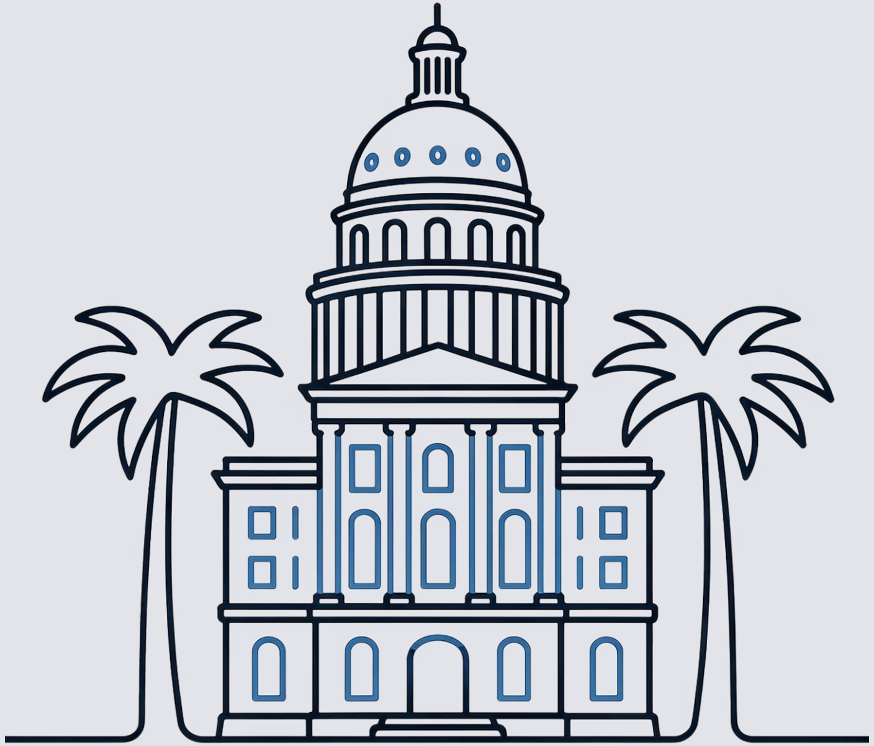

Florida Property Taxes: Balancing Value and Burden

A deep dive into how Florida funds its communities, the protections long-term homeowners enjoy, and the landmark changes on the November ballot.

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The Foundation: Ad Valorem Taxation

What It Means

Ad Valorem — Latin for **"according to value"** — means your tax bill is calculated as a percentage of your property's assessed value. **It is entirely a local tax;** the U.S. Constitution prohibits a federal property tax.

In addition, Florida's constitution prohibits a state ad valorem tax of any type.

What It Funds

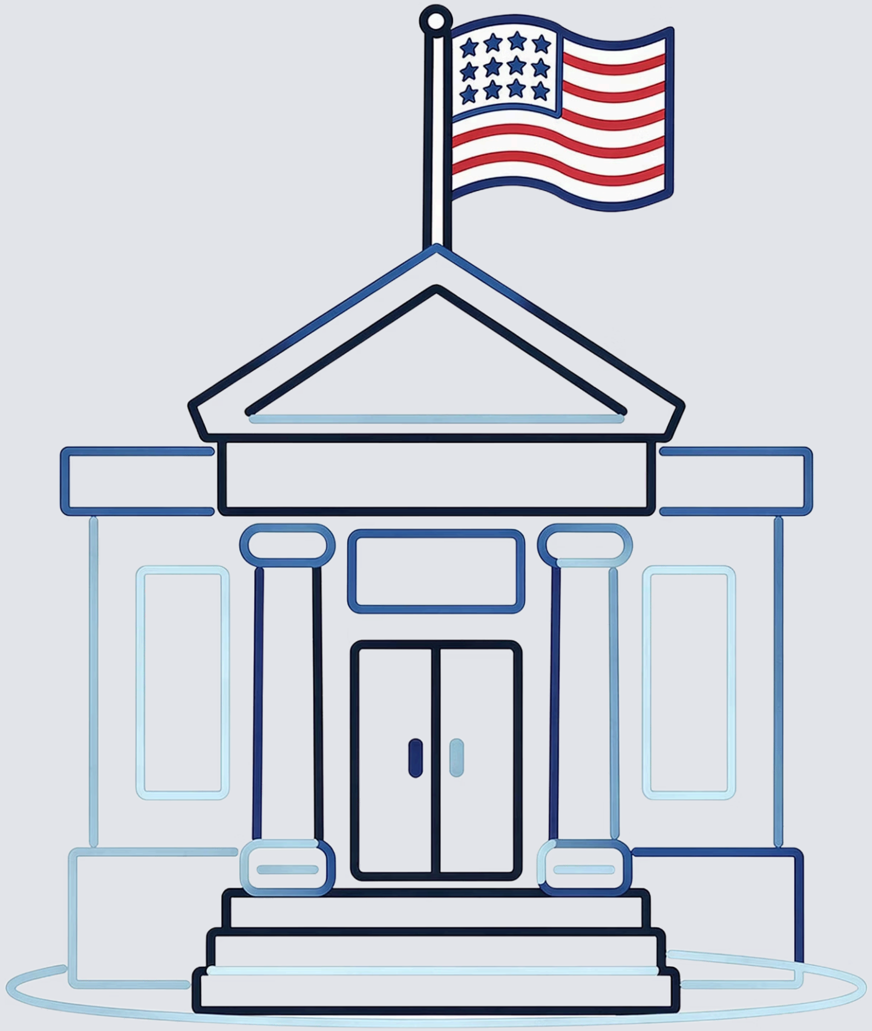
Schools, sheriff, fire departments, parks, libraries, emergency response, elections and local infrastructure all depend on ad valorem revenue as their primary funding source.

First $25,000 Exemption

Applies to all levies, **including school taxes** — available to all qualifying homeowners.

Second $25,000 Exemption

Applies to city, county, and special district taxes **only** — does not reduce school district taxes.



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Other revenues....

Sales Tax Revenue Sharing

Counties receive a share of state sales tax collections, but this revenue is almost always pledged to debt service — bonds for infrastructure and capital projects.

No State Income Tax

Florida has no state income tax, by constitutional prohibition. That is often cited as a benefit of living in Florida, but it also means counties cannot rely on income tax revenue at all — making property taxes even more critical as a local funding source.

Tourist Development Tax (Bed Tax)

Florida counties may collect a Tourist Development Tax on hotel stays. By law, this revenue can only be used to promote tourism and attract more visitors — it cannot be redirected to roads, public safety, parks, or any general county services.

