FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

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

BILL #: CS/HJR 209
TITLE: Property Insurance Relief Homestead Exemption of Non-school Property Tax
SPONSOR(S): Busatta

COMPANION BILL: None
LINKED BILLS: None
RELATED BILLS: None

Committee References

Select Committee on Property Taxes
24 Y, 10 N, As CS

SUMMARY

Effect of the Bill:
The joint resolution proposes an amendment to Article VII, Section 6 of the Florida Constitution to provide an alternative second homestead exemption that is $200,000 more than the existing $25,000 second homestead exemption that applies to the assessed value between $50,000 and $75,000. This is only for homestead properties that have comprehensive homeowners insurance, and applies to the assessed value of homestead property between $25,000 and $250,000 (adjusted annually for inflation), for all ad valorem taxes **other** than school taxes.

The joint resolution also proposes a new Section 7 of Article VIII of the Florida Constitution to prohibit local governments from reducing funding for law enforcement services below a specified base year.

The proposed amendment will go before voters at the 2026 general election, and, if approved, would first apply to the 2027 tax roll effective January 1, 2027.

Fiscal or Economic Impact:
The Revenue Estimating Conference has not estimated the impact of this bill on local government revenues. Staff estimates it will have a zero or negative indeterminate impact on local government revenues because the proposed amendment requires voter approval. If approved, staff estimates that the amendment will have a negative cash impact of $6.6 billion, and a negative recurring impact of $8.6 billion on local non-school property tax revenues.

Extraordinary Vote Required for Passage:
The joint resolution requires a three-fifths vote of the membership of both houses of the Legislature for final passage.

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ANALYSIS

EFFECT OF THE BILL:

The joint resolution proposes an amendment to Article VII, Section 6 of the Florida Constitution to provide an alternative second homestead exemption for homestead properties that have comprehensive homeowners property insurance on the home. Like the existing second homestead exemption, the new exemption would apply to all ad valorem taxes **other** than school taxes. This new exemption would apply instead of the second exemption that currently applies to the assessed value of homestead properties between $50,000 and $75,000 (adjusted annually for inflation), and would instead provide an additional $200,000 of exemption applied to the assessed value of homestead properties between $25,000 and $250,000. The effect of this would be to increase the existing exemption substantially for insured homestead owners for taxes levied by counties, cities, or special districts. The proposed amendment would not affect property taxes levied by school districts.

The joint resolution also proposes a new Section 7 of Article VIII of the Florida Constitution to prohibit local governments from reducing funding for law enforcement services below the funding provided for law enforcement services in either FY 2025-26 or FY 2026-27, whichever is higher.

The proposed amendment will go before voters at the 2026 general election, and, if approved, would first apply to the 2027 tax roll, effective January 1, 2027.

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The Revenue Estimating Conference has not estimated the impact of this bill on local government revenues. Staff Estimates that the bill will have a zero or negative indeterminate impact on local government revenues because the constitutional amendment requires voter approval. If approved by the voters, and assuming current millage rates, staff estimates that beginning in FY 2027-28, the amendment will have a negative cash impact of $6.6 billion, and a negative recurring impact of $8.6 billion on local non-school property tax revenues.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

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 and is applicable to all ad valorem tax levies, including levies by school districts.[1] An additional $25,000 exemption applies to the assessed value of homestead property between $50,000 and $75,000.[2] This exemption is adjusted annually for inflation[3] and does not apply to ad valorem taxes levied by school districts.[4]

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).[5] The property may be owned jointly, as tenancy by the entireties, or otherwise in common with others, and can be apportioned among such shared owners.[6] Only one homestead exemption is allowed to any one person or on any one dwelling house.[7] Individual condominium owners, however, can each qualify for a separate homestead designation.[8]

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

[1] FLA. CONST. art. VII, s. 6(a) and s. 196.031, F.S.
[2] S. 196.031(1)(b), F.S.
[3] FLA. CONST. art VII, s. 6(a)(3) 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 (last visited 11/2/2025).
[4] FLA. CONST. art. VII, s. 6(a)(1)b. and s. 196.031(1)(b), F.S.
[5] FLA. CONST. art. VII, s. 6(a) and s. 196.031(1)(a), F.S.
[6] S. 196.031(1)(a), F.S.
[7] *Id.*
[8] *Id.*

real and tangible personal property.[9] 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.[10]

The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes,[11] and provides for specified assessment limitations, property classifications, and exemptions.[12] 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.[13]

Unless expressly exempted from taxation, all real and personal property and leasehold interests in the state are subject to taxation.[14] The Florida Constitution limits the Legislature's authority to grant an exemption or assessment limitation from taxes,[15] and any modifications to existing ad valorem tax exemptions or limitations must be consistent with the constitutional provision authorizing the exemption or limitation.[16]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Select Committee on Property Taxes	24 Y, 10 N, As CS	11/20/2025	Aldridge	Berg
THE CHANGES ADOPTED BY THE COMMITTEE:	• The PCS changed the exemption in the bill to a $200,000 exemption for non-school taxes. • The amendment to the PCS corrected a drafting error so the additional $200,000 applies to the correct portion of assessed value of a homestead property.			

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.

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[9] FLA. CONST. art. VII, ss. 1(a), 9(a)

[10] 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. S. 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.

[11] FLA. CONST. art. VII, s. 4

[12] FLA. CONST. art. VII, ss. 3, 4, and 6

[13] S. 196.031, F.S.

[14] 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.

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

[16] *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).