

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: SB 434

INTRODUCER: Senator Leek and others

SUBJECT: Assessment of Property Used for Residential Purposes

DATE: February 4, 2026

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Black</u>	<u>Khan</u>	<u>FT</u>	Favorable
2.	<u>Black</u>	<u>Sadberry</u>	<u>AP</u>	Favorable
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 434 provides that, in determining the assessed value of real property used for residential purposes, any increase in just value attributable to changes or improvements made to improve the property's resistance to wind damage may not be considered.

The Revenue Estimating Conference determined that the bill will not affect local government revenue. See Section V., Fiscal Impact Statement.

The bill takes effect July 1, 2026.

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 state constitution prohibits the state

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.

from levying ad valorem taxes⁴ and it limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.⁵

Changes, Additions, and Improvements to Real Property

Article VII, s. 4 of the Florida Constitution, requires that all property be assessed at just value for ad valorem tax purposes.⁶ However, there are exceptions to the just valuation requirement for certain classes of property. Specifically, the Florida Constitution has authorized assessment limitations for homestead property and other types of residential and non-residential property.⁷

Changes, additions, or improvements to real property are assessed at just value as of the first January 1 after they are substantially completed.⁸ However, when property is destroyed or removed and not replaced, the assessed value of the parcel is reduced by the assessed value attributable to the destroyed or removed property.⁹

When property is damaged or destroyed by calamity or misfortune, the property may be repaired or replaced without the change, addition, or improvement being assessed at just value. Such change, addition, or improvement is calculated using the assessed value subject to the assessment limitations that the damaged or replaced property had before being damaged or destroyed.¹⁰ This treatment has certain limitations.¹¹

For changes, additions and improvements made to homestead property damaged or destroyed by calamity or misfortune, only square footage greater than 130 percent of the property before damaged or beyond a total of 2000 square feet is assessed at just value.¹² The rebuilding of damaged or destroyed property must commence within 5 years after January 1 following the damage or destruction to qualify for the assessment limitation described above.¹³

Article VII, s. 4 (i) of the Florida Constitution, approved by Florida electors in the November 2008 general election, amended the Florida Constitution to provide the following:

- (i) The legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the following in the determination of the assessed value of real property used for residential purposes:
 - Any change or improvement made for the purpose of improving the property's resistance to wind damage.
 - The installation of a solar or renewable energy source device.¹⁴

⁴ FLA. CONST. art. VII, s. 1(a).

⁵ FLA. CONST. art. VII, s. 4.

⁶ *Id.*

⁷ FLA. CONST. art. VII, s. 4(d) and (g)

⁸ Sections 193.155(4)(a), 193.1554(6)(a), and 193.1555(6)(a), F.S.

⁹ Sections 193.155(5), 193.1554(8), and 193.1555(8), F.S.

¹⁰ Sections 193.155(4)(b)1., 193.1554(6)(b)1., and 193.1555(6)(b)1., F.S.

¹¹ Section 193.155(4)(b), F.S.

¹² *Id.*

¹³ *Id.*

¹⁴ FLA. CONST. art. VII, s. 4(i)

III. Effect of Proposed Changes:

The bill provides that, in determining the assessed value of real property used for residential purposes, any increase in just value attributable to changes or improvements made to improve the property's resistance to wind damage may not be considered.

The bill also defines the term "changes or improvements made to improve the property's resistance to wind damage" to include, but is not limited to, all of the following:

- Strengthening roof deck attachments.
- Creating a secondary water barrier to prevent water intrusion.
- Installing wind-resistant shingles, gable-end bracing, storm shutters, and opening protections.
- Reinforcing roof-to-wall connections.

The bill is effective July 1, 2026, and applies to improvements made on or after January 1, 2027.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

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. The mandate requirement does not apply to laws having an insignificant impact,¹⁵ which for Fiscal Year 2026-2027¹⁶ is forecast at approximately \$2.4 million or less.

The Revenue Estimating Conference determined that the bill does not affect local government revenue.¹⁷ Therefore, this bill is not a mandate subject to the requirements of Art. VII, s. 18(b) of the Florida Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹⁵ 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. 26, 2026).

¹⁶ 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. 26, 2026).

¹⁷ OFF. OF ECON. & DEMOGRAPHIC RSCH., *Revenue Estimating Conference Impact Results: HB 617 & SB 434*, 108, (Dec. 12, 2025), available at https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2026/_pdf/page108.pdf (last visited Jan. 26, 2026).

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 has determined that the bill has no fiscal impact.¹⁸

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 193.6245 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.

¹⁸ *Id.*

B. Amendments:

None.

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