The Florida Senate

COMMITTEE MEETING EXPANDED AGENDA

FINANCE AND TAX
Senator Avila, Chair
Senator Gaetz, Vice Chair

MEETING DATE: Wednesday, November 19, 2025
TIME: 11:00 a.m.—12:30 p.m.
PLACE: 301 Senate Building

MEMBERS: Senator Avila, Chair; Senator Gaetz, Vice Chair; Senators Bernard, Hooper, Jones, Mayfield, Passidomo, and Rouson

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION

Presentation on the Ad Valorem Forecast and Impact Conference by Amy Baker, Coordinator, Office of Economic and Demographic Research

Other Related Meeting Documents

Ad Valorem:
Forecast and Impact Conferences

Senate Finance & Tax

November 19, 2025

Presented by:

The Florida Legislature
Office of Economic and
Demographic Research
850.487.1402
http://edr.state.fl.us

Conference Background...

- The Conference process is established in law (ss. 216.133-216.138, F.S.).
  - All forecasts adopted by estimating conferences are by consensus (unanimous agreement by the principals).
  - Ad Valorem forecasts are adopted by the Revenue Estimating Conference, one of the 10 conferences specified in law.
  - The Revenue Estimating Conference shall develop all "official information with respect to anticipated **state and local government revenues** as the conference determines is needed for the state planning and budgeting system."

- Meaning of Official Information:
  - "Official information" means the data, forecasts, estimates, analyses, studies, and other information which the principals of a consensus estimating conference unanimously adopt for purposes of the state planning and budgeting system.
  - Each state agency and the judicial branch shall use the official information developed by the consensus estimating conferences in carrying out their duties under the state planning and budgeting system.

Ad Valorem Revenues

Current Conference Products...

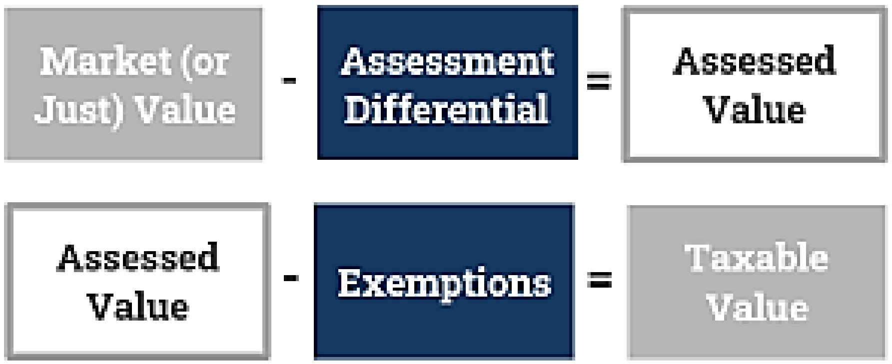
The Revenue Estimating Conference (REC) met on August 1, 2025, and reconvened on August 5, 2025, to adopt a new forecast for the Florida property tax roll.

In preparation for the upcoming legislative discussion on property taxes, the Conference made substantial changes to the underlying data sources, the forecasting methodology, and the structure of the conference package itself.

Clean structure that focuses on the mathematical relationships between Just Value, Differentials, Assessed Value, Exemptions and Taxable Value.

- Inclusion of confidential parcels.
- Generation of forecasts for each county which then sum to produce the statewide numbers. ("Bottom-Up")
- Separately modeled county and school rolls.

Advantages...



Additional Variables:

- New Construction Estimates (JV)
- Value Change from Prior Roll (JV)
- Tangible Personal Property (TV)
- Centrally Assessed Property (TV)
- Categories: Homestead, Residential Non-Homestead, Non-Residential, Agriculture
- Parcels (Supplemental)

- Analysis of nearly the entire universe of individual parcels which enhances the accuracy and precision of the forecast.

- More detailed and geographically nuanced view of the property tax base for both school and countywide purposes, improving the ability to account for both local and statewide trends.

- Disaggregates taxable value, with formal estimates of key variables that enable additional, internally consistent, breakouts and cross-tabulations.

