

# FLORIDA HOUSE OF REPRESENTATIVES

## FINAL BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

<b>BILL #:</b> <a href="#">CS/HJR 1F</a>	<b>COMPANION BILL:</b> <a href="#">CS/SJR 2-F</a> (Avila)
<b>TITLE:</b> Save our Homes from Excessive Property Taxes	<b>LINKED BILLS:</b> None
<b>SPONSOR(S):</b> Overdorf	<b>RELATED BILLS:</b> None

**FINAL HOUSE FLOOR ACTION:** 75 Y's      26 N's      **GOVERNOR'S ACTION:** N/A

### SUMMARY

#### Effect of the Bill:

The joint resolution proposes amendments to the Florida Constitution to:

- Provide a new homestead exemption for non-school taxes only for the first \$150,000 of assessed value of homestead properties in 2027, and the first \$250,000 of assessed value in 2028 and thereafter.
- Create a five-year homestead exemption on the first \$50,000 of assessed value of homestead properties (\$25,000 for school levies, \$50,000 for non-school levies) for owners who are not permanent Florida residents as of December 31, 2026, and allow such property owners to receive the same homestead exemption as permanent Florida residents after five years.
- Require the Legislature to prescribe a uniform procedure for certain local governments to increase the amount of assessed value exempt from taxes.
- Reduce the non-homestead property assessment increase limitation from 10 percent to 5 percent per year.
- Limit the use of ad valorem revenue by counties and municipalities to specific purposes.

Subject to voter approval, the proposed amendments will take effect on January 1, 2027.

#### Fiscal or Economic Impact:

If the constitutional amendment proposed by the joint resolution is approved by the voters, it is estimated that the cash impacts on local non-school property tax revenues would be -\$4.95 billion in Fiscal Year (FY) 2027-28 (with the \$150,000 exemption in place) and -\$8.78 billion in FY 2028-29 (with the \$250,000 exemption in place). The recurring impact in all years is estimated to be -\$11.86 billion on local non-school property tax revenues, which represents the cash impact in FY 3031-32.

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### ANALYSIS

#### **EFFECT OF THE BILL:**

The joint resolution proposes amendments to Article VII, sections 4, 6, and 9 of the Florida Constitution to:

- Provide a new [homestead exemption](#) for non-school taxes only for the first \$150,000 of assessed value of [homestead properties](#) in 2027, and the first \$250,000 of assessed value of homestead properties in 2028 and thereafter. The \$250,000 is indexed to inflation beginning in 2029. The exemption would apply to all [ad valorem taxes](#).
- Create a five-year homestead exemption on the first \$50,000 of assessed value of homestead properties for property owners who are not [permanent residents](#) of Florida as of December 31, 2026. The first \$25,000 of the exemption applies to non-school levies, and full \$50,000 exemption applies to non-school levies. The non-school exemption is indexed to inflation beginning in 2028. After five years of Florida residency, the homestead owner would receive the full homestead exemption available to Florida residents.
- Require the Legislature, by general law, to prescribe a uniform procedure for counties, municipalities, and school districts to increase the amount of assessed value exempt from taxes.
- Allow special districts to increase, by referendum, the amount of assessed value exempt from taxes, and to index that exemption amount to inflation.
- Lower the existing [limitation on the annual increase](#) in assessments of 10 percent each year for [non-homestead property](#) (non-homestead residential and nonresidential) to 5 percent. These changes apply to

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ad valorem taxes levied by counties, municipalities, and special districts, but do not apply to school districts.

- Limit the [use of ad valorem revenue by counties and municipalities](#) to the following list of core needs:
  - Provide for public safety, including law enforcement, fire service, and emergency medical service;
  - Provide funding for education and public schools;
  - Finance or refinance infrastructure, including expenditures on road and bridge construction and maintenance and stormwater control;
  - Finance or refinance natural resource projects, including flood control measures;
  - Issue local bonds for uses consistent with the approved uses above, and to make debt service payments for existing obligations;
  - Meet obligations for retirement benefits of local government employees; or
  - Fund the operations and administration of county officers and commissioners established under Article VIII of the Florida Constitution and municipalities, and the expenditures approved by such county officers or county or municipal governing bodies, except those expenditures prohibited by general law.

Subject to approval by 60 percent of the voters during the 2026 general election, the amendments proposed in the [joint resolution](#) will take effect on January 1, 2027. The joint resolution is not subject to the Governor's veto powers.

