



Florida's Property Tax Legislative Discussion



Florida League of Cities **President Holly D. Smith**

About the League



411 cities, towns
and villages

Support Florida's local
elected officials through:

- Advocacy
- Events
- Training
- Resources
- Services



100+
years old



Mission
unchanged
since 1922:

**LOCAL
VOICES
MAKING
LOCAL
CHOICES**

FLORIDA'S FORMULA: Keeping Communities Strong



Common Ground

We all want what's best for Florida

Why Cities Matter



50% of Floridians live in a city

Property Tax Study

- Conducted by Wichita State University for the Florida League of Cities
- Examines the fiscal, distributional, and community-level impacts of property tax concepts
- **43%** of municipal general fund revenue comes from property taxes
- Full homestead elimination: **~38%** loss in ad valorem revenue; **~14%** drop in general fund revenue; millage rates would need to nearly double

FISCAL STRUCTURE &
REVENUE RESILIENCE
OF FLORIDA
MUNICIPALITIES

A Microsimulation Assessment of
Homestead Property Tax Reform Scenarios

flcities.com/propertytaxstudy

Fiscal Stability & Local Service Capacity

- **Property taxes are essential:** They account for about 43% of municipal general fund revenue and are cities' primary stable, locally controlled revenue source
- **Large-scale reforms destabilize finances:** Full elimination and high fixed-dollar exemptions cause major revenue losses and require significant millage increases
- **Services and investment are at risk:** Revenue volatility threatens bond ratings and long-term planning and may force cuts to public safety and core services

Policy Considerations & Conclusion

- **Balance relief with sustainability:** State revenue replacement or cost-sharing can offset municipal losses and protect essential services and infrastructure
- **Target relief carefully:** Income-based or senior-focused approaches improve fairness while minimizing fiscal disruption
- **Preserve local flexibility:** Greater local fiscal autonomy and expanded local-option revenues help communities manage impacts
- **Be transparent:** Clear fiscal-impact disclosures help residents understand tradeoffs

Bottom Line for Florida Communities

Homestead property tax reforms have **significant implications for municipal stability, service delivery, rural development, and statewide competitiveness**. Responsible reform requires targeted relief, compensatory revenue frameworks, and policies that preserve the local fiscal foundation supporting strong, resilient communities.



