these expenditures include the budgets for the five county constitutional officers: sheriff, tax collector, property appraiser, supervisor of elections, and clerk of the circuit court.[38] The constitutional officers are responsible for drafting their own budgets, which are submitted to either the county (for the sheriff, clerk of the circuit court, supervisor of elections, and some tax collectors) or the Department of Revenue (for property appraisers and tax collectors).[39] The board of county commissioners may amend the proposed budgets for county constitutional officers that submit their budget to the board.[40] However, the sheriff and property appraiser may appeal any modification to his or her budget to the Administration Commission.[41]

Special Districts

Unlike counties and municipalities, special districts are units of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary.[42] Special districts may be created by general law, special act, local ordinance, or rule of the Governor and Cabinet.[43] A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the general law or special act that authorized the creation of the district.[44] Therefore, the use of funds by a special district is limited to the purposes for which the district was created.[45] Special districts follow budget procedures that closely parallel those of counties and municipalities.[46]

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[37] *See* Office of Economic and Demographic Research (EDR), Expenditure Account Totals by County-Total and Per Capita (2024) and Preliminary Statewide Expenditure Account Totals-Total and Per Capita (2024), available at EDR, *Statewide Expenditures and Revenues Reported by Florida's Counties, Municipalities, and Independent Special Districts* (last visited Jun. 1, 2026).

[38] Art. VIII, s. 1(d), FLA. CONST.

[39] Ss. 129.03(2) and 195.087, F.S.

[40] Ss. 30.49(2)(c) (sheriffs), 129.201(2) (supervisor of elections), and 218.35(2)(b), F.S. (clerk of the circuit court as clerk of the board, county auditor, and custodian or treasurer of all county funds and for other county-related duties).

[41] Ss. 30.49(4)-(5) and 195.087(1)(b), F.S.

[42] S. 189.012(6), F.S.; *see also Halifax Hospital Medical Center v. State of Fla., et al.*, 278 So. 3d 545, 547 (Fla. 2019).

[43] *See* ss. 189.02(1), 189.031(3), and 190.005(1), F.S.; *see generally* s. 189.012(6), F.S.

[44] *Halifax*, 278 So. 3d at 547.

[45] *See, e.g.,* ss. 190.021(1) (authorizing community development districts to levy ad valorem taxes "to construct, operate, and maintain assessable improvements" and service general obligation bonds), 191.009(1) (authorizing independent special fire control districts "to construct, operate, and maintain district facilities and services" and service general obligation bonds), and 388.221(1), F.S. (authorizing the board of commissioners of each mosquito control district to levy a maintenance tax for the purpose of controlling the arthropod population).

[46] *Compare* ch. 129 and s. 166.241, F.S. (county and municipal budget procedures) *with* s. 189.016, F.S. (special district budget procedures).

Amendments to the State Constitution Proposed by the Legislature

The State Constitution provides that a joint resolution proposing an amendment to the State Constitution must pass by a three-fifths vote of the membership of both houses.[47] If a joint resolution is approved, the proposed amendment must be submitted to the voters at the next general election held more than 90 days after the joint resolution is filed with the Secretary of State or at a special election held for that purpose.[48]

When a constitutional amendment is submitted to the voters, a ballot summary of such amendment must be printed in clear and unambiguous language on the ballot.[49] In reviewing a ballot summary, the Florida Supreme Court has created a two-step analysis to determine whether a ballot title or ballot summary is accurate.[50] First, a court must determine whether the "title and summary 'fairly inform the voter of the chief purpose of the amendment.'"[51] Second, it must examine "whether the language of the title and summary, as written, misleads the public."[52]

The State Constitution requires the proposed amendment to be published[53] twice in newspapers of general circulation in each county in which a newspaper is published, once in the tenth week preceding the election and once in the sixth week, to notify the voters of the measure.[54]

If at least 60 percent of the voters voting on the measure approve it, the measure passes and becomes part of the State Constitution.[55] An approved amendment takes effect on the first Tuesday after the first Monday in January following the election, unless otherwise specified.[56]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
State Affairs Committee	20 Y, 7 N, As CS	6/1/2026	Williamson	Berg
THE CHANGES ADOPTED BY THE COMMITTEE:	• Removed all impacts on school taxes. • Revised allowable uses for county and municipal ad valorem revenue. • Removed the requirement that the Legislature create a trust fund.			