> **When property tax revenue is cut, counties have very few places left to turn. The math is simple — less revenue means fewer services.**

Homestead vs. Non-Homestead Properties

🏡 **Homestead**	🏢 **Non-Homestead**
Primary residence of a Florida permanent resident. Eligible for the $50,000 exemption, the 3% SOH cap, and portability. The most protected category in Florida tax law.	**Investment properties, vacation homes, rental units, and commercial assets.** Subject to a 10% annual cap — but no SOH exemption. These properties carry a disproportionately higher share of the local tax burden.

This distinction is the central fault line of Florida's property tax equity debate

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Save Our Homes

Implemented 1994

The 3% Cap Rule

Once a homestead exemption is established, a property's **assessed value** cannot increase by more than **3% per year** or the **Consumer Price Index (CPI)** — whichever is lower.

The "Cushion" Effect

Over time, this creates a widening gap between a home's true market value and its taxable assessed value. Today, **average assessments are 50.3% lower** than actual market values statewide — a powerful shield for long-term residents.

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The Portability Benefit – 2008

In 2008, Florida expanded homestead protections with **portability** — allowing homeowners to transfer their accumulated SOH benefit to a newly purchased primary residence.

Encourages Mobility

Long-term residents are no longer "locked in" by fear of losing their tax savings when downsizing or relocating within Florida.

Complex Calculations

Moving to a larger home involves prorated transfer formulas. The full benefit only transfers dollar-for-dollar on like-or-lesser-value moves.

Up to $500K Transferable

The maximum SOH "benefit" that can be ported to a new homestead is capped at $500,000 in assessed value difference.

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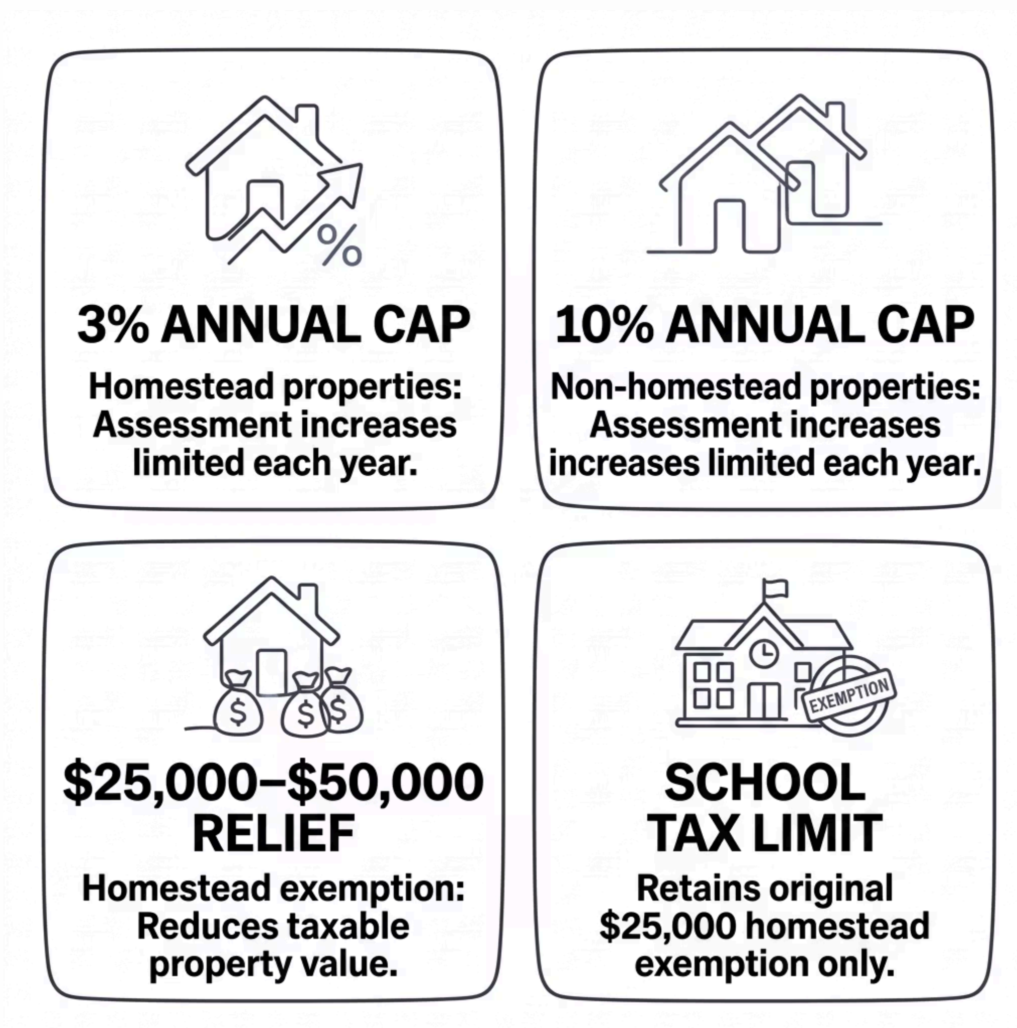
The Current Landscape: A 2026 Snapshot



A System Under Pressure

Florida's rapid population growth and real estate appreciation have intensified the inequities baked into the current system. New residents — often younger families or workers — purchase homes at full market value with no accumulated SOH cushion, paying dramatically more than neighbors in identical homes.

⚠ Rising housing costs have made the gap between long-term and new homeowners a growing political flashpoint heading into 2026.

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The November Ballot: Amendment 3

Amendment 3 proposes the most **significant restructuring of Florida's ad valorem tax system** since Save Our Homes itself. It addresses three interconnected pillars: non-homestead caps, homestead exemption tiers, and residency-based eligibility.

📉 Lower Non-Homestead Cap

Reducing annual assessment growth from 10% to 5% for investment and commercial properties.

🏠 Expanded Homestead Exemption

A phased increase from $50,000 to $250,000 in exempted assessed value for qualifying homeowners.

🗳️ 60% Threshold

As a constitutional amendment, Amendment 3 requires supermajority approval — at least 60% of Florida voters must say yes.

