



LETTER TO THE COMMISSION

LTC No: 26-060

TO: Honorable Mayor and Members of the Fort Lauderdale City Commission
FROM: Rickelle Williams, City Manager *AW*
DATE: March 6, 2026
SUBJECT: **Update on the State Property Tax Proposal (CS/CS/HJR 203)**

The purpose of this Letter to the Commission (LTC) is to provide an update on the proposed property tax legislation House Joint Resolution (HJR) 203 titled, Phased-Out Elimination of Non-School Property Tax for Homestead Property. This LTC will also provide an overview of Florida's property tax framework, a comprehensive summary of legislation, and the status of HJR 203, as well as the legislation's potential fiscal impact on the City.

Background

In Florida, property taxes are the primary local revenue source for counties, municipalities, school districts, and certain special districts. These taxes are ad valorem, meaning they are based on the "just value" (market value) of real property as determined annually by the county property appraiser. The taxable value of a property is derived by starting with the just value and then applying any assessment limitations, classified use valuations, and exemptions authorized in the Florida Constitution and implemented by general law.

For residential property used as a permanent residence, the Florida Constitution provides a homestead exemption and a limitation on the annual increase of the assessment of homesteaded properties. The homestead exemption removes a portion of assessed value from taxation for all taxing authorities, and an additional portion from taxation for all levies other than school district levies. In addition, the "Save Our Homes" assessment limitation caps the annual increase in the assessed value of homestead property at a maximum of three percent (3%), or the change in inflation, whichever is lower, thereby limiting year-to-year tax increases as market values rise.

Under the existing structure, property tax bills include separate millage rates levied by school districts, counties, municipalities, and certain special taxing districts. School district taxes are treated differently from non-school taxes because of state constitutional and statutory requirements related to school funding. As a result, many homestead-related exemptions and limitations apply differently to school than they do to

non-school millages. Local governments rely heavily on non-school property tax revenues to fund general operations, public safety, infrastructure, parks, and other municipal services.

Eight (8) proposals have been filed with the Legislature. Of the eight proposals, five (5) remain in specific committees; three (3) have been voted out of their committees and are in the House chamber, where one (1) proposal – HJR 203 – was debated, amended, and voted to be sent to Senate chamber for consideration. There is no indication as to whether the remaining proposals will be successful.

Summary of the Resolution as Amended

HJR 203 is a proposed constitutional amendment that, starting in 2027, would create an exemption for all local property taxes except school district taxes for all homesteaded properties. This means that counties, cities, and special districts could no longer levy property taxes on homesteads, but school millage would still apply. The resolution also establishes a constitutional minimum funding requirement for local first responder services to mitigate potential impacts on local public safety budgets.

Status of the Current Proposal

On Thursday, February 19, 2026, the Florida House of Representatives convened in Session to debate and move select bills to the Florida Senate Chamber, including HJR 203. Thirteen (13) amendments to HJR 203 were filed, nine (9) amendments were withdrawn, four (4) amendments were debated and voted on, and only (1) amendment was successfully adopted. After questions and debate, the House voted eighty to thirty (80-30) to send HJR 203 to the Senate chamber for consideration. Below is an outline of the amended resolution.

Under current law, the homestead exemption provides (1) an exemption of up to a specified amount of assessed value for all ad valorem tax levies; and (2) an additional exemption on a portion of assessed value that applies only to levies other than school district levies. It further builds on this structure and does the following:

Exempts homestead property from all non-school property taxes.

Beginning January 1, 2027, the resolution provides that the non-school homestead exemption will equal the full assessed value of the homestead. This means that homestead property will no longer be subject to non-school ad valorem taxes from that date forward. School district levies are not affected by this change and will continue to apply to homestead property as provided under existing law and any separate constitutional amendments related to school funding.