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.

[47] Art. XI, s. 1, FLA. CONST.
[48] Art. XI, s. 5(a), FLA. CONST.; *see also* s. 97.021(17), F.S.
[49] S. 101.161(1), F.S.
[50] *Roberts v. Doyle*, 43 So. 3d 654, 659 (Fla. 2010).
[51] *Id*. (quoting *Fla. Dep't of State v. Slough*, 992 So. 2d 142, 147 (Fla. 2008)).
[52] *Fla. Dep't of State v. Slough*, 992 So. 2d 142, 147 (Fla. 2008).
[53] Such publication must also include notice of the date of the general election in which the proposed amendment or revision will be submitted to the electors. *See* Art. XI, s. 5(d), FLA. CONST.
[54] *Id.*
[55] Art. XI, s. 5(e), FLA. CONST.
[56] *Id*.

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL:	CS/SJR 2-F
INTRODUCER:	Appropriations Committee and Senator Avila and others
SUBJECT:	Save our Homes from Excessive Property Taxes
DATE:	June 1, 2026
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Khan	Sadberry	AP	**Fav/CS**

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SJR 2-F provides property tax relief to owners of real property in Florida and prescribes the uses of ad valorem tax revenues levied by counties and municipalities.

The proposed amendment reduces the assessment limitation for non-homestead residential and non-residential property from 10 percent to five percent.

Real property owned by persons who maintained permanent residence as of December 31, 2026, and have established or will establish homestead are eligible for the following exemption from non-school levies:

- Beginning on January 1, 2027, up to $150,000 of the assessed value.
- Beginning on January 1, 2028, up to $250,000 of the assessed value. The exemption value is adjusted annually for positive inflation growth beginning January 1, 2029.

Real property owned by persons who maintain permanent residence on or after January 1, 2027, and establish homestead are eligible for the following exemption from non-school levies:

- Beginning January 1, 2027, up to $50,000 of assessed value. The exemption value is adjusted annually for positive inflation growth beginning January 1, 2028.
- Beginning with the fifth year of the exemption, such person may be exempted up to the amount of the exemption available to a person who maintained homestead on or before December 31, 2026.

Beginning on or after January 1, 2030, the proposed amendment allows a county or municipality to, by two-thirds vote of the membership of the governing body, determine if a reduction to the five-year requirement is warranted for a critical local need.

The proposed amendment requires the Legislature, by general law, to prescribe a uniform procedure for counties, municipalities, and school districts to increase the amount of assessed value exempt from taxes. Additionally, the proposed amendment allows special districts to increase, by referendum, the amount of assessed value exempt from taxes. Special districts may adjust the exemption amount annually for positive inflation growth.

The Revenue Estimating Conference has not reviewed the bill. See Section V. Fiscal Impact Statement.

If passed by the Legislature, the proposed amendment will be submitted to Florida's electors for approval or rejection at the next general election in November 2026.

The bill will take effect on January 1, 2027, if approved by at least 60 percent of the voters.

The bill substantially amends Article VII, sections 4, 6, and 9 the Florida Constitution and adds a new section to Article XII of the Florida Constitution.

II. Present Situation:

General Overview of Property Taxation

The ad valorem tax or "property tax" is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of a property as of January 1 of each year.[1] The property appraiser annually determines the "just value"[2] of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property's "taxable value."[3] The Florida Constitution prohibits the state from levying ad valorem taxes[4] and it limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.[5]

[1] Both real property and tangible personal property are subject to tax. Section 192.001(12), F.S., defines "real property" as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines "tangible personal property" as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

[2] Property must be valued at "just value" for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. Art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm's-length transaction. *See, e.g., Walter v. Schuler,* 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *S. Bell Tel. & Tel. Co. v. Dade Cnty.*, 275 So. 2d 4 (Fla. 1973).

