

**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.)

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Prepared By: The Professional Staff of the Committee on Finance and Tax

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BILL: SB 1520

INTRODUCER: Senator Calatayud

SUBJECT: Affordable Housing Property Tax Exemption

DATE: February 12, 2026

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Gross	Khan	FT	<b>Favorable</b>
2.			AP	
3.			RC	

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**I. Summary:**

SB 1520 amends the “Missing Middle” property tax exemption’s opt-out provision to:

- Require a taxing authority make a finding that Shimberg’s annual reports for each of the 3 previous years identify that the number of affordable and available units in the metropolitan statistical area or region (MSA) is greater than the number of renter households in the MSA for the category entitled “0-120 percent AMI.”
- Provide that an exemption may be granted to a project that received final site plan approval within 1 year before a taxing authority opted out and may continue receiving the exemption for each subsequent consecutive year that the same owner or successive owners apply for and are granted the exemption.

The Revenue Estimating Conference determined that the bill would reduce local government property tax revenue by an indeterminate amount beginning in Fiscal Year 2027-2028 and thereafter. There is no effect in Fiscal Year 2026-2027 due to the effective date of the bill and the date of first application.

The bill takes effect July 1, 2026, and the amendments first apply to the 2027 property tax roll.

**II. Present Situation:**

**“Missing Middle” Property Tax Exemption**

The Live Local Act created an ad valorem tax exemption for owners that provide affordable housing<sup>1</sup> in newly constructed multifamily rental developments.<sup>2</sup> Also known as the “Missing Middle” exemption, developments must contain more than 70 units or, if in an area of critical

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<sup>1</sup> Section 8, Ch. 2023-17, L.O.F. codified under s. 196.1978(3), F.S.

<sup>2</sup> The term “newly constructed” means an improvement to real property which was substantially completed within 5 years before the date of an applicant’s first submission of a request for a certification notice pursuant to this subsection.

state concern, as designated by s. 380.0552, F.S., or chapter 28-36, F.A.C.,<sup>3</sup> 10 units, dedicated to housing natural persons or families below prescribed income thresholds.

In addition, the property must be rented to persons or families whose annual household income does not exceed 120 percent of the median annual adjusted gross income (AMI) in amounts that do not exceed limits established by the United States Department of Housing and Urban Development, which are published by the Florida Housing Finance Corporation, or 90 percent of the fair market value rent as determined by a rental market study.<sup>4</sup>

Such property used to provide affordable housing at the 80 to 120 percent AMI threshold receives an exemption of 75 percent of the assessed value of the affordable units, while property providing affordable housing up to the 80 percent AMI threshold receives a complete ad valorem tax exemption for the affordable units.

Beginning with the 2025 tax roll, a taxing authority may elect not to exempt property used to house persons or families whose annual household income is greater than 80 percent but not more than 120 percent of the median annual adjusted gross income. An election made pursuant to this law may apply only to the ad valorem property tax levied within a county by the taxing authority making the election.<sup>5</sup>

A taxing authority electing to not exempt such property, must make a finding in an ordinance or resolution that the most recently published Shimberg Center for Housing Studies Annual Report identifies that a county that is part of the jurisdiction of the taxing authority is within a MSA where the number of affordable and available units in the MSA is greater than the number of renter households in the MSA for the category entitled “0-120 percent AMI.”<sup>6</sup> Essentially, an area where there is a surplus of affordable housing for persons up to the 120 percent AMI threshold. An ordinance or resolution takes effect on the January 1 immediately after adoption and expires on the second January 1 after having taken effect. The ordinance or resolution may be renewed before expiring if the taxing authority meets the statutory requirements.

This exemption first applied to the 2024 tax roll and will expire on December 31, 2059.

### **The Community Planning Act and Site Plans**

Adopted in 1985, the Local Government Comprehensive Planning and Land Development Regulation Act,<sup>7</sup> also known as Florida’s Growth Management Act, was significantly revised in 2011, becoming the Community Planning Act.<sup>8</sup> The Community Planning Act governs how local governments create and adopt their local comprehensive plans.

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<sup>3</sup> An area of critical state concern, as designated by s. 380.0552 or chapter 28-36, Florida Administrative Code refers to the City of Key West and the Florida Keys Area, which includes unincorporated Monroe County and the municipalities of Layton, Islamorada, Marathon and Key Colony Beach.

<sup>4</sup> Section 196.1978(3)(b)3., F.S.

<sup>5</sup> Section 196.1978(3)(o), F.S.

<sup>6</sup> Section 196.1978(3)(o)2., F.S.

<sup>7</sup> See ch. 85-55, s. 1, Laws of Fla.

<sup>8</sup> See ch. 2011-139, s. 17, Laws of Fla.

Local comprehensive plans must include principles, guidelines, standards, and strategies for the orderly and balanced future land development of the area and reflect community commitments to implement the plan. The Community Planning Act intends that local governments manage growth through comprehensive land use plans that facilitate adequate and efficient provision of transportation, water, sewage, schools, parks, recreational facilities, housing, and other requirements and services.<sup>9</sup> A housing element is required as part of every comprehensive plan in the state. Among other things, the housing element must address “the creation or preservation of affordable housing to minimize the need for additional local services and avoid the concentration of affordable housing units only in specific areas of the jurisdiction.”<sup>10</sup>

The comprehensive plan is implemented via land development regulations. Each county and municipality must adopt and enforce land development regulations, such as zoning or other housing-related ordinances, which are consistent with and implement their adopted comprehensive plan.<sup>11</sup>

### ***Development Orders, Permits, and Site Plans***

Under the Community Planning Act, a development permit is any official action of a local government that has the effect of permitting the development of land including, but not limited to, building permits, zoning permits, subdivision approval, rezoning, certifications, special exceptions, and variances.<sup>12</sup> A development order is issued by a local government and grants, denies, or grants with conditions an application for a development permit.<sup>13</sup>

