

**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 Finance and Tax

BILL: SB 434

INTRODUCER: Senator Leek

SUBJECT: Assessment of Property Used for Residential Purposes

DATE: January 27, 2026 REVISED: \_\_\_\_\_

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

## 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.

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.<sup>1</sup> The property appraiser annually determines the "just value"<sup>2</sup> of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property's "taxable value."<sup>3</sup> The state constitution prohibits the state

<sup>1</sup> 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.

<sup>2</sup> 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).

<sup>3</sup> See ss. 192.001(2) and (16), F.S.

from levying ad valorem taxes<sup>4</sup> and it limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.<sup>5</sup>

### **Changes, Additions, and Improvements to Real Property**

In general, changes, additions, or improvements to real property are assessed at just value as of the first January 1 after they are substantially completed.<sup>6</sup> However, 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; rather, the change, addition, or improvement is assigned the taxable value and other tax characteristics (i.e., assessment limitation) that the damaged or replaced property had before being damaged or destroyed. This treatment has certain limitations. For homestead property, two possible limitations apply: 1) the change, addition, or improvement may not exceed 110 percent of the square footage of the property before it was damaged or destroyed; or 2) the total square footage of the property as changed or improved may not exceed 1,500 square feet.<sup>7</sup> Any square footage greater than 110 percent of the replaced property or beyond a total of 1500 square feet is assessed at just value.

The rebuilding of damaged property must commence within 5 years of the damage to qualify for the assessment limitation described above.<sup>8</sup>

### **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.

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<sup>4</sup> FLA. CONST. art. VII, s. 1(a).

<sup>5</sup> See FLA. CONST. art. VII, s. 4.

<sup>6</sup> Sections 193.155(4)(a), 193.1554(6)(a), and 193.1555(6)(a), F.S.

<sup>7</sup> Section 193.155(4)(b), F.S.

<sup>8</sup> *Id.*

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

Article VII, Subsection (b) of section 18 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,<sup>9</sup> which for Fiscal Year 2026-2027<sup>10</sup> is forecast at approximately \$2.4 million or less.

The Revenue Estimating Conference determined that the bill does not affect local government revenue.<sup>11</sup> 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.

**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.

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<sup>9</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. 26, 2026).

<sup>10</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. 26, 2026).

<sup>11</sup> 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](https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2026/_pdf/page108.pdf) (last visited Jan. 26, 2026).

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

The Revenue Estimating Conference has determined that the bill has no fiscal impact.<sup>12</sup>

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

None identified.

**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.

**B. Amendments:**

None.

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

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<sup>12</sup> *Id.*