

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: CS/SJR 2-F

INTRODUCER: Appropriations Committee and Senator Avila and others

SUBJECT: Save our Homes from Excessive Property Taxes

DATE: June 1, 2026

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. <u>Khan</u>	<u>Sadberry</u>	<u>AP</u>	<u>Fav/CS</u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SJR 2-F provides property tax relief to owners of real property in Florida and prescribes the uses of ad valorem tax revenues levied by counties and municipalities.

The proposed amendment reduces the assessment limitation for non-homestead residential and non-residential property from 10 percent to five percent.

Real property owned by persons who maintained permanent residence as of December 31, 2026, and have established or will establish homestead are eligible for the following exemption from non-school levies:

- Beginning on January 1, 2027, up to \$150,000 of the assessed value.
- Beginning on January 1, 2028, up to \$250,000 of the assessed value. The exemption value is adjusted annually for positive inflation growth beginning January 1, 2029.

Real property owned by persons who maintain permanent residence on or after January 1, 2027, and establish homestead are eligible for the following exemption from non-school levies:

- Beginning January 1, 2027, up to \$50,000 of assessed value. The exemption value is adjusted annually for positive inflation growth beginning January 1, 2028.
- Beginning with the fifth year of the exemption, such person may be exempted up to the amount of the exemption available to a person who maintained homestead on or before December 31, 2026.

Beginning on or after January 1, 2030, the proposed amendment allows a county or municipality to, by two-thirds vote of the membership of the governing body, determine if a reduction to the five-year requirement is warranted for a critical local need.

The proposed amendment requires 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. Additionally, the proposed amendment allows special districts to increase, by referendum, the amount of assessed value exempt from taxes. Special districts may adjust the exemption amount annually for positive inflation growth.

The Revenue Estimating Conference has not reviewed the bill. See Section V. Fiscal Impact Statement.

If passed by the Legislature, the proposed amendment will be submitted to Florida's electors for approval or rejection at the next general election in November 2026.

The bill will take effect on January 1, 2027, if approved by at least 60 percent of the voters.

The bill substantially amends Article VII, sections 4, 6, and 9 the Florida Constitution and adds a new section to Article XII of the Florida Constitution.

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 Florida Constitution prohibits the state 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

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* s. 192.001(2) and (16), F.S.

⁴ FLA. CONST. Art. VII, s. 1(a).

⁵ *See* FLA. CONST. Art. VII, s. 4.

Property Tax Exemptions for Homesteads

Unless expressly exempted from taxation, all real and personal property and leasehold interests in the state are subject to taxation.⁶ The Legislature may only grant property tax exemptions that are authorized in the Florida Constitution, and any modifications to existing property tax exemptions must be consistent with the constitutional provision authorizing the exemption.⁷

Statewide Homestead Exemption

Every person having legal or equitable title to real estate and who maintains a permanent residence on the real estate is deemed to establish homestead property. Homestead property is eligible for the following exemptions:

- A \$25,000 tax exemption applicable to all ad valorem tax levies, including levies by school districts.⁸
- An additional exemption on the portion of the property's value that is between \$50,000 and \$75,000. It applies to all levies other than school district levies and is adjusted, beginning with the 2025 tax roll, by the consumer price index, if the change is positive.

The term "permanent residence" means 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.⁹ A person may have only one permanent residence at a time; and, once a permanent residence is established in a foreign state or country, it is presumed to continue until the person shows that a change has occurred.¹⁰

Discretionary Homestead Exemptions Granted by Counties and Municipalities

Article VII, s. 3(c) and (d) of the Florida Constitution authorize local governments to grant certain exemptions, as defined by general law. Counties and municipalities currently grant exemptions including community and economic development property tax exemptions, and historic preservation property tax exemptions, under this authority.¹¹ The amount or limits of the amount of these exemptions are specified by general law.

In addition to the exemptions granted to each person who makes real property his or her homestead, persons who meet specific criteria or circumstances can receive additional exemptions.¹²

⁶ Section 196.001, F.S.; see also *Sebring Airport Authority v. McIntyre*, 783, So. 2d 238, 248 (Fla. 2001); *Am Fi Inv. Corp v. Kinney*, 360 So. 2d 415 (Fla. 1978); *Sparkman v. State*, 58 So. 2d 431, 432 (Fla. 1952).

⁷ *Archer v. Marshall*, 355 So. 2d 781, 784 (Fla. 1978).

⁸ FLA. CONST. Art VII, s. 6(a).

⁹ Section 196.012(17), F.S.

¹⁰ *Id.*

¹¹ Sections. 196.1995, F.S. and 196.075, F.S.