### **FISCAL OR ECONOMIC IMPACT:**

#### STATE GOVERNMENT:

The State Constitution requires publication of a proposed amendment in a newspaper of general circulation in each county.<sup>1</sup> The Division of Elections within the Department of State must advertise the full text of the amendment twice in a newspaper of general circulation in each county where the amendment will appear on the ballot. In addition, the division must provide each supervisor of elections with either booklets or posters displaying the full text of each proposed amendment.<sup>2</sup> The fiscal impact on the state is indeterminate at this time but likely insignificant.

#### LOCAL GOVERNMENT:

If the constitutional amendment proposed by the joint resolution is approved by the voters, the Revenue Estimating Conference estimated that the cash impacts on local non-school property tax revenues would be -\$4.95 billion in fiscal year (FY) 2027-28 (with the \$150,000 exemption in place) and -\$8.78 billion in FY 2028-29 (with the \$250,000 exemption in place). The recurring impact in all years is estimated to be -\$11.86 billion on local non-school property tax revenues, which represents the cash impact in FY 3031-32.

<sup>1</sup> Art. XI, s. 5(d), FLA. CONST.

<sup>2</sup> [S. 101.171, F.S.](#)

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

#### Ad Valorem Taxes

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.<sup>3</sup> 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.<sup>4</sup>

The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes,<sup>5</sup> and provides for specified assessment limitations, property classifications, and exemptions.<sup>6</sup> 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.<sup>7</sup>

Unless expressly exempted from taxation, all real and personal property and leasehold interests in the state are subject to taxation.<sup>8</sup> The Florida Constitution limits the Legislature’s authority to grant an exemption or assessment limitation from taxes,<sup>9</sup> and any modifications to existing ad valorem tax exemptions or limitations must be consistent with the constitutional provision authorizing the exemption or limitation.<sup>10</sup>

#### Homestead Exemptions

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 an exemption on the first \$25,000 of assessed value of the property that is applicable to all ad valorem tax levies, including levies by school districts.<sup>11</sup> An additional \$25,000 exemption applies to the assessed value of homestead property between \$50,000 and \$75,000.<sup>12</sup> This exemption is adjusted annually for inflation<sup>13</sup> and does not apply to ad valorem taxes levied by school districts.<sup>14</sup>

#### Homestead Property

Homestead property is real estate (real 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).<sup>15</sup> The property may be owned jointly, as tenancy by the entirety, or

<sup>3</sup> Art. VII, ss. 1(a) and 9(a), FLA. CONST.

<sup>4</sup> Section [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. Section [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.

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

<sup>6</sup> Art. VII, ss. 3, 4, and 6, FLA. CONST.

<sup>7</sup> [S. 196.031, F.S.](#)

<sup>8</sup> [S. 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.

<sup>9</sup> *Archer v. Marshall*, 355 So. 2d 781, 784 (Fla. 1978).

<sup>10</sup> *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).

<sup>11</sup> Art. VII, s. 6(a)(1)a., FLA. CONST., and [s. 196.031\(1\)\(a\), F.S.](#)

<sup>12</sup> Art. VII, s. 6(a)(1)b., FLA. CONST., and [s. 196.031\(1\)\(b\), F.S.](#)

<sup>13</sup> Art. VII, s. 6(a)(3), FLA. CONST., and [s. 196.031\(1\)\(b\), F.S.](#) In 2025, the adjusted value of this exemption is \$25,722. See [https://floridarevenue.com/property/Documents/2025\\_cpi\\_homestead\\_exemption.pdf](https://floridarevenue.com/property/Documents/2025_cpi_homestead_exemption.pdf) (last visited 11/2/2025).

<sup>14</sup> Art. VII, s. 6(a)(1)b., FLA. CONST., and [s. 196.031\(1\)\(b\), F.S.](#)

<sup>15</sup> Art. VII, s. 6(a), FLA. CONST., and [s. 196.031\(1\)\(a\), F.S.](#)

otherwise in common with others, and can be apportioned among such shared owners.<sup>16</sup> Only one homestead exemption is allowed to any one person or on any one dwelling house.<sup>17</sup> Individual condominium owners, however, can each qualify for a separate homestead designation.<sup>18</sup>

### Permanent Residents

Florida law defines “permanent resident” to mean a person who has established a permanent residence in Florida.<sup>19</sup> “Permanent residence” is defined as “that place where a person has his or her true, fixed, and permanent home and principal establishment to which, whenever absent, he or she has the intention of returning.”<sup>20</sup>

Whether a person is considered a Florida resident for homestead purposes is a fact-based decision made by the property appraiser. Current law sets forth the following factors a property appraiser may consider in determining whether a person is considered a permanent resident of Florida:

