



December 9, 2025

Via Email Delivery

House Ways & Means Committee  
Florida House of Representatives  
1001 The Capitol  
402 South Monroe Street  
Tallahassee, FL 32399-1300

**Re: Homestead Property Tax Reform (CS/HJR 209 (Busatta) and Amendment #536715)**

Dear Chair Duggan and Vice Chair Fabricio,

Thank you for the opportunity to share the municipal perspective on property tax reform. While we recognize and respect the Legislature's intent to provide meaningful relief to Florida homeowners, the Florida League of Cities **respectfully opposes CS/HJR 209 on your agenda** for the reasons set forth in this letter. This measure, though well-intentioned, would have far-reaching fiscal and operational consequences for Florida's municipalities, the residents they serve, and the long-term financial health of our state's local governments.

**Property Tax: The Foundation of Local Fiscal Responsibility**

Property tax is not merely another revenue stream; it is the fiscal backbone of local government in Florida. It accounts for nearly **79% of municipal general fund tax revenues statewide** and approximately **43% of total municipal general fund revenues**. Because Florida has no state income tax, this locally controlled, stable source of revenue is essential for maintaining balanced budgets and limiting state dependency. Weakening this foundation would upend the delicate balance that has allowed Florida to maintain low taxes while keeping public safety strong and communities growing.

**Fiscal Consequences of the Current Proposal**

The proposal extends an additional \$200,000 of homestead exemption from the assessed value to the existing \$50,000 exemption. The State's Revenue Estimating Conference projects that the proposed bill would reduce **non-school property tax revenues by \$8.6 billion** (EDR 11/21/2025). This shortfall would force cities into untenable decisions: either raise millage rates and shift the tax burden to non-homestead taxpayers or cut essential services. Florida's cities come in many shapes and sizes with varying challenges, priorities, and day-to-day needs; this proposal will impact cities differently. However, when examining median homestead taxable values, we find that 329 cities across the state have values of \$250,000 or less. Similarly, when looking at the average homestead taxable value, 298 cities have a value of \$250,000 or less (Attachment 1). One thing is consistent: people choose to live in cities for the services they provide. This proposal would significantly reduce the ability of Florida cities—large and small—to deliver essential services.

**Public Safety and Essential Services at Risk**

In local governments, public safety alone consumes **over 56% of municipal spending**, and in many cities, **ad valorem revenues do not even cover police and fire protection costs**. Examples include:

- **Winter Haven:** Generates \$28 million in ad valorem taxes; public safety costs \$31 million (Homestead Taxable Value: Median \$121,941; Average \$124,980)



- **DeLand:** Generates \$18.8 million in property taxes; public safety costs \$23.4 million (Homestead Taxable Value: Median \$148,837; Average \$151,989)
- **Wauchula:** Generates \$1.04 million in property taxes; public safety costs \$2.07 million (Homestead Taxable Value: Median \$27,022; Average \$55,728)

Addressing Amendment #536715, even with a provision prohibiting reductions in public safety budgets, this measure would **increase competition between these services for diminished revenue with no replacement source**, forcing cuts in areas that keep our communities resilient and threaten the quality-of-life services residents rely on. For those cities who can comply, this prohibition, coupled with reduced revenue, will make it harder for cities to stay competitive when recruiting or retaining public safety employees, limiting their ability to adjust or increase wages, benefits, and equipment.

#### **The Broader Economic and Credit Impact**

Municipal credit ratings, and the related taxpayer's borrowing costs, depend on predictable and stable revenues, primarily property taxes. Disrupting the property tax foundation could **increase interest rates on local infrastructure bonds**, making it more expensive for cities to build roads, upgrade utilities, or invest in stormwater and flood mitigation projects. Voter-approved millage rates are used when taking out General Obligation Bonds. Forty cities today have active bond obligations totaling over \$2 billion in value. Statewide, combining counties, cities, and special districts bond obligations, there is approximately \$6.4 billion in bond debt utilizing property taxes as a part of their collateral.

#### **No Viable Replacement Mechanism: Safe is Not Free. Clean is Not Free.**

To date, no equitable, stable, or recurring revenue replacement has been identified to offset the billions of dollars in local revenue losses this measure would create. Without such a plan, cities will be forced into reducing services, delaying infrastructure maintenance, or ultimately shifting costs back to taxpayers in other forms of taxation or fees. Property tax reform does not yield real savings; it simply shifts the payment from one type of tax or fee to another.

#### **Conclusion**

Florida's cities are partners in the state's prosperity. We share your commitment to fiscal discipline, local accountability, and keeping Florida an affordable and secure place to live. However, this proposal would have the opposite effect by creating instability, increasing taxpayer inequity, and risking the quality of life across our communities.

For these reasons, the Florida League of Cities respectfully urges the Committee to oppose the current property tax reform measures and to work with local governments toward solutions that provide both **equitable taxpayer relief and transparent fiscal responsibility**.

Sincerely,



Charles Chapman  
Legislative Advocate

ATTACHMENT: Cities Median and Average Homestead Taxable Values 2024

CC: Representative Busatta