¹² See, e.g., FLA. CONST. Art VII, s. 6(e)(3) and s. 196.102, F.S. (granting an exemption to first responders who are totally and permanently disabled as a result of an injury or injuries sustained in the line of duty).

Save Our Homes Assessment Limitation and Portability

In 1992, Florida voters approved the Save Our Homes amendment to the Florida Constitution.¹³ The Save Our Homes assessment limitation limits the amount that a homestead property's assessed value may increase annually to the lesser of 3 percent or the percentage increase in the Consumer Price Index.¹⁴ The accumulated difference between the assessed value and the just value is the Save Our Homes benefit. The Save Our Homes assessment limitation is transferrable from one homestead property to another.¹⁵

Assessment of Non-Homestead Property

Article VII, s. 4(g) and (h) of the Florida Constitution limit the annual change in the assessment of non-homestead real property, excluding property classified and assessed based on its use. For all levies other than school district levies, the assessed value of these properties may not increase by more than 10 percent of the assessment in the prior year.¹⁶

Local Government

The governing body of a county or municipality has broad legislative powers to enact ordinances, and local laws, to perform governmental functions and to exercise power to promote the health, welfare, safety, and quality of life of the local government's residents.¹⁷ Ordinances address a wide variety of local issues, from government structure and zoning laws to speed limits and noise ordinances. Procedures for passing local ordinances are prescribed by the Legislature and differ only slightly between counties and municipalities.¹⁸

The Florida Constitution grants local governments broad authority to take actions furthering citizens' health, welfare, safety, and quality of life.¹⁹ This "home rule" authority includes legislative powers to enact local laws. Specifically, non-charter county governments may exercise those powers of self-government that are provided by general or special law.²⁰ Those counties operating under a county charter have all powers of local self-government not inconsistent with general law or special law approved by the vote of the electors.²¹ Likewise, municipalities have those governmental, corporate, and proprietary powers that enable them to conduct municipal government, perform their functions and provide municipal services, and exercise any power for municipal purposes, except as otherwise provided by law.²²

III. Effect of Proposed Changes:

This bill provides property tax relief to owners of real property in Florida.

¹³ FLA. CONST. Art. VII, s. 4(d). The Florida Legislature implemented the Save Our Homes amendment in s. 193.155, F.S.

¹⁴ FLA. CONST. Art. VII, s. 4(d).

¹⁵ See FLA. CONST. Art. VII, s. 4(d)(8); see also s. 193.155, F.S.

¹⁶ These constitutional provisions are implemented in ss. 193.1554 and 193.1555, F.S., respectively.

¹⁷ See chs. 125 and 166, F.S.

¹⁸ Compare ss. 125.66 and 166.041, F.S.

¹⁹ See FLA. CONST. Art. VIII.

²⁰ FLA. CONST. Art. VIII, s. 1(f).

²¹ FLA. CONST. Art. VIII, s. 1(g).

²² FLA. CONST. Art. VIII, s. 2(b). See also s. 166.021(1), F.S.

The proposed amendment reduces the assessment limitation for non-homestead residential and non-residential property from 10 percent to five percent.

Real property owned by persons who maintained permanent residence as of December 31, 2026, and have established or will establish homestead are eligible for the following exemption from non-school levies:

- Beginning on January 1, 2027, up to \$150,000 of the assessed value.
- Beginning on January 1, 2028, up to \$250,000 of the assessed value. The exemption value is adjusted annually for positive inflation growth beginning January 1, 2029.

Real property owned by persons who maintain permanent residence on or after January 1, 2027, and establish homestead are eligible for the following exemption for non-school levies:

- Beginning January 1, 2027, up to \$50,000 of assessed value. The exemption value is adjusted annually for positive inflation growth beginning January 1, 2028.
- Beginning with the fifth year of the exemption, such person may be exempted up to the amount of the exemption available to a person who maintained homestead on or before December 31, 2026.

Beginning on or after January 1, 2030, the bill allows a county, municipality, or school district to determine, by a two-thirds vote of the membership of the governing body, if a reduction to the five-year requirement is warranted for a critical local need.

Levies for school districts will remain subject to the current \$25,000 exemption.

The proposed amendment requires the Legislature, by general law, to prescribe a uniform procedure for counties or municipalities to increase the amount of assessed value exempt from taxes. Additionally, the proposed amendment allows special districts to increase, by referendum, the amount of assessed value exempt from taxes. Special districts may adjust the additional exemption amount annually for positive inflation growth.

The proposed amendment prescribes the uses of ad valorem tax revenue levied by counties and municipalities to only include expenditures to:

- 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 this paragraph and to make debt service payments for existing obligations;
- Meet obligations for retirement benefits of local government employees; or
- Be used for the operations and administration of county constitutional officers, boards of county commissioners, and municipalities, as well as expenditures approved by those officers and governing bodies, except as otherwise prohibited by general law.