- An applicant’s formal declaration of domicile recorded in the public records of the county where the exemption is being sought.
- Evidence of the location where the applicant’s dependent children are registered for school.
- The place of employment of the applicant.
- The previous permanent residency by the applicant in a state other than Florida or in another country and the date that residency was terminated.
- Proof of Florida voter registration with the voter information card address of the applicant, or other official correspondence from the supervisor of elections providing proof of voter registration, both of which must match the address of the physical location where the exemption is being sought.
- A valid Florida driver license or a valid Florida identification card, and evidence of relinquishment of any driver licenses from other states.
- Issuance of a Florida license tag on any motor vehicle owned by the applicant.
- The address listed on federal income tax returns filed by the applicant.
- The location where the applicant’s bank statements and checking accounts are registered.
- Proof of payment for utilities at the property for which permanent residence is being claimed.<sup>21</sup>

### Limitation on Annual Increases in Assessments for Real Property

#### Homestead Property

The Florida Constitution<sup>22</sup> provides that, for those entitled to a homestead exemption, the assessed value of the homestead for all levies must be changed annually on January 1 of each year.<sup>23</sup> Those changes in assessments cannot exceed the lesser of 3 percent of the prior year’s assessment or the percent change in the Consumer Price Index<sup>24</sup> for the preceding calendar year.<sup>25</sup>

#### Non-homestead Property

Property that is residential real property but does not qualify as homestead property, or which is not residential property and is not subject to special classification (e.g., agricultural property), is colloquially referred to as “non-homestead property.” This type of real property is assessed at just value on January 1 of the year the property is

<sup>16</sup> [S. 196.031\(1\)\(a\), F.S.](#)

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> [S. 196.012\(16\), F.S.](#)

<sup>20</sup> [S. 196.012\(17\), F.S.](#)

<sup>21</sup> [S. 196.015, F.S.](#)

<sup>22</sup> As amended by Constitutional Amendment 10 (1992), commonly referred to as the “Save Our Homes” initiative.

<sup>23</sup> Art. VII, s. 4(d)(1), FLA. CONST.

<sup>24</sup> Specifically, the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967=100, or successor reports.

<sup>25</sup> Art. VII, s. 4(d)(1), FLA. CONST., implemented by [s. 193.155, F.S.](#)

purchased or the year it becomes non-homestead property (in the case of a homestead property that is shifted to another use, like a vacation home or rental property).<sup>26</sup>

For non-homestead property, 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.<sup>27</sup> Property is generally reassessed at just value on January 1 following a change of ownership,<sup>28</sup> and changes, additions, or improvements are also generally assessed at just value on January 1 following the change.<sup>29</sup> The assessed value of non-homestead property is not limited by the 10 percent cap for purposes of school levies.

## Use of Budgeted Funds

### Counties and Municipalities

The Florida Constitution grants counties and municipalities broad home rule authority. Counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by the vote of the electors, while non-charter county governments may exercise those powers of self-government that are provided by general or special law.<sup>30</sup> Municipalities have governmental, corporate, and proprietary powers that enable them to conduct municipal government, perform municipal functions and provide municipal services, and exercise any power for municipal purposes except when expressly prohibited by law.<sup>31</sup>

County and municipal ad valorem taxes may be used for all valid purposes of the respective unit of government.<sup>32</sup> Counties and municipalities expend funds according to a budget system established by general law.<sup>33</sup> Each county and municipality must prepare, approve, adopt, and execute a budget for each fiscal year.<sup>34</sup> At a minimum, the budget must show for each fund, as required by law and sound financial practices, budgeted revenues and expenditures by organizational unit that are at least as detailed as the categories required for the local government's annual financial report submitted to the Department of Financial Services (DFS).<sup>35</sup> DFS has adopted a uniform accounting system that classifies local government expenses using the following top-level categories:

- General government services (administrative costs, financial and legal services, comprehensive planning, debt service payments, pensions, and other services not specifically classified in other activity categories).
- Public safety (law enforcement, fire control, corrections, inspections, emergency and disaster relief, ambulance, medical examiners, and consumer affairs).
- Physical environment (utility services, garbage and solid waste, conservation, and stormwater management).
- Transportation.
- Economic environment (housing and urban development, veteran's services, job placement assistance, economic development).
- Human services (hospitals, health care, indigent care, developmental disability services).