[3] *See* s. 192.001(2) and (16), F.S.

[4] FLA. CONST. Art. VII, s. 1(a).

[5] *See* FLA. CONST. Art. VII, s. 4.

Property Tax Exemptions for Homesteads

Unless expressly exempted from taxation, all real and personal property and leasehold interests in the state are subject to taxation.[6] The Legislature may only grant property tax exemptions that are authorized in the Florida Constitution, and any modifications to existing property tax exemptions must be consistent with the constitutional provision authorizing the exemption.[7]

Statewide Homestead Exemption

Every person having legal or equitable title to real estate and who maintains a permanent residence on the real estate is deemed to establish homestead property. Homestead property is eligible for the following exemptions:

- A $25,000 tax exemption applicable to all ad valorem tax levies, including levies by school districts.[8]
- An additional exemption on the portion of the property's value that is between $50,000 and $75,000. It applies to all levies other than school district levies and is adjusted, beginning with the 2025 tax roll, by the consumer price index, if the change is positive.

The term "permanent residence" means that place where a person has his or her true, fixed, and permanent home and principal establishment to which, whenever absent, he or she has the intention of returning. [9] A person may have only one permanent residence at a time; and, once a permanent residence is established in a foreign state or country, it is presumed to continue until the person shows that a change has occurred.[10]

Discretionary Homestead Exemptions Granted by Counties and Municipalities

Article VII, s. 3(c) and (d) of the Florida Constitution authorize local governments to grant certain exemptions, as defined by general law. Counties and municipalities currently grant exemptions including community and economic development property tax exemptions, and historic preservation property tax exemptions, under this authority.[11] The amount or limits of the amount of these exemptions are specified by general law.

In addition to the exemptions granted to each person who makes real property his or her homestead, persons who meet specific criteria or circumstances can receive additional exemptions.[12]

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[6] Section 196.001, F.S.; see also *Sebring Airport Authority v. McIntyre*, 783, So. 2d 238, 248 (Fla. 2001); *Am Fi Inv. Corp v. Kinney,* 360 So. 2d 415 (Fla. 1978); *Sparkman v. State*, 58 So. 2d 431, 432 (Fla. 1952).
[7] Archer v. Marshall, 355 So. 2d 781, 784 (Fla. 1978).
[8] FLA. CONST. Art VII, s. 6(a).
[9] Section 196.012(17), F.S.
[10] *Id.*
[11] Sections. 196.1995, F.S. and 196.075, F.S.
[12] *See, e.g.,* FLA. CONST. Art VII, s. 6(e)(3) and s. 196.102, F.S. (granting an exemption to first responders who are totally and permanently disabled as a result of an injury or injuries sustained in the line of duty).

Save Our Homes Assessment Limitation and Portability

In 1992, Florida voters approved the Save Our Homes amendment to the Florida Constitution.[13] The Save Our Homes assessment limitation limits the amount that a homestead property's assessed value may increase annually to the lesser of 3 percent or the percentage increase in the Consumer Price Index.[14] The accumulated difference between the assessed value and the just value is the Save Our Homes benefit. The Save Our Homes assessment limitation is transferrable from one homestead property to another.[15]

Assessment of Non-Homestead Property

Article VII, s. 4(g) and (h)of the Florida Constitution limit the annual change in the assessment of non-homestead real property, excluding property classified and assessed based on its use. For all levies other than school district levies, the assessed value of these properties may not increase by more than 10 percent of the assessment in the prior year.[16]

Local Government

The governing body of a county or municipality has broad legislative powers to enact ordinances, and local laws, to perform governmental functions and to exercise power to promote the health, welfare, safety, and quality of life of the local government's residents.[17] Ordinances address a wide variety of local issues, from government structure and zoning laws to speed limits and noise ordinances. Procedures for passing local ordinances are prescribed by the Legislature and differ only slightly between counties and municipalities.[18]

