

The following Constitutional Amendments will be on the November Election Ballot

FL Amendment 1- Budget Stabilization Fund

Ballot Language: Proposing an amendment to the State Constitution to increase the amount of funds that may be retained in the budget stabilization fund from 10% to 25% of general revenue collections, require the legislature to transfer the lesser of \$750 million or the amount required to reach 25% of the general revenue collections each year unless certain conditions are met, and allow the legislature to withdraw funds for critical state needs.

Synopsis: This amendment is proposed by the Legislature to amend Article III, Section 19. "Revenue collections" refers to the last completed fiscal year's net revenue collections for the general revenue fund. This proposed amendment passed the House 100-1, Senate 29-4.

Budget stabilization funds (BSF) are a form of savings account where states can place revenue, such as tax receipts, that will be used to finance unexpected budget deficits or emergencies. All 50 states have some form of a BSF. The Florida BSF was created in 1992 after 83% of voters approved the Constitutional Amendment. The constitution requires that the balance of the Florida BSF not fall below 5% of revenue collections. The maximum balance allowed for the Florida BSF is 10% of revenue collections. For example, for fiscal year 2024- 2025, the amount in the BSF was 9.3% of the state's revenue collections. The last time that Florida withdrew more money from the BSF than it deposited was in 2008 during the Great Recession. This proposed amendment would increase the maximum amount of funds that can be retained in the BSF, changing the limit to 25% of annual revenue collections. The legislature would also be required to transfer funds into the BSF each year. The amount transferred would be either \$750 million, or however much is needed to bring the fund up to the 25% limit, whichever is less.

Under this amendment, funds could only be withdrawn from the BSF under three conditions:

1. The legislature passes a bill to withdraw funds to pay the expenses associated with an emergency.
2. The legislature passes a bill to withdraw funds to cover a shortfall in revenue, such as less than anticipated sales tax receipts.
3. The legislature determines there is a nonrecurring critical state need, the principal balance of the BSF is greater than 15% of state revenue collections, and two-thirds of the legislature approves the withdrawal of funds.

This amendment would also allow the legislature to suspend the annual revenue transfer to the fund under either of the following circumstances:

1. No more than once every 5 years, the legislature determines that there is a critical state need that requires funding in an amount exceeding what would have been transferred into the BSF, and two-thirds of the legislature approves the suspension of the transfer.
2. The legislature withdraws funds from the BSF during the same fiscal year for an emergency or revenue shortfall.

The fiscal impact on the state is indeterminate, but likely insignificant.

Opponents - None known at this time

Supporters - Florida Legislature (House 100-1, Senate 29-4)

A Yes Vote Would... increase the amount of funds held in the BSF from 10% to 25% of revenue collections. Require an annual transfer to the fund equal to \$750 million or 25% of the revenue collections (whichever is

lesser). Define how money can be withdrawn from the fund. Allow the legislature to suspend the transfer under certain conditions.

A No Vote Would... keep the maximum allowable amount of funds in the BSF at 10% of revenue collections.

FL Amendment 2- Exemption of Tangible Personal Property on Agricultural Land from Taxation

Ballot Language: Proposing an amendment to the State Constitution to exempt tangible personal property habitually located or typically present on land classified as agricultural, used in the production of agricultural products or for agritourism activities, and owned by the landowner or leaseholder of the agricultural land from ad valorem taxation. If approved this amendment would first apply for tax years beginning January 1, 2027.

Synopsis: This amendment is proposed by the Florida State Legislature. It will amend Article VII, Section 3. It passed the House 110-1 and the Senate 37-0. This proposed amendment would exempt the value of certain tangible personal property (such as farm equipment or tools) used in agriculture or agritourism from ad valorem property taxes, if the property:

1. is habitually located or typically present on agricultural land.
2. is used for producing agricultural products or for agritourism and owned by the landowner or leaseholder of the agricultural land.

Tangible personal property (TPP) refers to physical, movable assets such as furniture, machinery, tools, and equipment. Businesses pay property taxes on equipment used in the business, except for certain exempt categories - including motor vehicles, household goods, and the first \$25,000 of TPP value for each taxpayer.

The Florida Legislature's Bill Analysis & Fiscal Impact Statement states that the Revenue Estimating Conference estimated this amendment, if approved by voters, will have a negative recurring impact on local government revenues of \$31 million, beginning in Fiscal Year 2027-28.