<sup>26</sup> [Ss. 193.1554\(2\), F.S.](#), and [193.1555\(2\), F.S.](#)

<sup>27</sup> Art. VII, s. 4(g)(1) and 4(h)(1), FLA. CONST., implemented by ss. 193.1554(3) and [193.1555\(3\), F.S.](#)

<sup>28</sup> Art. VII, s. 4(g)(3) and 4(h)(4), FLA. CONST., implemented by ss. 193.1554(5) and [193.1555\(5\), F.S.](#)

<sup>29</sup> Art. VII, s. 4(g)(4) and 4(h)(5), FLA. CONST., implemented by ss. 193.1554(6) and [193.1555\(6\), F.S.](#)

<sup>30</sup> Art. VIII, s. 1(f)-(g), FLA. CONST. *But see* [s. 125.01\(1\)\(w\), F.S.](#) (providing all counties, including non-charter counties, have the power to carry on county government that includes "any other acts not inconsistent with law.")

<sup>31</sup> Art. VIII, s. 2(b), FLA. CONST.; *see also* [s. 166.021, F.S.](#) (defining the scope of this power by providing that a municipal purpose is "any activity or power which may be exercised by the state or its political subdivisions" and providing that the legislative body of each municipality has the power to enact legislation concerning any subject matter upon which the Legislature may act, except for subjects preempted to the state or county or that result in the exercise of extraterritorial power).

<sup>32</sup> Art. VII, s. 9(b), FLA. CONST. Additionally, counties may provide municipal services to the extent authorized by law and levy additional taxes within the limits established for municipal services for that purpose. *See* art. VII, s. 9(b), FLA. CONST. and [s. 125.01\(1\)\(q\), F.S.](#)

<sup>33</sup> *See* ch. 129, F.S., and [s. 166.241, F.S.](#)

<sup>34</sup> [Ss. 129.01\(1\), F.S.](#), and [166.241\(2\), F.S.](#)

<sup>35</sup> *See id.* and [s. 218.32\(1\), F.S.](#)

- Culture and recreation (libraries, parks and other recreational facilities, cultural events, and special purpose facilities such as stadiums, auditoriums, civic centers, and marinas).
- Other uses and non-operating expenses (primarily measuring the internal transfer of funds between budget categories).
- Court-related expenditures.<sup>36</sup>

For the local fiscal year ending September 30, 2024, counties and municipalities statewide expended the following amounts in these categories:<sup>37</sup>

	Counties		Municipalities	
	Amount	Percent of Total	Amount	Percent of Total
Total Expenditure	\$63,699,846,975		\$46,691,364,525	
General Government	\$12,268,164,622	19.3%	\$11,581,886,858	24.8%
Public Safety	\$15,191,473,666	23.8%	\$10,508,316,555	22.5%
Physical Environment	\$6,632,976,751	10.4%	\$11,655,219,094	25.0%
Transportation	\$7,226,601,145	11.3%	\$2,818,850,437	6.0%
Economic Environment	\$2,483,380,769	3.9%	\$1,281,478,216	2.7%
Human Services	\$5,836,526,956	9.2%	\$504,259,564	1.1%
Culture and Recreation	\$2,502,281,617	3.9%	\$3,175,003,812	6.8%
Other Uses and Non-operating	\$10,472,814,700	16.4%	\$5,126,777,665	11.0%
Court-related	\$1,085,626,749	1.7%	\$39,572,324	0.1%

For county governments, these expenditures include the budgets for the five county constitutional officers: sheriff, tax collector, property appraiser, supervisor of elections, and clerk of the circuit court.<sup>38</sup> The constitutional officers are responsible for drafting their own budgets, which are submitted to either the county (for the sheriff, clerk of the circuit court, supervisor of elections, and some tax collectors) or the Department of Revenue (for property appraisers and tax collectors).<sup>39</sup> The board of county commissioners may amend the proposed budgets for county constitutional officers that submit their budget to the board.<sup>40</sup> However, the sheriff and property appraiser may appeal any modification to his or her budget to the Administration Commission.<sup>41</sup>

### Special Districts

Unlike counties and municipalities, special districts are units of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary.<sup>42</sup> Special districts may be created by general law, special act, local ordinance, or rule of the Governor and Cabinet.<sup>43</sup> A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the general law or special act that authorized the creation of the district.<sup>44</sup> Therefore, the use of funds by a special district is limited to the purposes

<sup>36</sup> DFS, Bureau of Financial Reporting, [Uniform Accounting System Manual for Florida Local Governments \(2014 Edition\)](#), pgs. 101-130.

<sup>37</sup> See Office of Economic and Demographic Research (EDR), [Expenditure Account Totals by County-Total and Per Capita \(2024\)](#) and [Preliminary Statewide Expenditure Account Totals-Total and Per Capita \(2024\)](#), available at EDR, [Statewide Expenditures and Revenues Reported by Florida's Counties, Municipalities, and Independent Special Districts](#) (last visited Jun. 1, 2026).