City of
Sanibel

Millage Rate Breakdown FY 2024



26.59¢
County

37.36¢
School

18.64¢
City

17.42¢
**Special
Districts
& Other**

Collected from County Tax Collector

City of
Fort Myers

Millage Rate Breakdown FY 2024



25.41¢
County

32.00¢
School

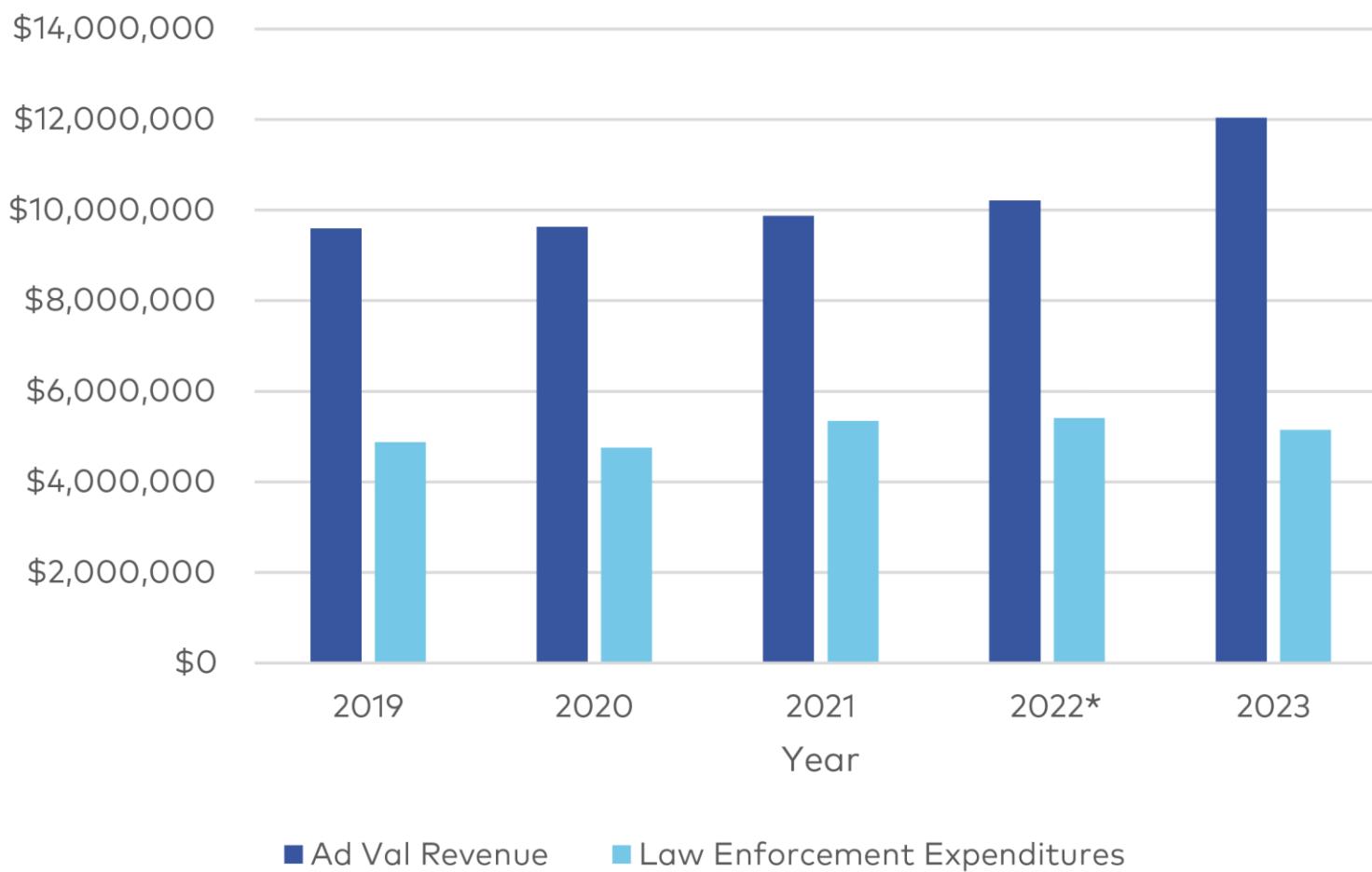
39.50¢
Municipality

3.08¢
**Special
Districts**

Collected from County Tax Collector

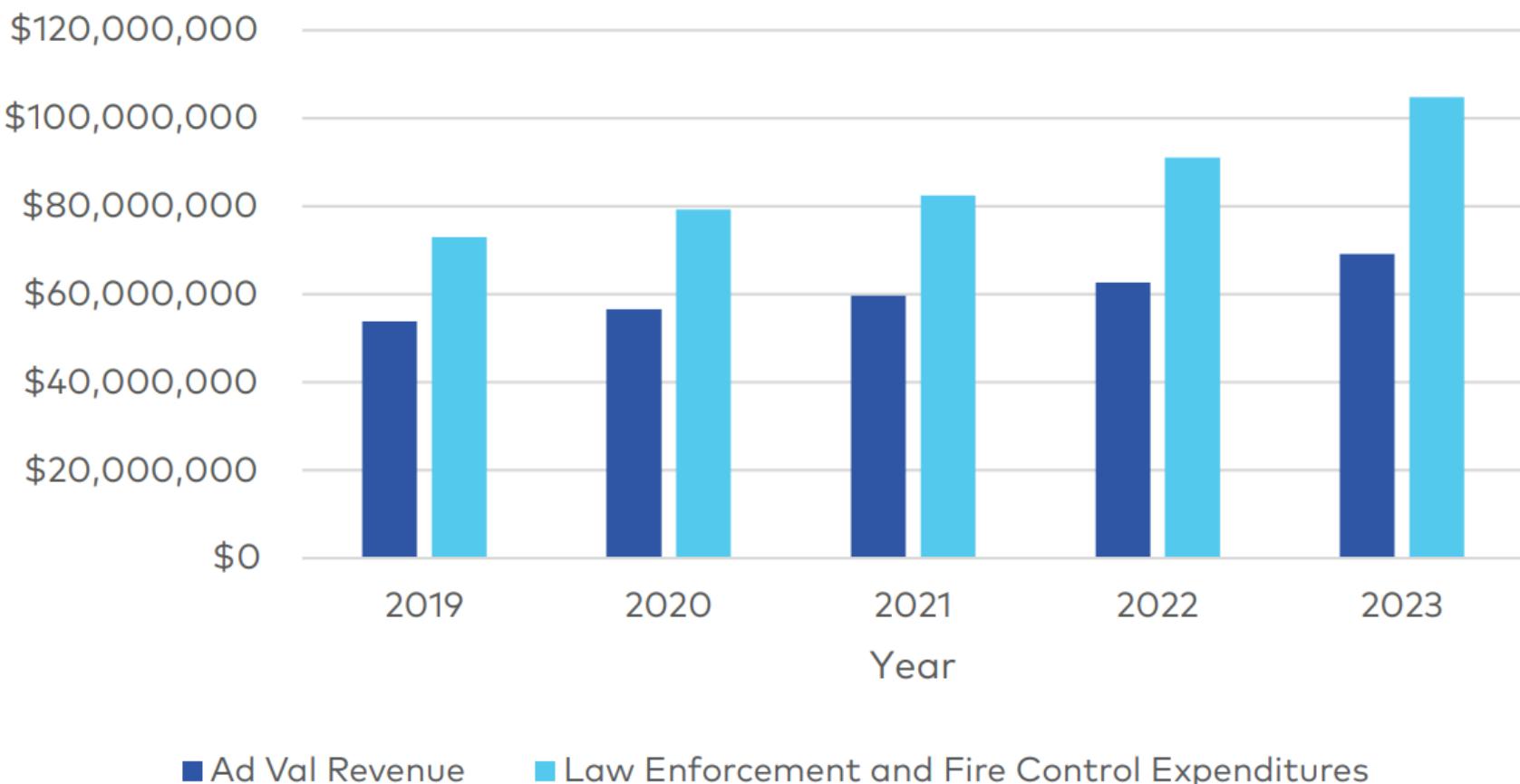
Ad Valorem Revenue Compared to Public Safety Expenditures