Opponents: None known at this time

Supporters: Florida Legislature (House 110-1, Senate 37-0)

A Yes Vote Would... exclude tangible personal property, such as farm equipment or tools, from the calculation of property taxes if the property is typically present on agricultural land, used for farming or agritourism activities, and owned by the landowner or leaseholder of the land.

A No Vote Would... continue to include tangible personal property, such as farm equipment or tools, in the calculation of property taxes if the property is typically present on agricultural land, used for farming or agritourism activities, and owned by the landowner/leaseholder of the land.

FL Amendment 3- Save Our Homes From Excessive Property Taxes

Ballot Language: This amendment benefits Florida taxpayers by: Exempting homestead properties from taxation. Exempts the first \$250,000 of a homestead's value from taxation for all levies other than school district levies and requires, through general law, a schedule for full elimination. Ensuring funding for core services. Requires local governments to use remaining property taxes solely for core public needs including public safety, education and schools, infrastructure, and natural resources. Protecting small businesses. Limits future property tax assessments on businesses. Ensuring fairness for Florida residents. Requires any person who establishes Florida residency after January 1, 2027, to maintain Florida residency for five years prior to receiving the increased homestead exemption. If approved, the amendment would take effect on January 1, 2027.

Synopsis: This amendment is proposed by the Florida State Legislature. This amendment passed 75-27 in the House (16 not voting) and 30-8 in the Senate (2 not voting). This amendment would revise Article VII Sections 4, 6, and 9 and create new Article XII - Save Our Homes From Excessive Property Taxes. If passed, it would become effective January 1, 2027.

Ad valorem and Non-ad valorem Taxes: Tax bills have ad valorem taxes, which are based on a property's assessed value. These are referred to as "property taxes." Tax bills also have non-ad valorem taxes, which are flat fees that are collected to pay for specific local services or infrastructure improvements. This amendment only alters ad valorem taxes.

Millage Rates: The Florida Constitution caps property tax millage rates for local governments at 10 mills. One mill equals \$1 of tax for every \$1,000 of assessed property value. So a rate of one mill on a \$200,000 house equals \$200. Examples of current rates in Florida municipalities:

- City of Miami: 7.5539 mills
- City of Tampa: 6.2076 mills
- City of Orlando: 6.6500 mills

"Permanent residence" is defined as the place a person considers their permanent home to which, whenever absent, they will return.

For homeowners who permanently reside on their property (house or condominium), there is a portion of the home's assessed value that is not subject to ad valorem taxes or "property taxes." This is known as the "homestead exemption." Currently, the first \$25,000 of assessed value is exempt from all property taxes, including those levied by school districts. An additional \$25,000 of assessed value is exempt from all property taxes except those levied by school districts. This additional \$25,000 exemption applies to the assessed value of homestead property valued between \$50,000 and \$75,000.

The bill passed by the Legislature (CS/HJR 1F) is summarized below.

- For homeowners with homesteaded property established by 12/31/26, the homestead exemption for all property taxes, except levied by school districts, would increase to:
 - up to \$150,000 of the assessed value beginning on January 1, 2027.
 - up to \$250,000 of the assessed value beginning on January 1, 2028.
- Homesteads established on or after January 1, 2027 are only eligible for these changes after establishing residency status for five years. After the fifth year, these homesteads are eligible for the maximum \$250,000 exemption. For homeowners with less than 5 years of homestead exemption, up to \$25,000 of assessed value is exempt from all property taxes and an additional \$25,000 is exempt from

all property taxes, except non-school tax levies. The new exemption values will be adjusted annually for positive inflation growth beginning January 1, 2028.

- For non-homestead residential property (own home, but not permanent resident) and non-residential property, the maximum increase in annual property assessment used to determine property taxes is reduced from 10% to 5%, beginning January 1, 2027.
- Requires the legislature, through general law, to establish a procedure for counties and municipalities to schedule for further exemption of property taxes on all homestead property up to remaining assessed value, if a county or municipality chooses to do so.
- Property tax levied by counties & municipalities is limited to only cover expenditures to:
 - Provide for public safety, (law enforcement, fire service & 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;
 - 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.

A Balancing Act

Permanent residents with homestead property will receive significant property tax relief due to a permanent increase in the homestead property exemption amount. By January 1, 2028, a home valued at \$250,000 or less will pay no property taxes, except for those taxes levied by school districts. Owners of non-homesteaded property will also receive a property tax break because the amount their property assessment can increase each year is reduced from 10% to 5%, which reduces their property taxes.

