

FLORIDA HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

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BILL #: CS/HB 3F	COMPANION BILL: CS/SB 4-F (Avila)
TITLE: Property Tax Administration	LINKED BILLS: None
SPONSOR(S): Overdorf	RELATED BILLS: None
FINAL HOUSE FLOOR ACTION: 75 Y's 27 N's	GOVERNOR'S ACTION: Pending

SUMMARY

Effect of the Bill:

The bill revises the calculation of the maximum millage rate a local government can levy with a simple majority vote to remove the current adjustment for changes in per capita Florida personal income.

If a joint resolution proposing an amendment or revision to Article VII, sections 4, 6, and 9 of the Florida Constitution is approved by the Legislature for submission to the voters, the bill provides an exception to the existing 75-word limitation for specified ballot summary statements.

Fiscal or Economic Impact:

The Revenue Estimating Conference (REC) estimated that the bill does not have an impact on local government revenues as the REC does not account for future changes to millage rates in its baseline revenue forecast.

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ANALYSIS

EFFECT OF THE BILL:

CS/HB 3F passed as [CS/SB 4-F](#).

Millage Rates

The bill revises the calculation of the maximum [millage rate](#) that a local government can levy with a simple majority vote. The revised calculation may result in a lower millage rate for some jurisdictions, compared to the [current methodology](#), which allows for an annual adjustment to the rolled-back rate based on changes in per capita Florida personal income.¹ Specifically, the bill generally limits the maximum levy to the [rolled-back rate](#) with no adjustment for changes in per capita Florida personal income. The bill allows rates in excess of the rolled-back rate as follows:

- A rate no more than 110 percent of the rolled-back rate can be levied if approved by a two-thirds vote of the governing body.
- A rate in excess of 110 percent of the rolled back rate can be levied if approved unanimously by the governing body (or by a three-fourths vote if such body has nine or more members) or if approved in a referendum. (Sections 1, 2, and 3)

The constitutional [maximum millage rate](#) that a local government can levy is unchanged.

The bill also reenacts provisions related to the maximum millage rate to incorporate the changes made by the bill and makes conforming and administrative changes. (Multiple Sections)

¹ "Per capita Florida personal income" is defined in [s. 200.001\(8\)\(i\), F.S.](#)

Ballot Summary

The bill provides an exception to the existing 75-word limitation on [ballot summary statements](#) for a joint resolution proposing an amendment or a revision to Article VII, ss. 4, 6, and 9 of the Florida Constitution, which is to be submitted to the electors at the general election to be held on November 3, 2026. (Section 7)

Effective Date

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law. (Section 9).

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The Revenue Estimating Conference (REC) estimated that the bill does not have an impact on local government revenues as the REC does not account for future changes to millage rates in its baseline revenue forecast.

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.² 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.³

The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes,⁴ and provides for specified assessment limitations, property classifications, and exemptions.⁵ 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.⁶

Unless expressly exempted from taxation, all real and personal property and leasehold interests in the state are subject to taxation.⁷ The Florida Constitution limits the Legislature's authority to grant an exemption or assessment limitation from taxes,⁸ and any modifications to existing ad valorem tax exemptions or limitations must be consistent with the constitutional provision authorizing the exemption or limitation.⁹

² Art. VII, ss. 1(a) and 9(a), FLA. CONST.

³ 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.

⁴ Art. VII, s. 4, FLA. CONST.

⁵ Art. VII, ss. 3, 4, and 6, FLA. CONST.

⁶ [S. 196.031, F.S.](#)

⁷ [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.

⁸ *Archer v. Marshall*, 355 So. 2d 781, 784 (Fla. 1978).

⁹ *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).

Method of Setting Millage Rates

In 2007, the Legislature created a formula using the rolled-back rate to determine the maximum millage rate (and implicitly a maximum revenue amount) that could be levied by a non-school taxing authority governing board by a simple majority vote.¹⁰

Since 2009, the maximum millage rate that most non-school taxing authorities can levy by a simple majority vote is the rolled-back rate, assuming the previous year's maximum millage rate was actually levied, as adjusted by the change in Florida per capita personal income.¹¹ Local governments are allowed to override this maximum rate by extraordinary votes of their governing boards or by referendum.