The graph represents the amount of ad valorem revenue collected by the City of Sanibel compared to public safety expenditures for fiscal years 2019-2023.



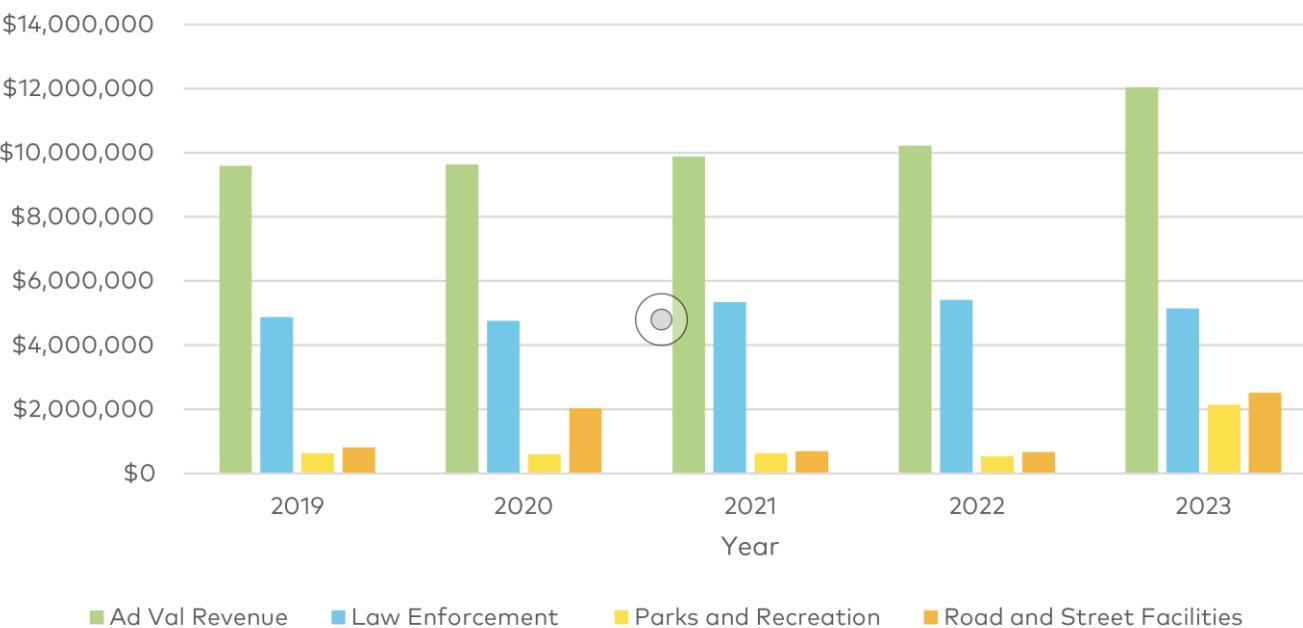
Ad Valorem Revenue Compared to Public Safety Expenditures

The graph represents the amount of ad valorem revenue collected by the City of Fort Myers compared to public safety expenditures for fiscal years 2019–2023.