If passed by the Legislature, the proposed amendment will be submitted to Florida's electors for approval or rejection at the next general election in November 2026.

If approved by at least 60 percent of the voters, the proposed amendment will take effect on January 1, 2027.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate provisions in Art. VII, s. 18 of the Florida Constitution do not apply to joint resolutions.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Not applicable.

E. Other Constitutional Issues:

Article XI, s. 1 of the Florida Constitution authorizes the Legislature to propose amendments to the Florida Constitution by joint resolution approved by a three-fifths vote of the membership of each house. Article XI, s. 5(a) of the Florida Constitution requires the amendment be placed before the electorate at the next general election²³ held more than 90 days after the proposal has been filed with the Secretary of State or at a special election held for that purpose. Constitutional amendments submitted to the electors must be printed in clear and unambiguous language on the ballot.²⁴

In reviewing a ballot summary, the Florida Supreme Court asks two questions: first, whether the title and summary fairly inform the voter of the purpose of the amendment; and second, whether the language misleads the public.²⁵

Article XI, s. 5(d) of the Florida Constitution requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published

²³ Section 97.021(16), F.S., defines "general election" as an election held on the first Tuesday after the first Monday in November in the even-numbered years, for the purpose of filling national, state, county, and district offices and for voting on constitutional amendments not otherwise provided for by law.

²⁴ Section 101.161(1), F.S.

²⁵ *Advisory Op. to Att'y Gen. re Rts. Of Elec. Consumers Regarding Solar Energy Choice*, 188 So. 3d 822 at 831 (2016).

once in the 10th week and again in the 6th week immediately preceding the week the election is held.

Art. XI, s. 5(e) of the Florida Constitution requires approval by 60 percent of voters for a constitutional amendment to take effect. The amendment, if approved, becomes effective on the first Tuesday after the first Monday in January following the election, or on such other date as may be specified in the amendment.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has not reviewed the proposed amendment. Staff estimates a negative indeterminate impact from the provisions of the proposed amendment.

B. Private Sector Impact:

Owners of Florida real property are likely to have reduced ad valorem tax liability.

C. Government Sector Impact:

Article XI, s. 5(d) of the Florida Constitution requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published in the 10th week and again in the 6th week immediately preceding the week the election is held.

The Division of Elections (Division) within the Department of State pays for publication costs to advertise all constitutional amendments in both English and Spanish,²⁶ typically paid from non-recurring general revenue funds.²⁷ Accurate cost estimates for the next constitutional amendment advertising cannot be determined until the total number of amendments to be advertised is known and updated quotes are obtained from newspapers. HB 5001-E contains \$1.5 million for the advertising of proposed amendments to Florida Constitution.²⁸

There is an unknown additional cost for the printing and distributing of the constitutional amendments, in poster or booklet form, in English and Spanish, for each of the 67 Supervisors of Elections to post or make available at each polling room or each voting site, as required by s. 101.171, F.S. Historically, the division has printed and distributed booklets that include the ballot title, ballot summary, text of the constitutional amendment, and, if applicable, the financial impact statement.

²⁶ Pursuant to *Section 203 of the Voting Rights Act (52 U.S.C.A. § 10503)*.

²⁷ See, e.g., Ch. 2022-156, Specific Appropriation 3137, Laws of Fla.

²⁸ Specific Appropriation 3272, HB 5001-E (2026E).

If passed, the proposed amendment is expected to significantly reduce local government revenues for non-school levies.

The proposed amendment prescribes the uses of ad valorem tax revenue levied by counties and municipalities to only include expenditures to:

- 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 this paragraph and to make debt service payments for existing obligations;
- Meet obligations for retirement benefits of local government employees; or
- Be used for the operations and administration of county constitutional officers, boards of county commissioners, and municipalities, as well as expenditures approved by those officers and governing bodies, except as otherwise prohibited by general law.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends Article VII, sections 4, 6, and 9 of the Florida Constitution.

This bill creates a new section of Article XII of the Florida Constitution.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Appropriations on June 1, 2026:

The committee substitute removes provisions related to a requirement on the Legislature to create a trust fund for the purpose of providing grants to assist in the implementation of the amendment. The committee substitute also restores the \$25,000 current law exemption for school levies; the provisions of the joint resolution for increased homestead exemption apply only to non-school levies. Finally, the committee substitute adds an allowable expenditure for counties and municipalities for ad valorem revenues to include operations and administration of county constitutional officers, boards of county commissioners, and municipalities, as well as expenditures approved by those officers and governing bodies, except as otherwise prohibited by general law.

B. Amendments:

None.

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