- Computationally easy to make baseline adjustments that account for legislative proposals explored in impact conferences.

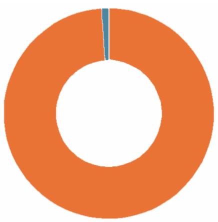
High Level Overview...

County Taxable Value--Real Property	ALL	Non-Homestead	Homestead	Homestead Share of All
Just Value	5,146,829.2	2,757,453.7	2,389,375.5	46.4%
Taxable Value	3,290,944.5	2,104,019.5	1,186,925.0	36.1%
Difference from JV	-1,855,884.7	-653,434.2	-1,202,450.5	
	-36.1%	-23.7%	-50.3%	
Just Value	5,146,829.2	2,757,453.7	2,389,375.5	46.4%
Differentials	-1,242,383.7	-343,034.6	-899,349.1	72.4%
Assessed Value	3,904,445.5	2,414,419.0	1,490,026.5	38.2%
Exemptions	-613,501.0	-310,399.5	-303,101.5	49.4%
Taxable Value	3,290,944.5	2,104,019.5	1,186,925.0	36.1%

School Taxable Value--Real Property	ALL	Non-Homestead	Homestead	Homestead Share of ALL
Just Value	5,146,829.2	2,757,453.7	2,389,375.5	46.4%
Taxable Value	3,641,312.4	2,323,176.7	1,318,135.7	36.2%
Difference from JV	-1,505,516.8	-434,277.0	-1,071,239.8	
	-29.3%	-15.7%	-44.8%	
Just Value	5,146,829.2	2,757,453.7	2,389,375.5	46.4%
Differentials	-984,630.0	-87,343.0	-897,287.0	91.1%
Assessed Value	4,162,198.8	2,670,110.7	1,492,088.1	35.8%
Exemptions	-520,886.4	-346,933.9	-173,952.5	33.4%
Taxable Value	3,641,312.4	2,323,176.7	1,318,135.7	36.2%

Homestead Differentials...

A differential is designed to benefit certain Florida property taxpayers by removing an amount of property value for which the property owner will not have to pay taxes. Functionally, they are used to address how the Assessed Value is derived by creating various assessment limitations and adjustments. Reducing homestead just value by an overall 37.6%, homesteaders garner 72.4% of all value that is removed by differentials.



- **Save Our Homes (SOH)** is a Florida constitutional protection that limits annual increases in a homestead property's assessed value to 3% or the percentage change in the Consumer Price Index (CPI) from the previous year, whichever is lower. This creates a significant difference between market value and assessed value for longtime homeowners, as the overall benefit tends to increase with tenure in the home. In this manner, taxpayers are shielded from large increases in market value.

- **Portability** allows a homeowner to transfer up to $500,000 of a previously accrued SOH tax benefit to a new homestead, so long as the taxpayer had a homestead exemption as of January 1 in any of the 3 immediately preceding years. [Note: full benefit if the new home is of equal or greater market value to the previous home; ratio of new to old market value if it is lower.]

Just Value of the Property
(Market Value)