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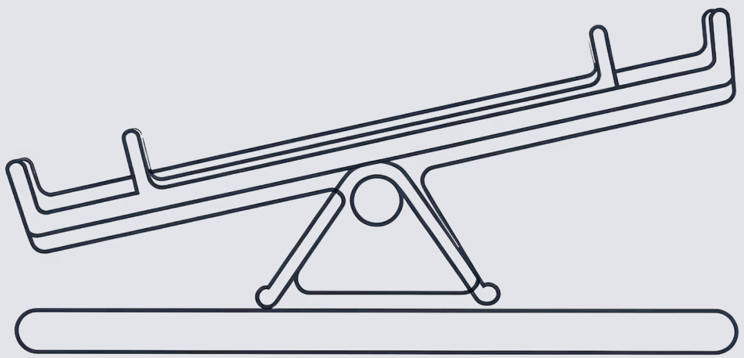

Analyzing the Inequities

The "Locked-In" Effect

Long-term residents enjoy dramatically lower assessed values. A neighbor who bought the same home 20 years ago may pay **half your property tax bill** — legally, by design.

The New Resident Penalty

Families and workers relocating to Florida start at full market value with no cushion, creating a significant and immediate financial disadvantage compared to established neighbors.

The Burden Shift

As homestead properties become increasingly shielded, non-homestead owners — including small landlords — absorb a growing share of local tax revenue, often passing costs to renters.

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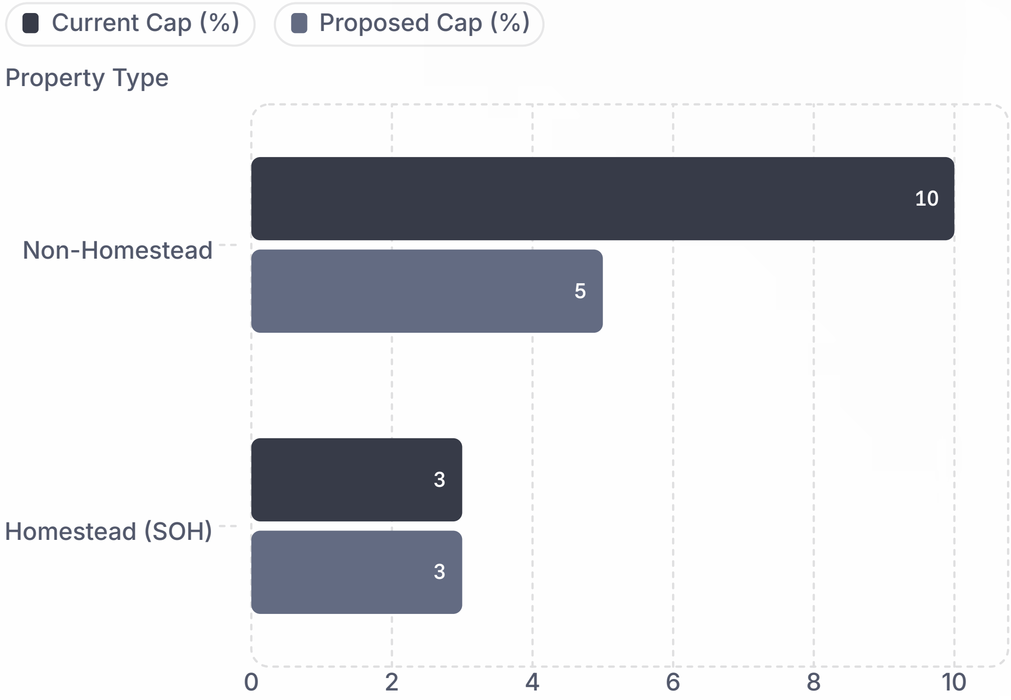
Component 1: Non-Homestead Assessment Cap



Cutting the Cap in Half

Currently, assessed values on **non-homestead properties** — rentals, vacation homes, commercial buildings — can rise up to **10% annually**. Amendment 3 proposes cutting that ceiling to **5%**.

Who Benefits?

Small landlords and commercial property owners would see slower tax growth. However, critics argue this relief may not be passed on to renters, and will further shift the tax burden toward homestead properties over time.

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Component 2: The New Homestead Exemption Tiers

Phase 1 – 2027

$150,000 exemption for qualifying homeowners

Phase 2 – 2028

$250,000 exemption expanding relief

Phase 3 – 2029+

Annual CPI adjustments to protect value

The proposed tiered expansion would dramatically reduce the taxable assessed value for qualifying homeowners, with automatic inflation adjustments beginning in 2029 to preserve purchasing power of the exemption over time.

The Price Tag of Amendment 3

$12B

Total Statewide Fiscal Impact

Estimated annual revenue loss across all local governments if Amendment 3 passes

$5B

Impact to Counties Alone

Florida's 67 counties would bear nearly half the total fiscal burden

These are not abstract numbers — they represent the funding that pays for roads, public safety, parks, libraries, and the services Floridians rely on every day.

> Amendment 3 would be the largest property tax cut in Florida history.

Component 3: Residency-Based Eligibility

The December 31, 2026 Cutoff

To qualify for the **full tiered exemption**, a homeowner must establish permanent Florida residency **on or before December 31, 2026**. Those who qualify receive the complete benefit immediately as tiers roll out in 2027 and 2028.

The Five-Year Phase-In

Residents who establish homestead **after 2026** face a five-year gradual phase-in period before accessing the full exemption — a provision designed to manage fiscal impact on local governments.

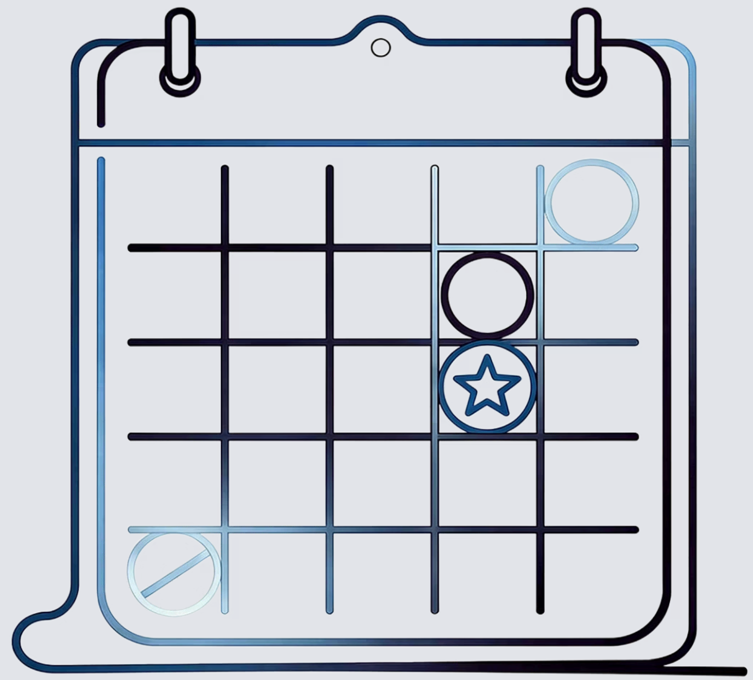
Eligibility at a Glance

Before Jan 1, 2027

Full tiered benefits — $150K in 2027, $250K in 2028, CPI-adjusted thereafter.