The Florida Constitution grants local governments broad authority to take actions furthering citizens' health, welfare, safety, and quality of life.[19] This "home rule" authority includes legislative powers to enact local laws. Specifically, non-charter county governments may exercise those powers of self-government that are provided by general or special law.[20] Those counties operating under a county charter have all powers of local self-government not inconsistent with general law or special law approved by the vote of the electors.[21] Likewise, municipalities have those governmental, corporate, and proprietary powers that enable them to conduct municipal government, perform their functions and provide municipal services, and exercise any power for municipal purposes, except as otherwise provided by law.[22]

III. Effect of Proposed Changes:

This bill provides property tax relief to owners of real property in Florida.

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[13] FLA. CONST. Art. VII, s. 4(d). The Florida Legislature implemented the Save Our Homes amendment in s. 193.155, F.S.
[14] FLA. CONST. Art. VII, s. 4(d).
[15] *See* FLA. CONST. Art. VII, s. 4(d)(8); *see also* s. 193.155, F.S.
[16] These constitutional provisions are implemented in ss. 193.1554 and 193.1555, F.S., respectively.
[17] *See* chs. 125 and 166, F.S.
[18] *Compare* ss. 125.66 and 166.041, F.S.
[19] *See* FLA. CONST. Art. VIII.
[20] FLA. CONST. Art. VIII, s. 1(f).
[21] FLA. CONST. Art. VIII, s. 1(g).
[22] FLA. CONST. Art. VIII, s. 2(b). *See also* s. 166.021(1), F.S.

The proposed amendment reduces the assessment limitation for non-homestead residential and non-residential property from 10 percent to five percent.

Real property owned by persons who maintained permanent residence as of December 31, 2026, and have established or will establish homestead are eligible for the following exemption from non-school levies:

- Beginning on January 1, 2027, up to $150,000 of the assessed value.
- Beginning on January 1, 2028, up to $250,000 of the assessed value. The exemption value is adjusted annually for positive inflation growth beginning January 1, 2029.

Real property owned by persons who maintain permanent residence on or after January 1, 2027, and establish homestead are eligible for the following exemption for non-school levies:

- Beginning January 1, 2027, up to $50,000 of assessed value. The exemption value is adjusted annually for positive inflation growth beginning January 1, 2028.
- Beginning with the fifth year of the exemption, such person may be exempted up to the amount of the exemption available to a person who maintained homestead on or before December 31, 2026.

Beginning on or after January 1, 2030, the bill allows a county, municipality, or school district to determine, by a two-thirds vote of the membership of the governing body, if a reduction to the five-year requirement is warranted for a critical local need.

Levies for school districts will remain subject to the current $25,000 exemption.

The proposed amendment requires the Legislature, by general law, to prescribe a uniform procedure for counties or municipalities to increase the amount of assessed value exempt from taxes. Additionally, the proposed amendment allows special districts to increase, by referendum, the amount of assessed value exempt from taxes. Special districts may adjust the additional exemption amount annually for positive inflation growth.

The proposed amendment prescribes the uses of ad valorem tax revenue levied by counties and municipalities to only include expenditures to:

- Provide for public safety, including law enforcement, fire service, and emergency medical service;
- Provide funding for education and public schools;
- Finance or refinance infrastructure, including expenditures on road and bridge construction and maintenance and stormwater control;
- Finance or refinance natural resource projects, including flood control measures;
- Issue local bonds for uses consistent with this paragraph and to make debt service payments for existing obligations;
- Meet obligations for retirement benefits of local government employees; or
- Be used for the operations and administration of county constitutional officers, boards of county commissioners, and municipalities, as well as expenditures approved by those officers and governing bodies, except as otherwise prohibited by general law.

If passed by the Legislature, the proposed amendment will be submitted to Florida's electors for approval or rejection at the next general election in November 2026.

If approved by at least 60 percent of the voters, the proposed amendment will take effect on January 1, 2027.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate provisions in Art. VII, s. 18 of the Florida Constitution do not apply to joint resolutions.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Not applicable.