−

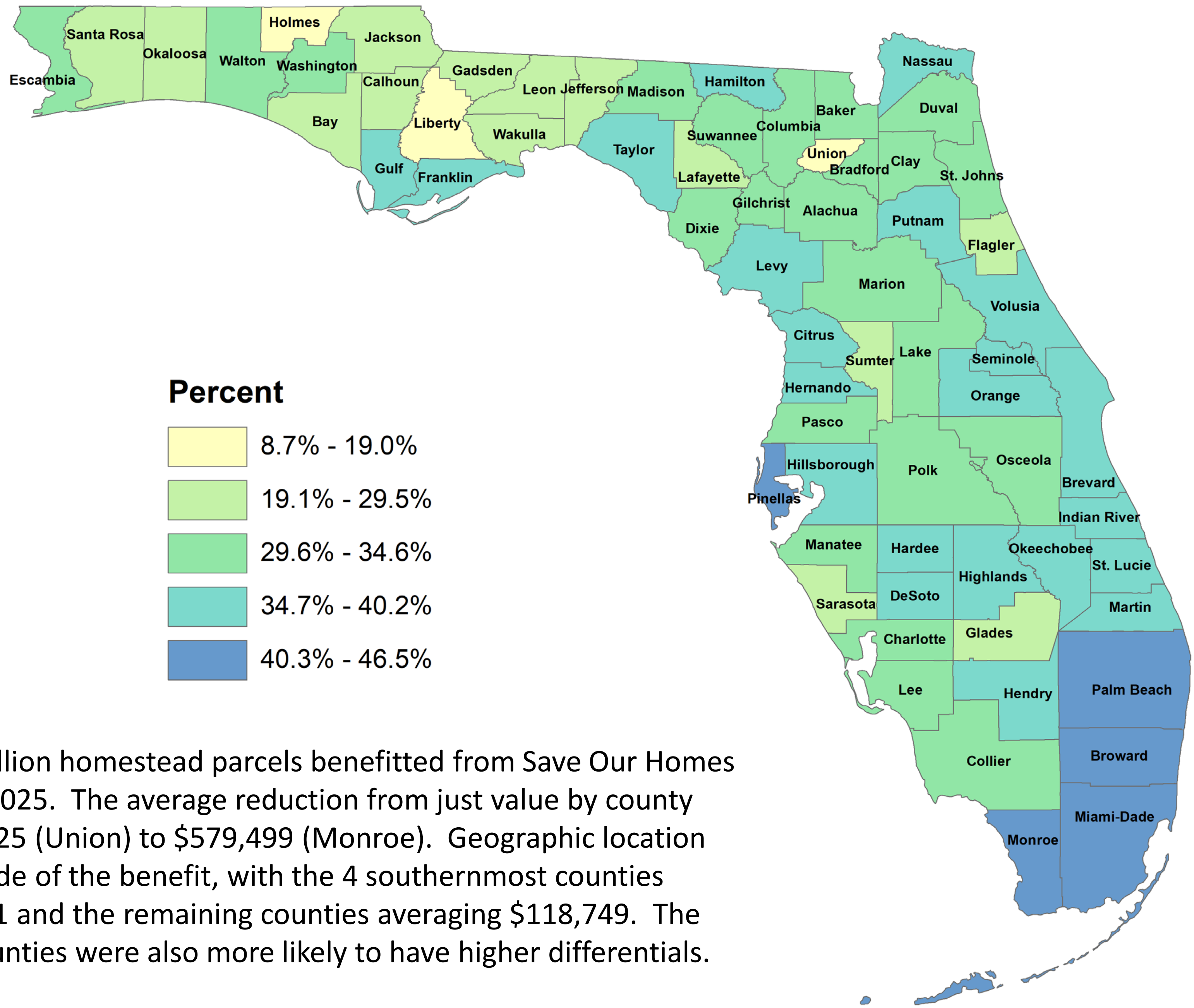
Differentials
$900 billion in removed value for homesteads; this is equivalent to 37.6% of the total Just Value for homesteads.

=

Assessed Value

Homestead Differentials Across the State...

Percent of County Homestead JV Removed by Differentials



Statewide, 4.65 million homestead parcels benefitted from Save Our Homes and Portability in 2025. The average reduction from just value by county ranged from $16,725 (Union) to $579,499 (Monroe). Geographic location drove the magnitude of the benefit, with the 4 southernmost counties averaging $374,391 and the remaining counties averaging $118,749. The eastern coastal counties were also more likely to have higher differentials.

Homestead Exemptions...

An exemption is designed to benefit certain Florida property taxpayers by providing tax relief to qualifying owners. Functionally, they are used to reduce Assessed Value by treating certain specified or calculated amounts as effectively non-taxable. Reducing homestead just value by an overall 12.7%, homesteaders garner 49.4% of all value that is removed by exemptions.