After Jan 1, 2027

Five-year phase-in to full exemption level. Partial relief during transition years.



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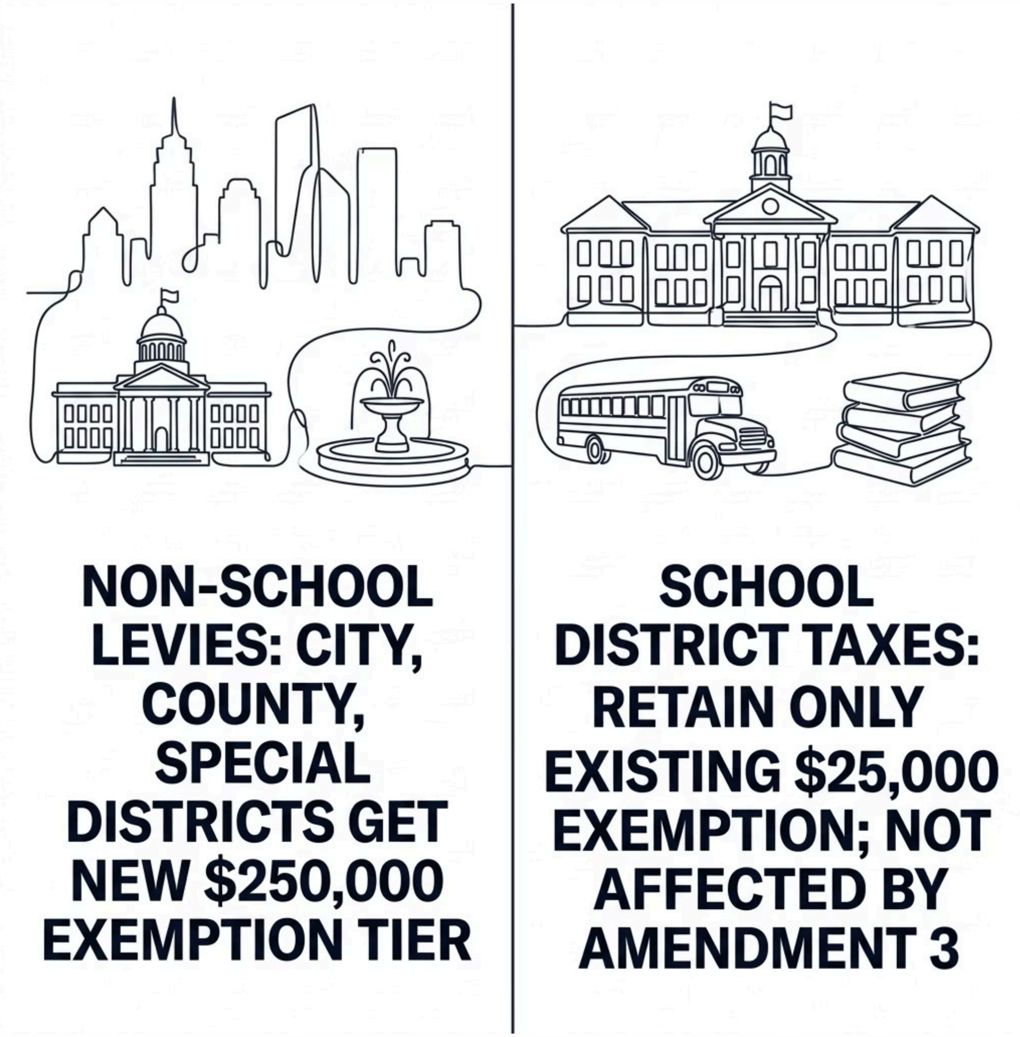
The Role of School District Taxes



A Critical Carve-Out

Amendment 3's expanded exemptions **do not apply to school district taxes.** School levies will continue to use only the existing $25,000 homestead exemption — the same structure in place today.

Why This Matters

This carve-out is intentional: it protects Florida's school funding base from erosion. Without it, local school districts could face significant revenue shortfalls, triggering either state bailouts or cuts to education spending.

> School taxes represent a significant portion of most homeowners' total tax bill — this distinction has real dollar impact.

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Constitutional Spending Restrictions

Amendment 3 doesn't just reshape exemptions — it also **restricts how ad valorem revenue can be spent**, embedding fiscal accountability directly into the Constitution.

Public Safety

Police, fire, and emergency services remain a protected spending category.

Education

Local school support and educational infrastructure funding is preserved.

Infrastructure

Roads, bridges, utilities, and public works remain eligible uses of ad valorem revenue.

Parks & Libraries

Community services and recreational facilities continue to qualify for funding.