E. Other Constitutional Issues:

Article XI, s. 1 of the Florida Constitution authorizes the Legislature to propose amendments to the Florida Constitution by joint resolution approved by a three-fifths vote of the membership of each house. Article XI, s. 5(a) of the Florida Constitution requires the amendment be placed before the electorate at the next general election[23] held more than 90 days after the proposal has been filed with the Secretary of State or at a special election held for that purpose. Constitutional amendments submitted to the electors must be printed in clear and unambiguous language on the ballot.[24]

In reviewing a ballot summary, the Florida Supreme Court asks two questions: first, whether the title and summary fairly inform the voter of the purpose of the amendment; and second, whether the language misleads the public.[25]

Article XI, s. 5(d) of the Florida Constitution requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published

[23] Section 97.021(16), F.S., defines "general election" as an election held on the first Tuesday after the first Monday in November in the even-numbered years, for the purpose of filling national, state, county, and district offices and for voting on constitutional amendments not otherwise provided for by law.
[24] Section 101.161(1), F.S.
[25] *Advisory Op. to Att'y Gen. re Rts. Of Elec. Consumers Regarding Solar Energy Choice*, 188 So. 3d 822 at 831 (2016).

once in the 10th week and again in the 6th week immediately preceding the week the election is held.

Art. XI, s. 5(e) of the Florida Constitution requires approval by 60 percent of voters for a constitutional amendment to take effect. The amendment, if approved, becomes effective on the first Tuesday after the first Monday in January following the election, or on such other date as may be specified in the amendment.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has not reviewed the proposed amendment. Staff estimates a negative indeterminate impact from the provisions of the proposed amendment.

B. Private Sector Impact:

Owners of Florida real property are likely to have reduced ad valorem tax liability.

C. Government Sector Impact:

Article XI, s. 5(d) of the Florida Constitution requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published in the 10th week and again in the 6th week immediately preceding the week the election is held.

The Division of Elections (Division) within the Department of State pays for publication costs to advertise all constitutional amendments in both English and Spanish,[26] typically paid from non-recurring general revenue funds.[27] Accurate cost estimates for the next constitutional amendment advertising cannot be determined until the total number of amendments to be advertised is known and updated quotes are obtained from newspapers. HB 5001-E contains $1.5 million for the advertising of proposed amendments to Florida Constitution.[28]

There is an unknown additional cost for the printing and distributing of the constitutional amendments, in poster or booklet form, in English and Spanish, for each of the 67 Supervisors of Elections to post or make available at each polling room or each voting site, as required by s. 101.171, F.S. Historically, the division has printed and distributed booklets that include the ballot title, ballot summary, text of the constitutional amendment, and, if applicable, the financial impact statement.

[26] Pursuant to *Section 203 of the Voting Rights Act (52 U.S.C.A. § 10503).*
[27] See, e.g., Ch. 2022-156, Specific Appropriation 3137, Laws of Fla.
[28] Specific Appropriation 3272, HB 5001-E (2026E).

If passed, the proposed amendment is expected to significantly reduce local government revenues for non-school levies.

The proposed amendment prescribes the uses of ad valorem tax revenue levied by counties and municipalities to only include expenditures to:

- Provide for public safety, including law enforcement, fire service, and emergency medical service;
- Provide funding for education and public schools;
- Finance or refinance infrastructure, including expenditures on road and bridge construction and maintenance and stormwater control;
- Finance or refinance natural resource projects, including flood control measures;
- Issue local bonds for uses consistent with this paragraph and to make debt service payments for existing obligations;
- Meet obligations for retirement benefits of local government employees; or
- Be used for the operations and administration of county constitutional officers, boards of county commissioners, and municipalities, as well as expenditures approved by those officers and governing bodies, except as otherwise prohibited by general law.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends Article VII, sections 4, 6, and 9 of the Florida Constitution.