While not required by the Community Planning Act, most jurisdictions require, as a step towards development, a site plan or development plan review. This step may vary in depth depending on jurisdiction and development project scale, and may include, for example, confirmation that proposed development is consistent with applicable zoning standards, environmental management standards, and infrastructure requirements.<sup>14</sup> The step may be simultaneous with or separate from plat approval, as developers may seek a plat contingent on the underlying uses being acceptable for the development sought. Site plan or development plan approval typically leads into application for specific permits to begin development.<sup>15</sup>

### **Shimberg Report**

The Shimberg Center for Housing Studies was established at the University of Florida in 1988.<sup>16</sup> The Center conducts research on housing policy and planning and provides data and research to state agencies and other interested persons.<sup>17</sup> The Department of Commerce’s research and

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<sup>9</sup> Section 163.3161(4), F.S.

<sup>10</sup> Section 163.3177(6)(f)1.g., F.S.

<sup>11</sup> Section 163.3202, F.S.

<sup>12</sup> Section 163.3164(16), F.S.

<sup>13</sup> See ss. 125.022, 163.3164(15), and 166.033, F.S.

<sup>14</sup> See, e.g., Sec. 10-7.407 – *Site and development plan review criteria*, Leon County Code of Ordinances.

<sup>15</sup> See, e.g., Sec. 10-7.410 – *Effect of final approval, or approval with conditions, of an application*, Leon County Code of Ordinances.

<sup>16</sup> Shimberg Center for Housing Studies University of Florida, *News Highlights*, <http://www.shimberg.ufl.edu/> (last visited Feb. 2, 2026)

<sup>17</sup> Shimberg Center for Housing Studies University of Florida, *About the Shimberg Center*, <http://www.shimberg.ufl.edu/about> (last visited Feb. 2, 2026)

planning functions include the collection of data on the need for affordable housing and the extent to which that need is being met. The Shimberg Center fulfills the department's function, in part, through quantifying affordable housing needs in this state and inventorying the supply of affordable housing.<sup>18</sup> By December 31 of each year, the Shimberg Center for Housing Studies must submit to the Legislature an updated housing report describing the supply of and need for affordable housing.<sup>19</sup>

The 2025 Annual Report indicates that renter households outnumber affordable and available units statewide by 73,307 in the 0-120 percent category.<sup>20</sup>

### III. Effect of Proposed Changes:

The bill amends section 196.1978(3), F.S., to require a taxing authority make a finding that Shimberg's annual reports for each of the 3 previous years identify the number of affordable and available units in the metropolitan statistical area or region is greater than the number of renter households in the metropolitan statistical area or region for the category entitled "0-120 percent AMI." Additionally, the bill provides that an exemption may be granted to a project that received final site plan approval within 1 year before a taxing authority opted out and may continue receiving the exemption for each subsequent consecutive year that the same owner or successive owners apply for and are granted the exemption.

The amendments made by this act first apply to the 2027 property tax roll.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs the passage of laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

Article VII, s. 18(b) of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact,<sup>21</sup> which is \$2.4 million or less for Fiscal Year 2026-2027.<sup>22</sup>

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<sup>18</sup> Section 420.6075, F.S.

<sup>19</sup> *Id.*

<sup>20</sup> Shimberg Center for Housing Studies, *2025 Annual Report*, [http://www.shimberg.ufl.edu/publications/Shimberg\\_Center\\_Annual\\_Report\\_2025.pdf](http://www.shimberg.ufl.edu/publications/Shimberg_Center_Annual_Report_2025.pdf) (last visited Feb. 2, 2026)

<sup>21</sup> An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See FLA. SENATE COMM. ON COMTY. AFFAIRS, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Jan. 30, 2026).

<sup>22</sup> Based on the Demographic Estimating Conference's estimated population adopted on June 30, 2025, <https://edr.state.fl.us/Content/conferences/population/archives/250630demographic.pdf> (last visited Jan. 30, 2026).

The bill may reduce the authority for counties and municipalities to raise revenue through the property tax. If the bill reduces the authority to raise revenue in an amount that exceeds the threshold for an insignificant impact, the mandates provision of section 18 of Article VII of the Florida Constitution may apply.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**D. State Tax or Fee Increases:**

Article VII, s. 19 of the Florida Constitution requires legislation pass each chamber by a 2/3 vote and be contained in a separate bill with no other subject if the legislation imposes, authorizes an imposition, increases, or authorizes an increase in a state tax or fee or if it decreases or eliminates a state tax or fee exemption or credit.

The bill does not affect the imposition or increasing of a state tax or fee nor decreases or eliminates a state tax or fee exemption or credit. Thus, the constitutional requirements may not apply.

**E. Other Constitutional Issues:**

None identified.

**V. Fiscal Impact Statement:**

**A. Tax/Fee Issues:**

The Revenue Estimating Conference determined that the bill would reduce local government property tax revenue by an indeterminate amount beginning in Fiscal Year 2027-2028 and thereafter. There is no effect in Fiscal Year 2026-2027 due to the effective date of the bill and the date of first application.

**B. Private Sector Impact:**

Developers and private parties may benefit by reduced property tax levies in taxing jurisdictions where affordable housing shortages balance or become surpluses after only 1 or 2 years. Tax savings may also be realized for projects under construction as the bill would allow a developer who may not have provided affordable housing when a taxing authority opted out to have a project remain eligible for the missing middle exemption benefits, if the project had an approved site plan within 1 year of the opt-out date.

C. Government Sector Impact:

Taxing authorities may collect less property tax revenue by the changes made in the bill.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 196.1978 of the Florida Statutes

**IX. Additional Information:**

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.