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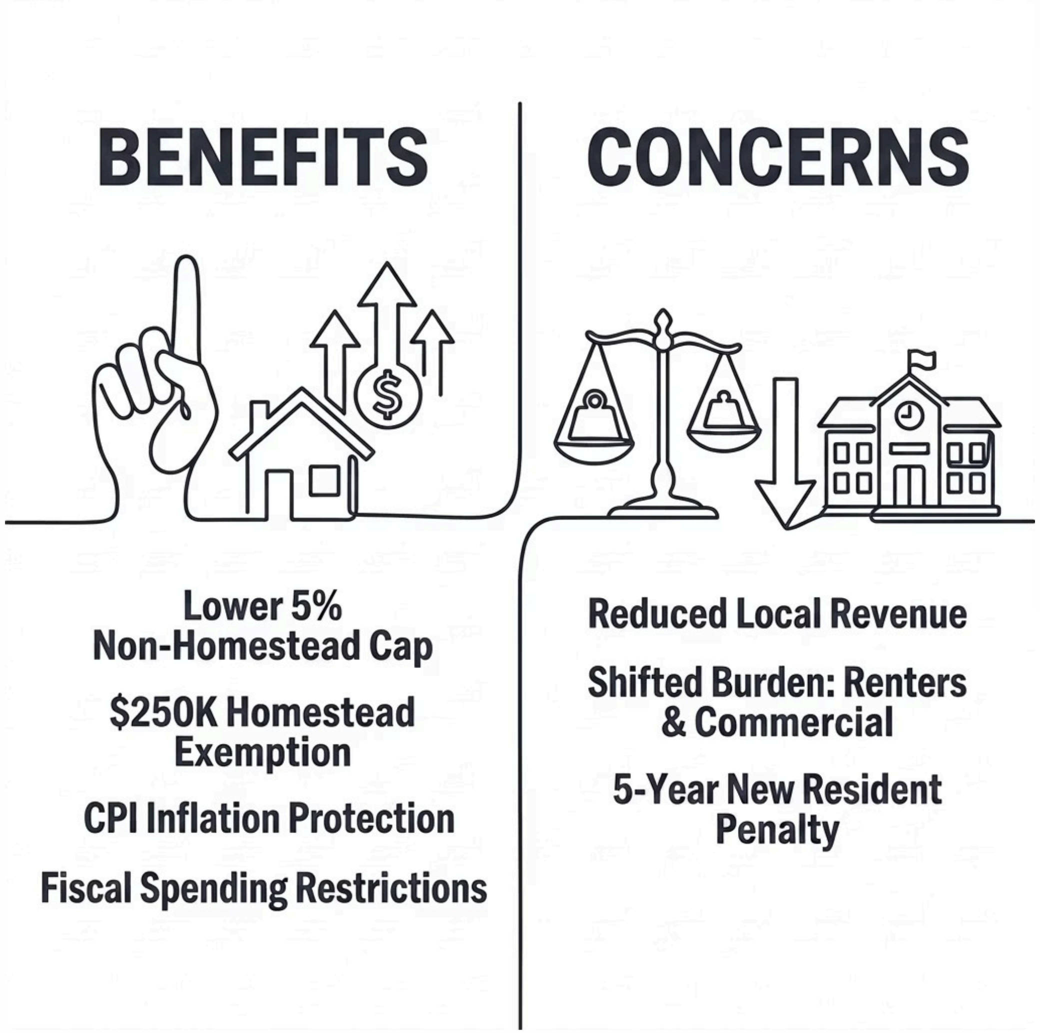
The Final Balance: Assessing the 2026–2031 Horizon



Does Amendment 3 Bridge or Deepen the Gap?

The 5% non-homestead cap and the $250,000 homestead tier together model a new fiscal equilibrium — one that significantly favors long-term Florida residents while creating structural challenges for local revenue and newcomers.

The core question for voters is not just about taxes — it's about **what kind of Florida we want to build** for the next generation.

> Amendment 3 requires **60% voter approval** to pass. Every vote carries outsized weight in a supermajority contest.

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SECTION BREAK

Amendment 3: What's at Stake

Understanding the real-world impact on Florida's counties and communities

Florida Property Tax Amendment

Statewide Voter Survey — How voter attitudes change when they understand the amendment

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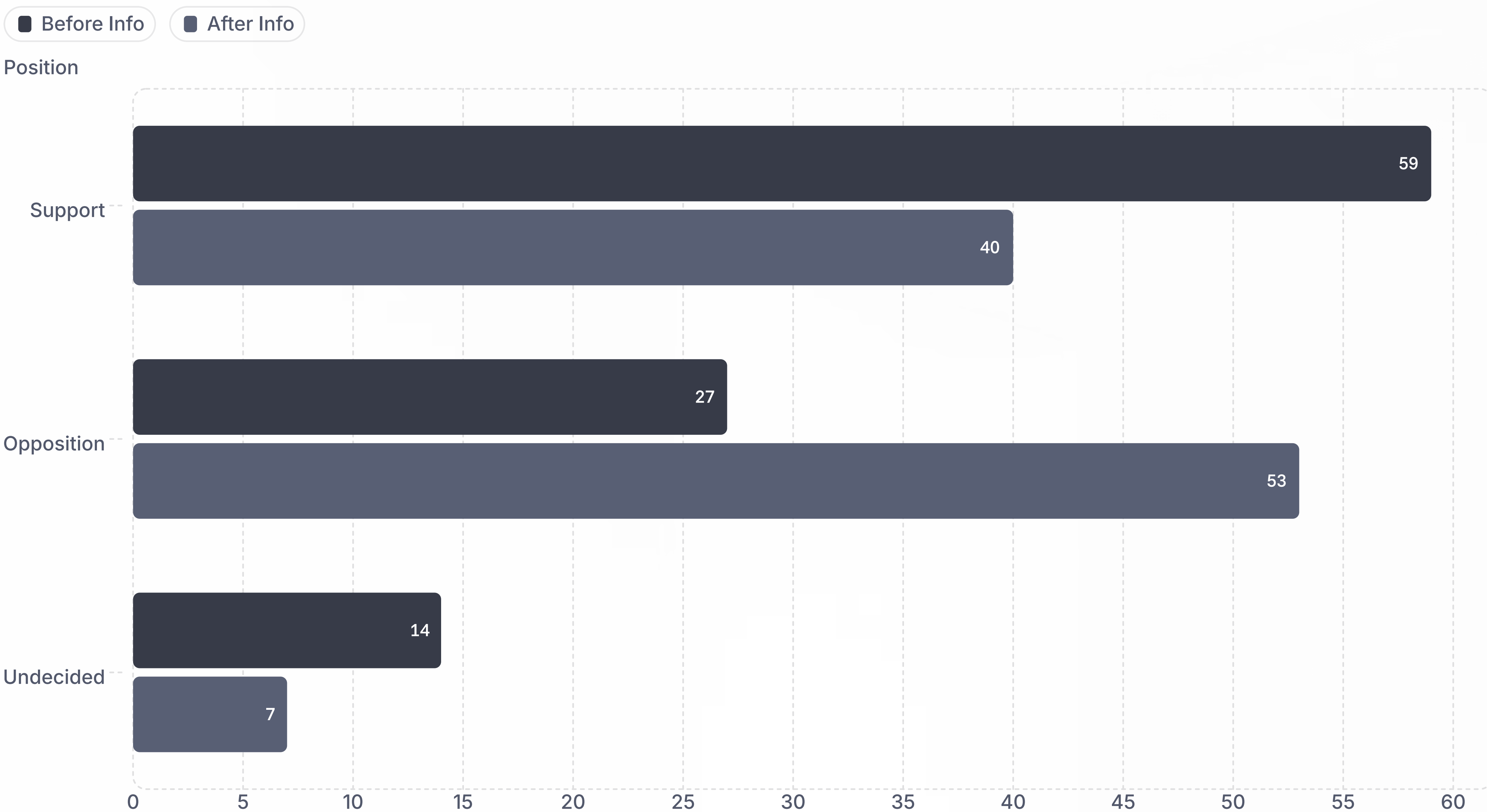
Information Changes the Outcome



Voters are highly persuadable once they understand local impacts. The ballot title alone creates strong initial support that evaporates when consequences become clear.