This bill creates a new section of Article XII of the Florida Constitution.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Appropriations on June 1, 2026:
The committee substitute removes provisions related to a requirement on the Legislature to create a trust fund for the purpose of providing grants to assist in the implementation of the amendment. The committee substitute also restores the $25,000 current law exemption for school levies; the provisions of the joint resolution for increased homestead exemption apply only to non-school levies. Finally, the committee substitute adds an allowable expenditure for counties and municipalities for ad valorem revenues to include operations and administration of county constitutional officers, boards of county commissioners, and municipalities, as well as expenditures approved by those officers and governing bodies, except as otherwise prohibited by general law.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL:	CS/SB 4-F
INTRODUCER:	Appropriations Committee and Senator Avila and others
SUBJECT:	Property Tax Administration
DATE:	June 1, 2026
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Khan	Sadberry	AP	**Fav/CS**

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 4-F amends the method used to determine the maximum millage rate that may be levied pursuant to a majority vote by a county, municipality, special district dependent to a county or municipality, municipal service taxing unit, or independent special district. Rather than the calculation used in current law to determine the maximum millage rate, the bill requires use of the rolled-back rate used to comply with notice requirements.

The bill allows a ballot summary to exceed the statutorily established 75-word limit if a joint resolution is proposing an amendment or revision to Article VII, sections 4, 6, and 9 of the State Constitution, which is to be submitted to the electors at the general election to be held on November 3, 2026.

The Revenue Estimating Conference has not reviewed the bill. See Section V, Fiscal Impact Statement.

The bill is effective upon becoming a law.

II. Present Situation:

General Overview of Property Taxation

The ad valorem tax or "property tax" is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of a property as of

January 1 of each year.[1] The property appraiser annually determines the "just value"[2] of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property's "taxable value."[3]

Counties, school districts, and municipalities shall, and special districts may, be authorized by law to levy ad valorem taxes and may be authorized by general law to levy other taxes, for their respective purposes, except ad valorem taxes on intangible personal property and taxes prohibited by the State Constitution.[4]

County, Municipal, Special District, and School Millage

Ad valorem taxes, excluding taxes levied for the payment of bonds and taxes levied for periods not longer than two years, approved by vote of the electors, may not be levied in excess of the following millages:

- For all county or municipal purposes, ten mills;
- For all school purposes, ten mills;
- For water management purposes for the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill, and for water management purposes for the remaining portions of the state, 1.0 mill; and
- For all other special districts, a millage authorized by law approved by vote of the electors.

A county furnishing municipal services may, to the extent authorized by law, levy additional taxes within the limits fixed for municipal purposes.

Method of Fixing Millage

Upon completion of the assessment of all property, the property appraiser certifies to each taxing authority the taxable value within the jurisdiction of the taxing authority.[5]

The form used by property appraisers to certify the value within a jurisdiction must include instructions to that taxing authority explaining how to compute the "rolled-back rate."[6] The rolled-back rate is the millage rate that would provide the taxing authority the same ad valorem tax revenue as was raised the previous year, excluding certain value such as the value of new construction, additions, deletions, and increases in the value of improvements that have

[1] Both real property and tangible personal property are subject to tax. Section 192.001(12), F.S., defines "real property" as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines "tangible personal property" as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.
[2] Property must be valued at "just value" for purposes of property taxation, unless the Florida Constitution provides otherwise FLA. CONST. Art. VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm's-length transaction. *See, e.g., Walter v. Schuler,* 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *S. Bell Tel. & Tel. Co. v. Dade Cnty.*, 275 So. 2d 4 (Fla. 1973).
[3] *See* ss. 192.001(2) and (16), F.S.
[4] FLA. CONST. Art. VII, s. 9(a).
[5] Section 200.065(1), F.S.
[6] *Id.*

undergone a substantial rehabilitation which increased the assessed value of such improvements by at least 100 percent.[7]

The taxing authority must prepare a tentative budget and compute the millage rate necessary to fund the tentative budget.[8] The taxing authority gives public notice, holds public hearings regarding a proposed millage rate, and ultimately adopts a millage rate.[9] If the proposed millage exceeds the rolled-back rate, the taxing authority must notify taxpayers of a proposed tax increase.[10]