However, this means that local governments, county and municipalities, will receive significantly less revenue to fund government services that these same residents use. Since this amendment also dictates how property taxes are spent by counties and municipalities, local governments are further constrained in how they manage their budgets.

The Revenue Estimating Conference analysis (under the Florida Legislature) dated June 12, 2026 states local governments could expect nearly \$5 billion less revenue in 2027-2028. That number is estimated to increase to \$8.8 billion in 2028-2029, \$9.7 billion in 2029-2030, and \$10.7 billion in 2030-2031. These values do not take into consideration the total loss in revenue if a county or municipality reduces property tax exemptions for homestead property even further.

Impact of the increased property tax exemptions:

- Moody's, Fitch and S&P Global Ratings all expect greater credit pressure for local governments if voters approve the proposed property tax amendment.
- The amendment would significantly decrease future revenue collection by counties and municipalities, which would constrain overall growth of local government.
- The original proposed trust fund was eliminated from the final legislation, leaving no safety net for the 29 fiscally constrained counties or lapsed critical services. FL Dept of Revenue's List of Fiscally Constrained Counties
- Adversely impacts counties, municipalities, and special districts like Children's Services Councils, Hospital Districts, Mosquito Control Districts and Water Management Districts. Services like public parks, public transportation, recreation centers, public health services, public landscaping, environmental resources would lose

millions of dollars needed to provide those services. This will force municipalities to either cut services or monetize services such as increase parking rates and charge entrance fees for parks & recreation centers.

- Public libraries are funded primarily through local property taxes and serve more than 23 million Floridians through 541 library locations, 22 bookmobiles, millions of annual visits, workforce development programs, digital access services, literacy initiatives, and educational programming.

Shifting How Tax Revenue May Be Collected:

The revenue loss would have to be offset by increasing taxes & fees and/or making budget cuts, effectively leading to a cost shift as Floridians either pay more in other ways or lose vital public services.

- **Increase Property Taxes:** Local governments can still make up the revenue shortfall by increasing property taxes on homestead & non-homestead properties. Because apartment buildings & rental houses fall into the category of non-homestead properties, landlords are likely to pass these added costs onto tenants in the form of higher rent. Commercial property owners will have higher overheads costs for their businesses.
- **Non-ad valorem Taxes:** These taxes are not tied to property values, which means they are not affected by this amendment. Counties and cities could make up the loss in funds resulting from higher homestead exemptions by relying more heavily on these revenue sources, which can include local sales taxes, motor fuel taxes, tourist development taxes and utility taxes (water, sewage, garbage). Additionally, local governments could pass ordinances to increase or create new fees to raise money. For example, fire protection services currently paid for by property taxes could be shifted to a fee-based system.
- **Special Assessments:** Homeowners may still receive a property tax bill to pay for special assessments, which may now occur more often. Assessments are one time fees issued to cover unexpected expenses or major projects.
- **Impact Fees:** Impact fees are charged to new real estate developments to cover costs of expanding public infrastructure (i.e. schools, roads & emergency services). Cities/ counties facing constrained property tax budgets will likely look to maximize or restructure impact fee schedules to shift financial burden of new growth onto developers.
- **Monetizing City Assets** (naming rights, billboards or advertising) may be another way counties and municipalities could raise revenue to cover the shortfall due to decreased property tax revenue.

Supporters: Florida Legislature (75-27 House (16 not voting)); 30-8 Senate (2 not voting)).

Opponents: Florida Tax Watch, Florida Policy Institute, Florida for All, Florida PTA, Florida State Director of MomsRising/MamásConPoder, Southern Poverty Law Center, Florida League of Cities, Florida Association of Counties, Florida Rising, Florida Education Association, Pastors for Florida's Children, SEIU Florida State Council/SEIU 1991, The Tax Foundation, Florida Student Power, Editorial Boards of Wall Street Journal, Miami Herald, Orlando Sentinel, Palm Beach Post & Sun-Sentinel, Vote No On 3, 3° Degrees Florida, League of Women Voters

A Yes Vote Would... increase the current homestead property exemption from \$50,000 to \$150,000 effective January 1, 2027, and then increase to \$250,000 effective January 1, 2028. Lower the annual cap increase on non-homestead property from 10% to 5%. Allow the legislature to dictate how counties and municipalities expend tax revenue.

A No Vote Would... Keep the current property tax structure in place.