<sup>38</sup> Art. VIII, s. 1(d), FLA. CONST.

<sup>39</sup> [Ss. 129.03\(2\), F.S.](#), and [195.087, F.S.](#)

<sup>40</sup> [Ss. 30.49\(2\)\(c\), F.S.](#) (sheriffs), [129.201\(2\)](#) (supervisor of elections), and [218.35\(2\)\(b\), F.S.](#) (clerk of the circuit court as clerk of the board, county auditor, and custodian or treasurer of all county funds and for other county-related duties).

<sup>41</sup> [Ss. 30.49\(4\)-\(5\)](#) and [195.087\(1\)\(b\), F.S.](#)

<sup>42</sup> [S. 189.012\(6\), F.S.](#); see also *Halifax Hospital Medical Center v. State of Fla., et al.*, 278 So. 3d 545, 547 (Fla. 2019).

<sup>43</sup> See [ss. 189.02\(1\), F.S.](#), [s. 189.031\(3\), F.S.](#), and [190.005\(1\), F.S.](#); see generally [s. 189.012\(6\), F.S.](#)

<sup>44</sup> *Halifax*, 278 So. 3d at 547.

for which the district was created.<sup>45</sup> Special districts follow budget procedures that closely parallel those of counties and municipalities.<sup>46</sup>

## Amendments to the State Constitution Proposed by the Legislature

The State Constitution provides that a joint resolution proposing an amendment to the State Constitution must pass by a three-fifths vote of the membership of both houses.<sup>47</sup> If a joint resolution is approved, the proposed amendment must be submitted to the voters at the next general election held more than 90 days after the joint resolution is filed with the Secretary of State or at a special election held for that purpose.<sup>48</sup>

When a constitutional amendment is submitted to the voters, a ballot summary of such amendment must be printed in clear and unambiguous language on the ballot.<sup>49</sup> In reviewing a ballot summary, the Florida Supreme Court has created a two-step analysis to determine whether a ballot title or ballot summary is accurate.<sup>50</sup> First, a court must determine whether the “title and summary ‘fairly inform the voter of the chief purpose of the amendment.’”<sup>51</sup> Second, it must examine “whether the language of the title and summary, as written, misleads the public.”<sup>52</sup>

The State Constitution requires the proposed amendment to be published<sup>53</sup> twice in newspapers of general circulation in each county in which a newspaper is published, once in the tenth week preceding the election and once in the sixth week, to notify the voters of the measure.<sup>54</sup>

If at least 60 percent of the voters voting on the measure approve it, the measure passes and becomes part of the State Constitution.<sup>55</sup> An approved amendment takes effect on the first Tuesday after the first Monday in January following the election, unless otherwise specified.<sup>56</sup>

<sup>45</sup> See, e.g., [ss. 190.021\(1\), F.S.](#) (authorizing community development districts to levy ad valorem taxes “to construct, operate, and maintain assessable improvements” and service general obligation bonds), [s. 191.009\(1\), F.S.](#) (authorizing independent special fire control districts “to construct, operate, and maintain district facilities and services” and service general obligation bonds), and [388.221\(1\), F.S.](#) (authorizing the board of commissioners of each mosquito control district to levy a maintenance tax for the purpose of controlling the arthropod population).

<sup>46</sup> Compare ch. 129 and [s. 166.241, F.S.](#) (county and municipal budget procedures) with [s. 189.016, F.S.](#) (special district budget procedures).

<sup>47</sup> [Art. XI, s. 1, FLA. CONST.](#)

<sup>48</sup> [Art. XI, s. 5\(a\), FLA. CONST.](#); see also [s. 97.021\(17\), F.S.](#)

<sup>49</sup> [S. 101.161\(1\), F.S.](#)

<sup>50</sup> *Roberts v. Doyle*, 43 So. 3d 654, 659 (Fla. 2010).

<sup>51</sup> *Id.* (quoting *Fla. Dep’t of State v. Slough*, 992 So. 2d 142, 147 (Fla. 2008)).

<sup>52</sup> *Fla. Dep’t of State v. Slough*, 992 So. 2d 142, 147 (Fla. 2008).

<sup>53</sup> Such publication must also include notice of the date of the general election in which the proposed amendment or revision will be submitted to the electors. See [Art. XI, s. 5\(d\), FLA. CONST.](#)

<sup>54</sup> *Id.*

<sup>55</sup> [Art. XI, s. 5\(e\), FLA. CONST.](#)

<sup>56</sup> *Id.*