Local Government Starts from a Position of Trust

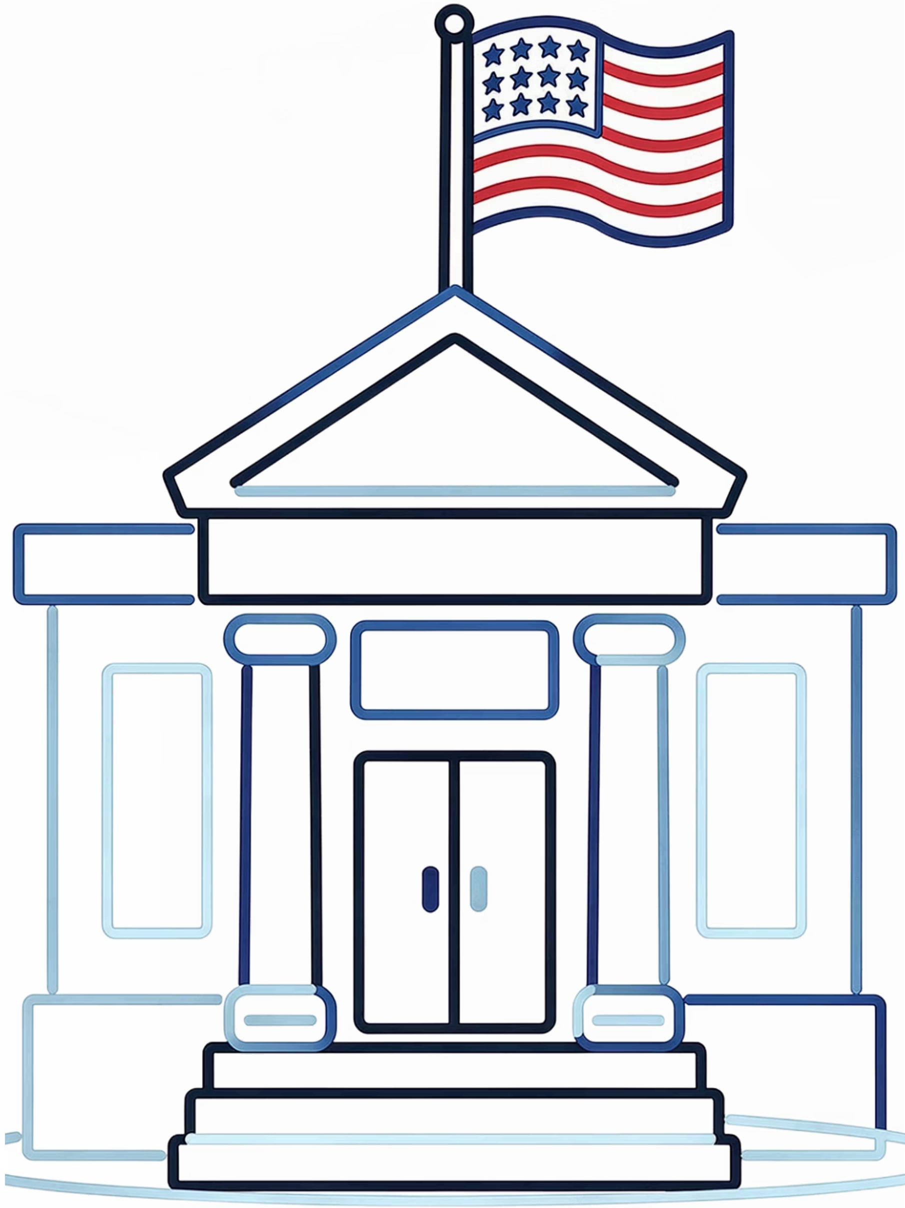
🏛️ Local County Government

54% favorable / 32% unfavorable

🏙️ Local City Government

54% favorable / 32% unfavorable

Voters trust their local governments significantly more than politicians generally. This trust is a critical asset — messages framed around protecting local services carry inherent credibility.



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The Most Powerful Messages

Ranked by making voters less likely to support the amendment

Higher Taxes, Fees & Cost of Living

64% less likely to support

Higher Costs for Local Businesses

66% less likely to support

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The Most Powerful Messages (continued)

Public Safety Cuts

66% less likely to support

Cuts to Parks, Roads & Libraries

65% less likely to support

Small Rural Counties Devastated

63% less likely to support

Key theme: Consequences matter more than tax relief. Voters respond far more powerfully to what they stand to lose than to what they might gain.