Homesteads: Exemption Title	Billions $	Percent $	Parcels
$25,000 Homestead Exemption	128.6	42.4%	5,151,621
Additional $25,000 homestead exemption adjusted annually based on the Consumer Price Index	121.1	40.0%	4,865,803
Exemption for service-connected totally and permanently disabled veteran or surviving spouse; surviving spouse of veteran who died while on active duty	36.3	12.0%	141,389
County additional homestead for persons 65 and older	8.4	2.8%	232,218
Remaining Exemptions each (<1% of $ total)	8.6	2.9%	-

Assessed Value
(after reduction for differentials)

−

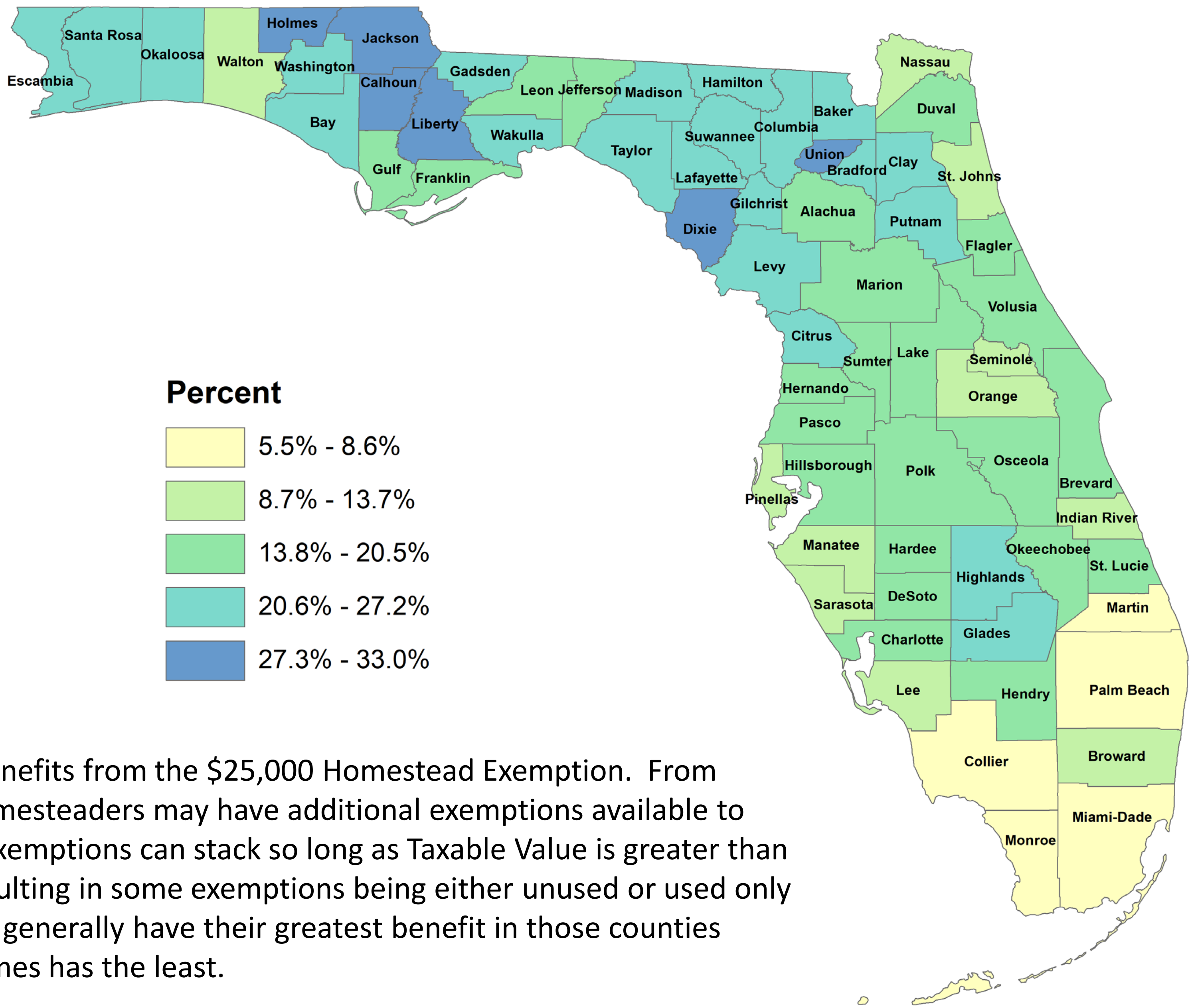
Exemptions
$300 billion in removed value for homesteads; this is equivalent to 12.7% of the total Just Value for homesteads.