Ad Valorem Revenues Compared to General Fund Expenditures

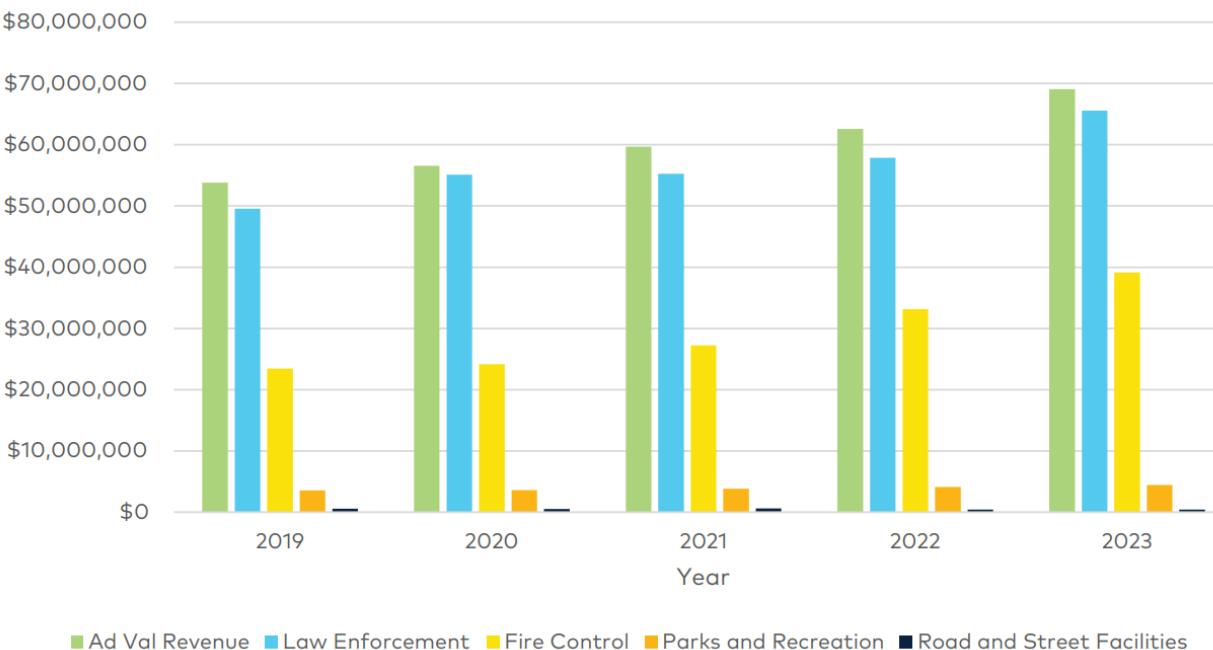
The graph compares ad valorem revenues to a number of general fund expenditures. Most or all ad valorem revenues are used to fund these general fund expenditures.



Year	Ad Val Revenue	Law Enforcement	Parks and Recreation	Road and Street Facilities
2019	\$9,591,726	\$4,876,234	\$619,814	\$808,844
2020	\$9,629,100	\$4,752,891	\$592,387	\$2,031,389
2021	\$9,872,174	\$5,340,218	\$617,389	\$692,537
2022	\$10,211,054	\$5,408,262*	\$534,914	\$663,874
2023	\$12,036,235	\$5,143,397	\$2,139,561	\$2,511,095

Ad Valorem Revenues Compared to General Fund Expenditures

The graph compares ad valorem revenues to a number of general fund expenditures. Most or all ad valorem revenues are used to fund these general fund expenditures.



Year	Ad Val Revenue	Law Enforcement	Fire Control	Parks and Recreation	Road and Street Facilities
2019	\$53,816,529	\$49,535,132	\$23,428,610	\$3,564,044	\$575,264
2020	\$56,552,707	\$55,092,566	\$24,141,896	\$3,589,906	\$504,164
2021	\$59,672,410	\$55,250,508	\$27,212,340	\$3,819,307	\$626,534
2022	\$62,604,482	\$57,892,001	\$33,152,013	\$4,106,685	\$404,016
2023	\$69,076,068	\$65,557,839	\$39,140,086	\$4,451,717	\$421,656

Exemptions

One person's exemption =
another person's tax increase

Full elimination of the homestead property tax would result in

\$4.3 – \$5.6 million in lost revenue

for the City of Sanibel.

(based on preliminary review of FY26 budget)

2026 Legislative Session

60+ general ad valorem bills filed

24 ad valorem joint resolutions filed

Session Week 1

HJR 203 was heard Thursday, January 15, in the House State Affairs Committee and passed by a 16-6 vote.



SHARED MISSION

*We are all ambassadors
for Florida.*



THE FLORIDA FORMULA