Maximum Millage Rate

In 2007, the Legislature restricted the ad valorem tax levies of counties, municipalities, dependent and independent special districts, and municipal service taxing units and set a maximum rate that could be levied based on revenue collections and personal income growth.[11]

Since 2009, these local governments calculate the maximum millage that they may levy by increasing the previous year's maximum millage rate through a formula based on the growth of per capita Florida personal income.[12] The maximum millage rate is a type of rolled-back rate, but is different from the rolled-back rate that is calculated under s. 200.065(1), F.S., for the purpose of determining whether a notice of proposed tax increase must be mailed. A millage rate up to this maximum rate, or the previous year's adopted millage rate if higher, may be adopted by simple majority.

A higher rate may be adopted only under the following conditions:

- A rate of not more than 110 percent of the rolled-back rate based on the previous year's maximum millage rate, adjusted for change in per capita Florida personal income, may be adopted if approved by a two-thirds vote of the membership of the governing body of the county, municipality, or independent district; or
- A rate in excess of 110 percent may be adopted if approved by a unanimous vote of the membership of the governing body of the county, municipality, or independent district; by a three-fourths vote of the membership of the governing body if the governing body has nine or more members; or if the rate is approved by a referendum.[13]

Ballot Statements for Constitutional Amendments Proposed by the Legislature

The Florida Constitution specifies the methods through which a constitutional amendment may be proposed and adopted,[14] but it is the Florida Election Code[15] that specifies the content that appears on the ballot when a proposed amendment is put before the electorate.[16] For

[7] *Id.*
[8] Section 200.065(2), F.S.
[9] *See* s. 200.065(2) and (3), F.S.
[10] Section 200.065(3), F.S.
[11] Chapter 2007-321, Laws of Fla.
[12] Section 200.065(5), F.S.
[13] *Id.*
[14] *See* FLA. CONST. Art. XI.
[15] Chapters 97 through 106, F.S., are known as the Florida Election Code. Section 97.011, F.S.
[16] Section 101.161, F.S.

constitutional amendments proposed by the Legislature, the Florida Election Code requires that the joint resolution[17] proposing the amendment must include at least one ballot statement.[18] A ballot statement is what appears on the ballot itself and it consists of two parts: a ballot title and a ballot summary.[19] A ballot title is the name by which the measure is commonly referred to and it is limited to 15 words. A ballot summary is a description of "the chief purpose of the amendment…in clear and unambiguous language."[20] Unlike constitutional amendments proposed through other methods,[21] amendments proposed by the Legislature may contain multiple ballot statements for a single amendment.[22] A joint resolution with multiple ballot statements must list the statements in an order that indicates their priority.[23] While only one statement will appear on the ballot, if the Legislature includes more than one and a court later holds that a particular ballot statement is unconstitutional, any additional ballot statements can be substituted for the defective statement ahead of the election (unless all statements are held to be constitutionally deficient). The ballot summary within the first ballot statement of a legislatively proposed amendment is limited to 75 words.[24] If the joint resolution contains only one statement, the ballot summary within that statement is subject to the 75-word limit. Any additional ballot summaries are not subject to a word limit.

Once the Legislature passes a joint resolution proposing a constitutional amendment by the required vote-threshold, the amendment is filed with the Secretary of State (secretary).[25] The secretary then designates the proposed amendment with a number[26] and provides the appropriate ballot statement (according to the order of priority) to the supervisor of elections of each county.[27] A legal challenge to one or more ballot statements in a joint resolution must be filed within 30 days after the resolution is filed with the secretary.[28] Unless otherwise provided in a joint resolution, if a court finds that all ballot statements are defective and further appeals are declined, abandoned, or exhausted, the Attorney General must, within 10 days, prepare and submit to the Department of State a revised ballot title or ballot summary that corrects the deficiencies identified by the court.[29] The 75-word limitation does not apply to any ballot summary revised by the Attorney General. The Department of State then sends the revised title or summary to each supervisor of elections for placement on the ballot.[30] Any legal challenge to a revised ballot title or ballot summary must be filed within 10 days after the revised ballot title or ballot summary is submitted to the Department of State.[31]