In practice, a local government has four options when adopting a millage rate, with the following vote thresholds for each option:

- It can decrease the rate by a simple majority;¹²
- It can adopt any rate lower than or equal to the rolled-back rate based on the previous year's maximum millage rate, adjusted for change in per capita Florida personal income, by a simple majority,¹³ which may result in a higher millage rate than the previous year based on those allowable adjustments;
- It can increase a rate to not more than 110 percent of the rolled-back rate based on the previous year's maximum millage rate, adjusted for change in per capita Florida personal income, if approved by a *two-thirds* vote of the membership of the governing body of the taxing authority;¹⁴ or
- It can increase the rate in excess of 110 percent of the adjusted rolled-back rate, up to the constitutional limit, if approved by a *unanimous* vote of the membership of the governing body of the taxing authority or by a *three-fourths* vote of the membership of the governing body if the governing body has nine or more members, or if the rate is approved by a referendum.¹⁵

Millage Rate

The "millage rate" is the rate set by local governments each year that is applied to the taxable value of property in order to calculate ad valorem taxes. A "mill" is one-thousandth of a United States dollar.¹⁶ Millage can refer to a single rate levied by one local government, or to the collective levy of all local governments that may levy on a single property (e.g., a county, city, school board, or special districts).¹⁷ Chapter 200, F.S., "Determination of Millage," generally governs the process, procedures, and limitations on the establishment of millage rates by units of local government with ad valorem taxing authority.

Maximum Millage Rate

The Florida Constitution prescribes specific maximum millage rates that can be levied by each local government, except for special districts.¹⁸ The maximum millage rate that can be charged by a special district is determined by law approved by vote of the electors.¹⁹ The Florida Constitution prohibits the levy of ad valorem taxes in excess of:

- Ten mills for county purposes.
- Ten mills for municipal purposes.
- Ten mills for school purposes.
- One mill for water management district purposes, except for the Northwest Florida Water Management District, which is limited to .05 mills.²⁰

¹⁰ Ch. 2007-321, Laws of Fla.

¹¹ [S. 200.065\(5\), F.S.](#) The calculation of Florida per capita personal income is to be provided by the Office of Economic and Demographic Research, per [s. 200.001\(8\)\(i\), F.S.](#)

¹² [S. 200.065\(5\)\(a\), F.S.](#)

¹³ *Id.*

¹⁴ [S. 200.065\(5\)\(a\)1., F.S.](#)

¹⁵ [S. 200.065\(5\)\(a\)2., F.S.](#)

¹⁶ [S. 192.001\(10\), F.S.](#)

¹⁷ *Id.*

¹⁸ Art. VII, s. 9(b), FLA. CONST.

¹⁹ *Id.*

²⁰ Art. VII, s. 9, FLA. CONST. A mill is equal to \$1 per \$1,000 of value, or .001. A tax rate of 10 mills is equal to 1 percent.

Property taxes levied for the payment of bonds and taxes levied for periods not longer than two years, when authorized by a vote of the electors, are not subject to millage limitations.²¹

[Rolled-back Rate](#)

A central concept in the process of setting millage rates is the “rolled-back rate,” which is:

[A] millage rate which, exclusive of new construction, additions to structures, deletions, increases in the value of improvements that have undergone a substantial rehabilitation which increased the assessed value of such improvements by at least 100 percent, property added due to geographic boundary changes, total taxable value of tangible personal property within the jurisdiction in excess of 115 percent of the previous year's total taxable value, and any dedicated increment value, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year less the amount, if any, paid or applied as a consequence of an obligation measured by the dedicated increment value.²²

If a local government levies a property tax rate in excess of the rolled-back rate, such levy must be characterized as a tax increase in the authorizing resolution or ordinance and in the advertisement required prior to adoption of a final millage rate and budget.²³

[Ballot Statements for Constitutional Amendments Proposed by the Legislature](#)