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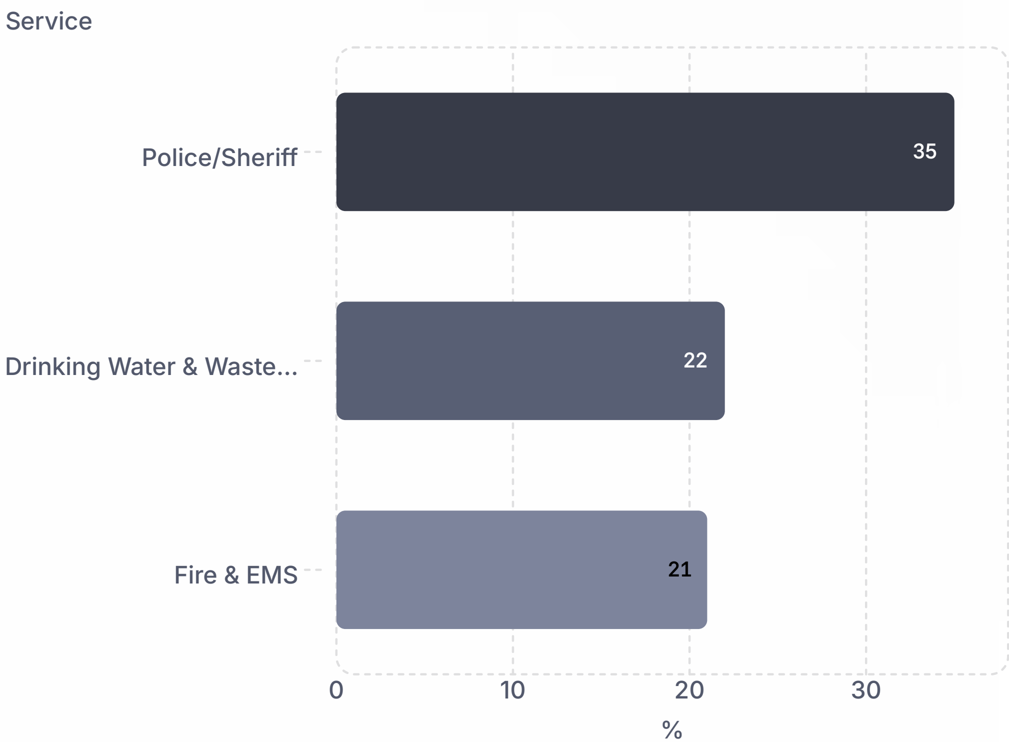
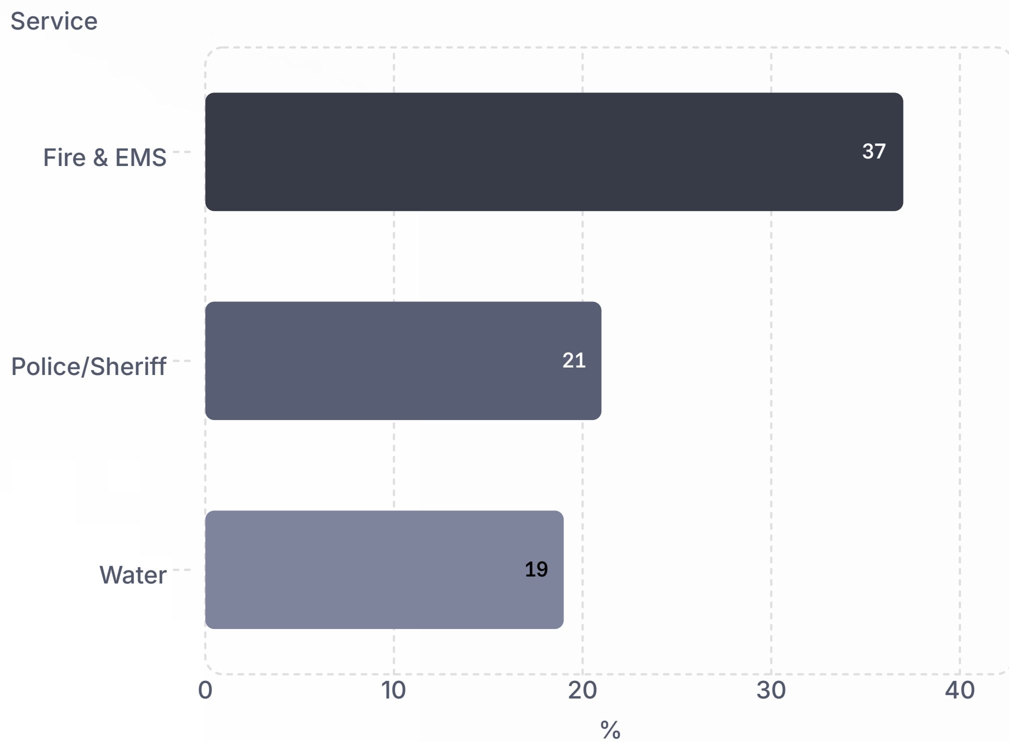
The Strongest Emotional Concern

Public safety and essential infrastructure dominate voter concerns above all other service categories.

Most Concerning Service Cuts (First Choice)



Second Most Concerning Service Cuts



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The Tax Shift Resonates

Messages that consistently reduced support

→ Higher Fees

→ Higher Sales Taxes

→ Higher Housing Costs

→ Costs Shifted Onto Renters

→ Costs Shifted Onto Small Businesses

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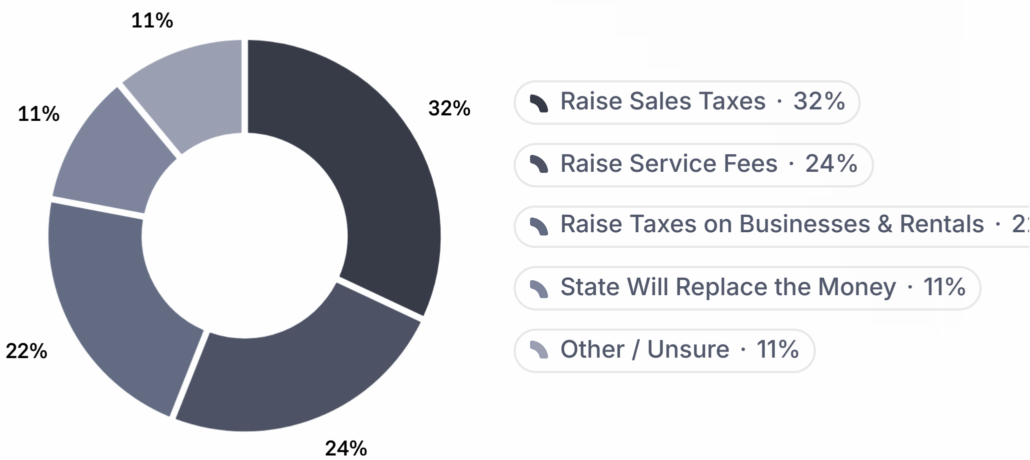
Voters Expect Local Impacts

What voters expect local governments to do if the amendment passes



Voters See Through the Promise

An overwhelming majority of voters expect local governments to offset lost revenue through new taxes and fees — not rely on the state. Only **11% believe the state will replace the money**, meaning nearly 9 in 10 voters anticipate direct financial consequences at the local level.

This expectation makes cost-shift messaging extraordinarily potent on the campaign trail.