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[17] *See* FLA. CONST. Art. XI, s. 1.
[18] Section 101.161(3)(a), F.S.
[19] *Id.*
[20] *Id.* The Florida Supreme Court has held that the "clear and unambiguous" language in s. 101.161, F.S., is a codification of the Florida Constitution's implicit requirement that ballot statements "be *accurately* represented on the ballot." *Armstrong v. Harris*, 773 So. 2d 7, 12 (Fla. 2000)(emphasis in original).
[21] *See* s. 101.161(1), F.S.
[22] Section 101.161(3)(a), F.S.
[23] *Id.*
[24] *Id.*
[25] FLA. CONST. Art. XI, s. 5(a).
[26] Section 101.161(3)(b), F.S.; *see also* Fla. Admin. Code R. 1S-2.0011(1)(c).
[27] Section 101.161(3)(b), F.S.
[28] Section 101.161(3)(c)1., F.S.
[29] Section 101.161(3)(c)2., F.S.
[30] *Id.*
[31] *Id.*

III. Effect of Proposed Changes:

The bill (Section 2) amends the method used to determine the maximum millage rate that may be levied pursuant to a majority vote by a county, municipality, special district dependent to a county or municipality, municipal service taxing unit, or independent special district. Rather than the calculation used in current law to determine the maximum millage rate, the bill uses the rolled-back rate that taxing authorities must already calculate for the purpose of complying with notice of tax increase requirements. Rather than using the maximum millage rate as the baseline for a taxing authority to determine if a supermajority vote is required to adopt a higher rate, under the bill, a two-thirds vote will be required if the specified taxing authority wants to adopt a millage rate of not more than 110 of the rolled-back rate. The taxing authority may adopt a rate above 110 percent of the rolled-back rate and up to the constitutional or statutory millage limit by a unanimous vote of the membership of the governing body; by a three-fourths vote of the membership if the governing body has nine or more members; or pursuant to a referendum.

The bill (Sections 1, 2, 3, 4, 5, and 6) amends and reenacts several statutes to conform with changes to the maximum millage rate calculations. For purposes of the maximum millage rate calculation, the bill repeals a provision that allows for the exclusion of revenue that is required to be contributed to the county public general hospital in a county that was authorized to levy the county public hospital surtax in 2007.

Furthermore, the bill (Section 7) allows a ballot summary to exceed the statutorily established 75-word limit[32] if the joint resolution is proposing an amendment or revision to Art. VII, ss. 4, 6, and 9 of the State Constitution that is to be submitted to the electors at the general election to be held on November 3, 2026.

Section 8 of the bill provides for incorporation of other amendments enacted in other sessions this year to statutes amended by this bill to be incorporated.

The bill is effective upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The bill does not appear to require counties and municipalities to expend funds or limit their authority to raise revenue or receive state-shared revenues as specified by Art. VII, s. 18, of the State Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

[32] Section 101.161(3)(a), F.S.

D. State Tax or Fee Increases:

This bill does not create or raise a state tax or fee. Therefore, the requirements of Art. VII, s. 19 of the State Constitution do not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has not reviewed the bill.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

SB 2-F, entitled Save our Homes from Excessive Property Taxes, is a joint resolution to propose an amendment to the State Constitution to which the exception to the statutory word limitation on the ballot summary provided under this bill would likely apply.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 200.001, 200.065, and 200.068.

The bill re-enacts the following sections of the Florida Statutes: 218.12, 218.125, and 218.136.

The bill creates undesignated sections of Florida law.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Appropriations on June 1, 2026:
The committee substitute removes the following provisions:

- Requirements for property appraisers to send notices to property taxpayers regarding proposed constitutional amendments or revisions related to property taxes and specifying requirements for the contents and formatting of such notices;
- Requirements for the Department of Revenue to establish a website relating to proposed constitutional amendments or revisions related to property taxes; and
- An appropriation for reimbursement for the costs of notices sent by property appraisers to property taxpayers.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.