=

Taxable Value

Exemptions Benefitting Homesteads...

Percent of County Homestead JV Removed by Exemptions



Every homestead benefits from the $25,000 Homestead Exemption. From there, qualifying homesteaders may have additional exemptions available to them. The various exemptions can stack so long as Taxable Value is greater than or equal to zero, resulting in some exemptions being either unused or used only in part. Exemptions generally have their greatest benefit in those counties where Save Our Homes has the least.

Impact Conferences...

216.137 Sessions of consensus estimating conferences; workpapers.—

(1) SESSIONS.—A session of a consensus estimating conference may be convened as follows:

‘’

‘’

‘’

(d) To consider special impacts.—After adequate notice, any principal may call a special **impact session of the conference** to develop official information which reflects specific changes or proposed changes relating to the area of responsibility of the conference.

Impacts reflect the expected loss or gain to the baseline forecast.

Impact Conference High-Level Process...

Determine the area or areas of the baseline forecast that are affected by the specific proposal, as well as the need for any supplemental research material.

→

Develop the taxable value impact by county and sum to the statewide number.

↓

Convert the taxable value impact into taxes. Until the next Ad Valorem Conference, 2024 millage rates will be used.

→

Generate Cash and Recurring numbers for the tax impact. These are shown in $millions. The Conference typically uses the 6th year cash number as the recurring impact for all years.

Taxable Value x Millage Rates = Ad Valorem Taxes

Additional Impact Considerations...

- For proposed constitutional amendments that are self-executing, the adopted impacts are typically shown as follows:

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27	0.0	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)
2027-28	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2028-29	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2029-30	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2030-31	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)

- The zero represents the impact if the amendment fails to pass; the negative indeterminate directs readers to the included impact tables if the amendment passes. One table shows the statewide impact and a second shows the breakout by county.