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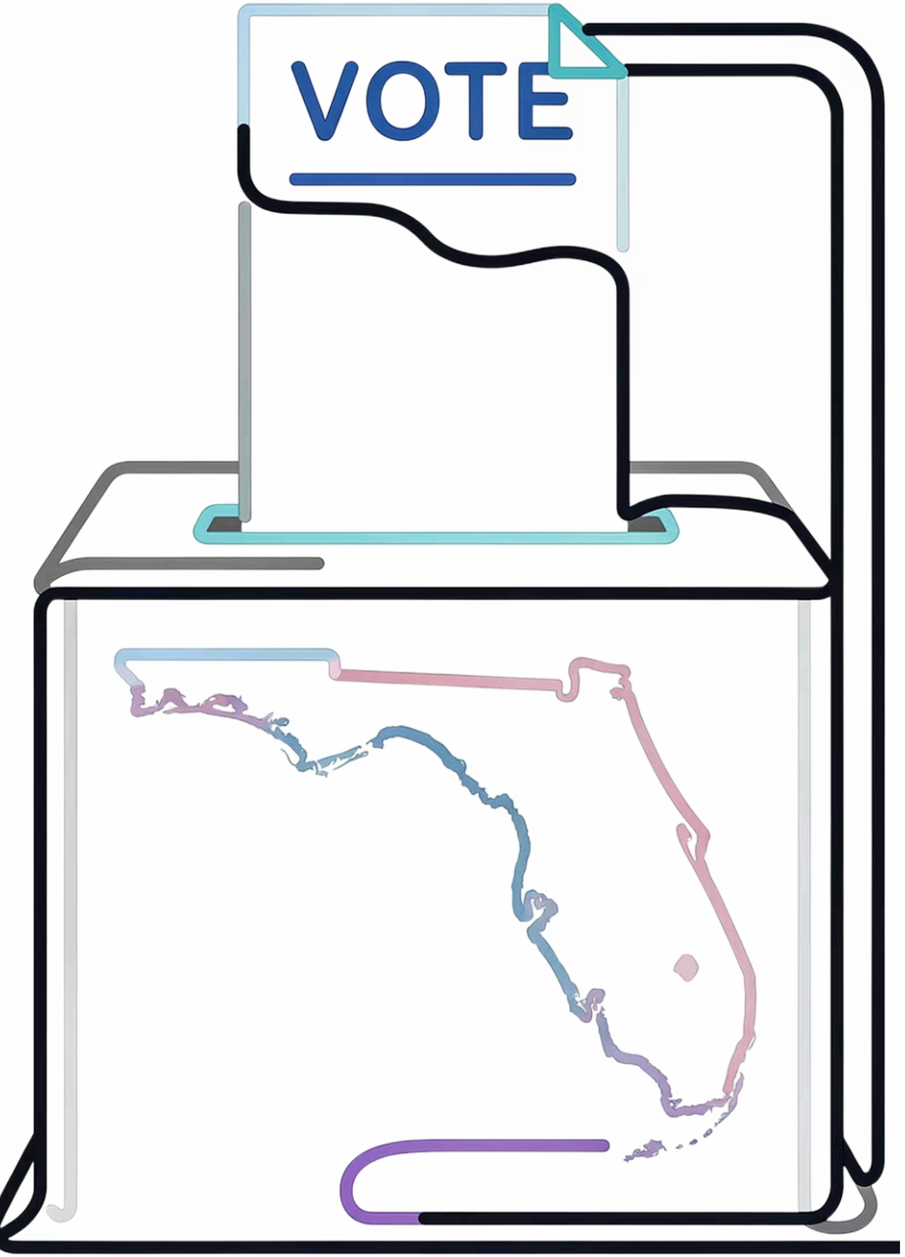
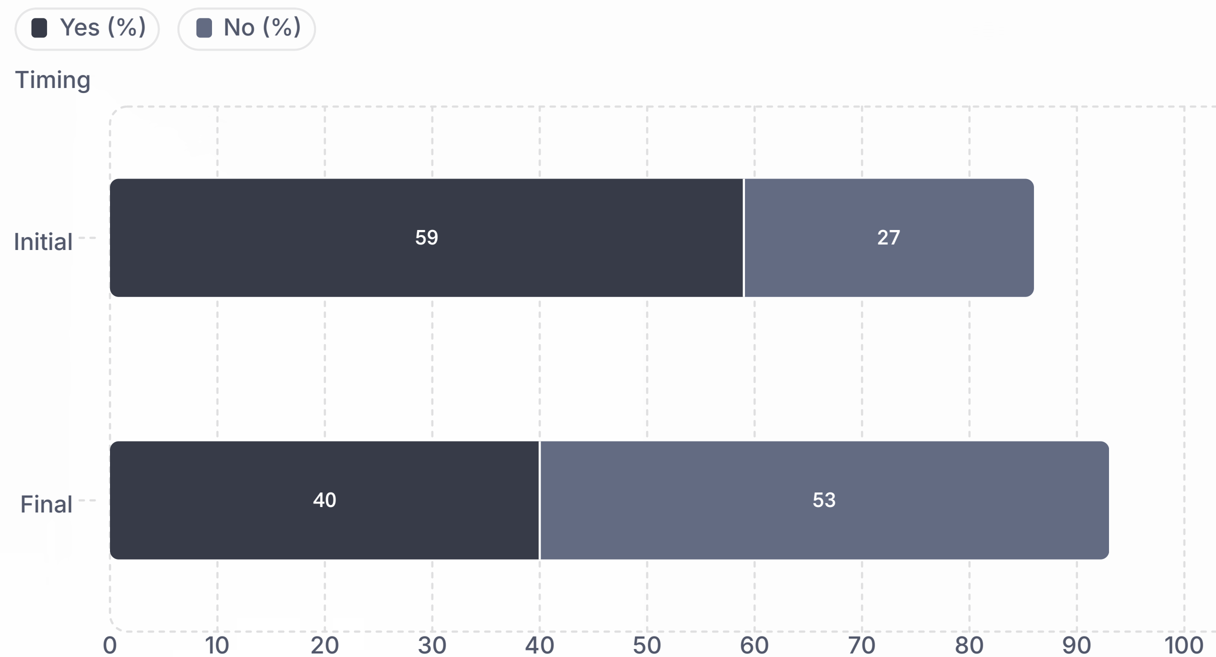


After Hearing the Facts

Final Ballot Test



Support falls **19 points** while opposition nearly doubles — from 27% to 53%. The amendment moves from a commanding majority to clear defeat once voters understand the local impacts.

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Strategic Communications Recommendations

✅ Lean Into These Themes

Public Safety

Sheriff, police and fire resonate most powerfully with all voter segments

Water Infrastructure

Drinking water and wastewater consistently rank as top-tier concerns

Higher Fees & Taxes

Cost-shift messaging — to renters, businesses, and families — is highly persuasive

🚫 Avoid Leading With These

Government Finance Details

Technical budget mechanics don't move voters emotionally

Property Tax Explanations

Complex tax mechanics lose audiences quickly

Constitutional Process

Procedural arguments don't register as personal stakes

Rural Funding Alone

Effective as a supporting message but too narrow as a lead

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The Bottom Line

> The winning conversation is not about defending property taxes. It is about protecting local services, preventing higher costs for everyone, and ensuring tax relief does not simply shift costs onto families, renters, and local businesses.

Voters Support Tax Relief

Initial instincts favor the idea of lower property taxes — this is not a debate to win on principle alone.

They Oppose Consequences

Once voters understand the real-world impact, opposition nearly doubles. Facts are the most powerful tool.

Education Is the Strategy

A nearly 20-point swing proves that an informed electorate is a persuaded electorate.

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