First Responder Funding Requirement

The resolution creates a new constitutional provision to address local funding for first responder services. Beginning with fiscal year (FY) 2027-28, each local government must provide funding for services delivered by law enforcement, firefighters, and other first responders at a level that is at least equal to the higher of its total budgeted amount for those services in either FY 2025-26 or FY 2026-27.

The resolution also specifies the minimum funding requirement applies notwithstanding any reduction in ad valorem revenue that may result from the homestead exemption changes approved by voters. This means that, even as non-school property taxes on homestead properties are reduced and eventually eliminated, local governments are constitutionally required to maintain first responder funding at or above the benchmark level.

Implementation Schedule and Ballot Language

If HJR 203 is approved in its current form or as amended, the amendment will be placed on the November 2026 General Election ballot as a referendum. If more than sixty percent (60%) of voters vote in favor of the amendment, the homestead exemption changes and the first responder funding requirement will take effect January 1, 2027. The ballot summary that would appear before voters explains that the amendment reduces non-school homestead taxes, making all properties fully exempt from non-school property taxes immediately, and prohibits local governments from cutting first responder funding below specified baseline levels.

City Fiscal Impact

HJR 203 exempts homestead property from all non-school ad valorem taxes at an estimated impact of \$72.8 million to the City of Fort Lauderdale. Further, the estimated financial impact of each bill to the City, as provided by the Broward County Property Appraiser's Office, is summarized in the table below and included as Attachment 1.

Summary of Financial Impact of Proposed Legislation							
<i>(Based on July 1, 2025 Tax Roll)</i>							
	HJR 201	HJR 203	HJR 205	HJR 207	HJR 209	HJR 211	HJR 213
Financial Impact (Millions)	\$ (72.8)	\$ (72.8)	\$ (26.5)	\$ (20.3)	\$ (23.3)	\$ (0.2)	\$ (10.2)
Current Status	House Ways & Means Committee	Passed by House Chamber	House Ways & Means Committee	House State Affairs Committee	House Chamber	House Ways & Means Committee	House Chamber
% of Homesteaded Revenue	-100%	-100%	-36.3%	-27.8%	-32.0%	-0.3%	-14.0%

% of Total Ad Valorem Revenue	-29.7%	-29.7%	-10.8%	-8.3%	-9.5%	-0.1%	-4.2%
% of General Fund Revenue	-14.0%	-14.0%	-5.1%	-3.9%	-4.5%	0.0%	-2.0%

Not included in the table is HJR 215, which would allow each spouse to keep and move their own Save Our Homes benefit to a new homestead after they get married, up to the existing \$500,000 cap per spouse. This portability would apply to all property taxes based on value. The financial effect on local governments is indeterminate because it depends on how many people marry, divorce, and move homes over time. The proposal's current status is in the House State Committee.

Next steps

The Florida Senate has yet to propose any bill during this legislative session addressing property taxes. The Senate may submit their own proposal to the House chamber during Regular Session, or Special Session. For HJR 203 to be considered by the Senate, the Senate will need to take up HJR 203 as approved by the House. The Senate may choose to consider HJR 203 as approved by the House, may amend HJR 203 and send the amended version back to the House for consideration, or the Senate may decide to not take up HJR 203 at all. Joint resolutions can only be placed on the ballot if they are approved by a three-fifths (3/5) majority in both the House and Senate. It does not need the approval of the governor.

Staff and the City's contracted advocacy firms will continue to monitor the progress of HJR 203 throughout the remainder of the legislative session and, if placed on the ballot and approved by voters, will coordinate with the City's Office of Management and Budget (OMB), the City Attorney's Office, and the Broward County Property Appraiser to assess the projected fiscal impacts.

For additional information about the legislation, please contact Daphnee Sainvil, Intergovernmental Affairs Manager at 954-299-7806, dsainvil@fortlauderdale.gov.

For additional information about the potential fiscal implications, please contact Laura Reece, Director of the Office of Management and Budget, at lreece@fortlauderdale.gov or (954) 828-5894.

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