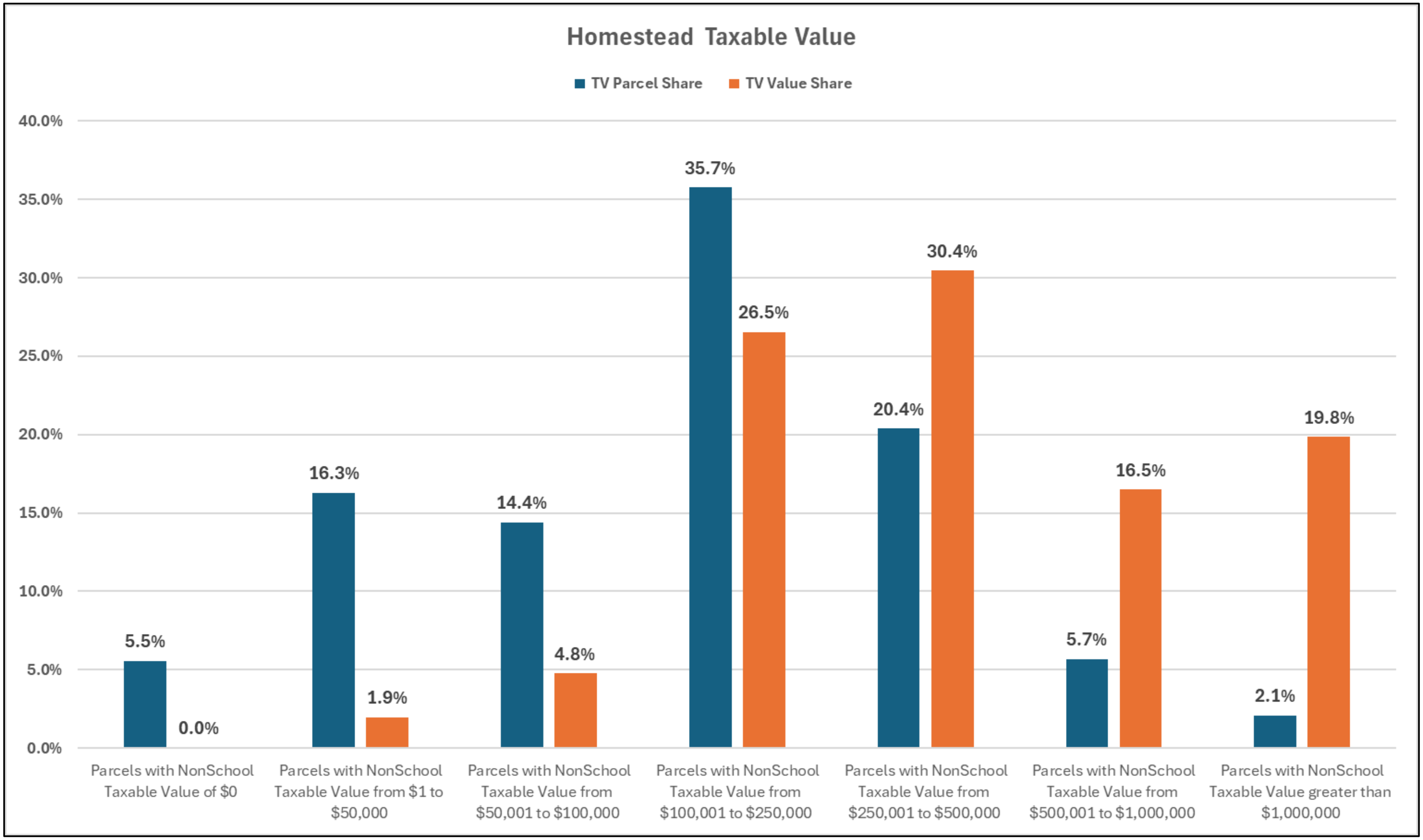
- If the amendment is not self-executing, the discrete impact would be placed against the implementing bill if it exists.

- Each proposal stands alone; interactions with other proposals are typically not addressed prior to passage by the voters.

- Impact analyses do not address budgetary effects related to the projected revenue change.

Exemption Complexity...

Sounds easy, but taxable value is not evenly distributed among homesteads. In today's statewide roll, 7.8% of all parcels have 36.3% of non-school taxable value (>$500,000 TV per parcel). This feature requires careful modeling of impacts, especially over time.



Based on distributional data provided by DOR

Other County Features...

Homestead Parcels with Zero Non-School Taxable Value

Top 5 Highest Shares:

County	Parcel Share
Liberty	21.1%
Calhoun	21.0%
Holmes	20.3%
Dixie	19.2%
Madison	16.5%
Statewide	5.5%

Parcels with Zero Taxable Value would not benefit from any new exemption or change to differentials; therefore, the fiscal impact would be zero for this subgroup.

Homestead Parcels with Greater than $1,000,000 Non-School Taxable Value

Top 5 Highest Shares:

County	Parcel Share
Monroe	12.9%
Collier	11.9%
Walton	7.6%
Palm Beach	5.2%
Martin	4.9%
Statewide	2.1%

Typically, the greatest dollar impact within a county would be generated from the parcels that otherwise qualify for the policy change and have the largest Taxable Values.

Based on distributional data provided by DOR

Next Steps...

- The next Ad Valorem forecast is scheduled to be adopted on Monday, December 29th. This will be the final forecast for legislative use during the 2026 Session.

- All previously adopted impacts will be updated with the results from that conference, as well as related estimates from the other conferences. For example, material contained in the Florida Demographic forecast and the Florida Economic forecast may also modify some of the impacts.