

FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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BILL #: [CS/HJR 1257](#)

TITLE: Property Tax Benefits for Certain Residential Properties Subject to a Long-term Lease

SPONSOR(S): Busatta

COMPANION BILL: [SJR 1510](#) (Avila)

LINKED BILLS: [CS/HB 1259](#) Busatta

RELATED BILLS: [SB 1512](#) (Avila)

Committee References

[Ways & Means](#)

14 Y, 4 N, As CS

SUMMARY

Effect of the Bill:

The joint resolution proposes an amendment to the Florida Constitution to authorize the Legislature to provide two \$25,000 ad valorem tax exemptions, and to limit the increase in ad valorem tax assessments to the lesser of 3% or the percent change in the consumer price index, for any property that is under a residential lease of at least 6 months on January 1 of each year, is owned by a person who also owns a homestead property in this state, and could qualify as a homestead property if it was the primary residence of the owner.

The amendment takes effect on January 1, 2027, if approved by 60 percent of voters in the November 2026 general election, and first applies to the 2027 tax roll.

Fiscal or Economic Impact:

The Revenue Estimating Conference estimated that the joint resolution has no impact on state or local government revenues as the amendment it proposes is not self-executing.

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ANALYSIS

EFFECT OF THE BILL:

The joint resolution proposes amendments to Sections 3 and 4 of Article VII of the Florida Constitution to authorize the Legislature to provide certain [ad valorem taxation](#) exemptions and assessment limitations for [nonhomestead](#) residential real property, if the property is subject to a [long-term residential lease](#), the property could qualify for a homestead exemption if it was the owner's primary residence, and the property is owned by a person who also has a [homestead exemption](#) on another parcel of real estate.

If those conditions are met, the Legislature is authorized to provide by general law that qualifying nonhomestead property:

- Receives an exemption on the value of the property between \$0 and \$25,000 (for all levies) and between \$50,000 and \$75,000 (for all levies other than school levies);
- Cannot have the assessed value increase more than the lesser of three percent or the change in the consumer price index for the year; and
- Generally retains accumulated benefits if the property changes from year to year among qualifying nonhomestead, property, nonqualifying nonhomestead property, and homestead property.

The bill provides through a new section of Article XII of the Florida Constitution, that the changes first apply to the 2027 tax roll. The changes take effect on January 1, 2027, if approved by 60 percent of voters in the November 2026 general election.

STORAGE NAME: h1257.WMC

DATE: 3/27/2025

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The Revenue Estimating Conference estimated that the joint resolution has no impact on state or local government revenues as the amendment it proposes is not self-executing.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Ad Valorem Taxation](#)

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 real and tangible personal property.¹ 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.²

The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes,³ and provides for specified assessment limitations, property classifications, and exemptions.⁴ 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.⁵

Unless expressly exempted from taxation, all real and personal property and leasehold interests in the state are subject to taxation.⁶ The Florida Constitution limits the Legislature’s authority to grant an exemption or assessment limitation from taxes,⁷ and any modifications to existing ad valorem tax exemptions or limitations must be consistent with the constitutional provision authorizing the exemption or limitation.⁸

[Homestead Property](#)

“Homestead” property is defined in section 6 of Article VII of the Florida Constitution, and in s. 196.031, F.S., as 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). 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.⁹ Only one homestead exemption is allowed to any one person or on any one dwelling house.¹⁰ Individual condominium owners, however, can each qualify for a separate homestead designation.¹¹

[Homestead Exemption](#)

¹ FLA. CONST. art VII, ss. 1(a), 9(a)

² S. [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. S. [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.

³ FLA. CONST. art VII, s. 4

⁴ FLA. CONST. art VII, ss. 3, 4, and 6

⁵ S. [196.031, F.S.](#)

⁶ Section [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.

⁷ *Archer v. Marshall*, 355 So. 2d 781, 784 (Fla. 1978).

⁸ *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).

⁹ S. 196.031(1)(a), F.S.

¹⁰ *Id.*

¹¹ *Id.*

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 a \$25,000 tax exemption applicable to all ad valorem tax levies, including levies by school districts.¹² An additional \$25,000 exemption applies to homestead property value between \$50,000 and \$75,000.¹³ This exemption does not apply to ad valorem taxes levied by school districts.

Limitation on Annual Increases in Assessments for Homestead Properties

The Florida Constitution¹⁴ provides that, for those entitled to a homestead exemption, the assessed value of the homestead for all levies shall be changed annually on January 1st of each year. Those changes in assessments cannot exceed the lesser of three percent of the prior year’s assessment or the percent change in the Consumer Price Index¹⁵ for the preceding calendar year.¹⁶

Nonhomestead Property

Property that is residential real property but does not qualify as homestead property is assessed at just value on January 1 of the year the property is purchased or becomes non-homestead property.¹⁷ In each subsequent year, 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.¹⁸ Property is generally reassessed at just value on the January 1 following a change of ownership,¹⁹ and changes, additions, or improvements are also generally assessed at just value on the January 1 following the change.²⁰ The assessed value of nonhomestead property is not limited by the 10 percent cap for purposes of school levies.

Long-Term Residential Leases

Under current law, there is no specific ad valorem benefit for properties used for residential leases of longer than 6 months. For sales tax purposes in Chapter 212, F.S., however, any person who rents property through a bona fide written agreement for continuous residence for longer than six months in duration at that property is exempt from sales tax and any applicable transient rental taxes (e.g., tourist development taxes²¹) for that lease.²²

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Ways & Means Committee	14 Y, 4 N, As CS	3/27/2025	Aldridge	Berg

THE CHANGES ADOPTED BY THE COMMITTEE:

- Moved language in the joint resolution from Section 6 (Homestead) of Article VII of the Florida Constitution to Sections 3 (Exemptions) and 4 (Assessment Limitations), as applicable.
- Clarified that the benefits only apply to properties that could qualify as homestead property if occupied by the owner.

¹² FLA. CONST. art VII, s. 6(a) and s. 196.031, F.S.

¹³ Section 196.031(1)(b), F.S.

¹⁴ As amended by Constitutional Amendment 10 (1992), commonly referred to as the “Save Our Homes” initiative.

¹⁵ Specifically, the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967=100, or successor reports.

¹⁶ FLA. CONST. art. VII, s. 4(d)(1), implemented by section 193.155, F.S.

¹⁷ S. 193.1554(2), F.S., and s. 193.1555(2), F.S.

¹⁸ FLA. CONST. art. VII, s. 4(g)(1) and 4(h)(1), implemented by s. 193.1554(3), F.S., and s. 193.1555(3), F.S.

¹⁹ FLA. CONST. art. VII, s. 4(g)(3 and 4(h)(4), implemented by s. 193.1554(5), F.S., and s. 193.1555(5), F.S.

²⁰ FLA. CONST. art. VII, s. 4(g)(4) and 4(h)(5), implemented by s. 193.1554(6), F.S., and s. 193.1555(6), F.S.

²¹ Section 125.0104, F.S.

²² Section 212.03(1)(a), F.S.

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