The Florida Constitution specifies the methods through which a constitutional amendment may be proposed and adopted,²⁴ but it is the Florida Election Code²⁵ that specifies the content that appears on the ballot when a proposed amendment is put before the electorate.²⁶ For constitutional amendments proposed by the Legislature, the Florida Election Code requires that the joint resolution²⁷ proposing the amendment must include at least one ballot statement.²⁸ A ballot statement is what appears on the ballot itself and it consists of two parts: a ballot title and a ballot summary.²⁹ A ballot title is the name by which the measure is commonly referred to and it is limited to 15 words. A ballot summary is a description of “the chief purpose of the amendment...in clear and unambiguous language.”³⁰ Unlike constitutional amendments proposed through other methods,³¹ amendments proposed by the Legislature may contain multiple ballot statements for a single amendment.³² A joint resolution with multiple ballot statements must list the statements in an order that indicates their priority.³³ While only one statement will appear on the ballot, if the Legislature includes more than one and a court later holds that a particular ballot statement is unconstitutional, any additional ballot statements can be substituted for the defective statement ahead of the election (unless all statements are held to be constitutionally deficient). The ballot summary within the first ballot statement of a legislatively proposed amendment is limited to 75 words.³⁴ If the joint resolution contains only one statement, the ballot summary within that statement is subject to the 75-word limit. Any additional ballot summaries are not subject to a word limit.

²¹ Art. VII, s. 9(b), FLA. CONST.

²² [S. 200.0065\(1\), F.S.](#)

²³ [S. 200.065\(2\)\(d\) and \(3\)\(a\), F.S.](#)

²⁴ See art. XI, FLA. CONST.

²⁵ Chapters 97 through 106, F.S., are known as the Florida Election Code. [S. 97.011, F.S.](#)

²⁶ [S. 101.161, F.S.](#)

²⁷ See art. XI, s. 1, FLA. CONST.

²⁸ [S. 101.161\(3\)\(a\), F.S.](#)

²⁹ *Id.*

³⁰ *Id.* The Florida Supreme Court has held that the “clear and unambiguous” language in [s. 101.161, F.S.](#), is a codification of the Florida Constitution’s implicit requirement that ballot statements “be accurately represented on the ballot.” *Armstrong v. Harris*, 773 So. 2d 7, 12 (Fla. 2000)(emphasis in original).

³¹ See [s. 101.161\(1\), F.S.](#)

³² [S. 101.161\(3\)\(a\), F.S.](#)

³³ *Id.*

³⁴ *Id.*

Once the Legislature passes a joint resolution proposing a constitutional amendment by the required vote-threshold, the amendment is filed with the Secretary of State (secretary).³⁵ The secretary then designates the proposed amendment with a number³⁶ and provides the appropriate ballot statement (according to the order of priority) to the supervisor of elections of each county.³⁷ A legal challenge to one or more ballot statements in a joint resolution must be filed within 30 days after the resolution is filed with the secretary.³⁸ Unless otherwise provided in a joint resolution, if a court finds that all ballot statements are defective and further appeals are declined, abandoned, or exhausted, the Attorney General must, within 10 days, prepare and submit to the Department of State a revised ballot title or ballot summary that corrects the deficiencies identified by the court.³⁹ The 75-word limitation does not apply to any ballot summary revised by the Attorney General. The Department of State then sends the revised title or summary to each supervisor of elections for placement on the ballot.⁴⁰ Any legal challenge to a revised ballot title or ballot summary must be filed within 10 days after the revised ballot title or ballot summary is submitted to the Department of State.⁴¹

³⁵ Art. XI, s. 5(a), FLA. CONST.

³⁶ [S. 101.161\(3\)\(b\), F.S.](#); *see also* r. 1S-2.0011(1)(c), F.A.C.

³⁷ [S. 101.161\(3\)\(b\), F.S.](#)

³⁸ *Id.*

³⁹ [S. 101.161\(3\)\(c\)1., F.S.](#)

⁴⁰ [S. 101.161\(3\)\(c\)2., F.S.](#)

⁴¹ *Id.*