FLORIDA LEAGUE OF CITIES

January 21, 2026 *Via Email Delivery*

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

Re: CS/HJR 203 Phased Out Elimination of Non-school Property Tax for Homesteads

Dear Chair Duggan and Vice Chair Fabricio,

Thank you for the opportunity to share the municipal perspective on CS/HJR 203. 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 203** for the reasons set forth in this letter and the attached materials. 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 provides an additional $100,000 homestead exemption from the assessed value each year for 10 years until the homestead assessed value is zero. This proposed exemption is in addition 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 $13.3 billion** (EDR 10/31/2025). 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 in terms of how fast homestead property taxes would be eliminated. 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). This results in a much shorter time frame than 10 years for the phasing out of homestead property taxes for most cities. 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.


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**Public Safety and Essential Services at Risk**

In local governments, public safety alone consumes **over 55% 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)

Even with the provision prohibiting reductions in first responder budgets, this bill would **crowd out** other essential services such as disaster preparedness, roads, and infrastructure, forcing cuts in areas that keep our communities resilient.

**The Broader Economic and Credit Impact**

Municipal credit ratings and the related taxpayers' 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 CS/HJR 203 and to work with local governments toward solutions that provide both **targeted taxpayer relief and transparent fiscal responsibility.**

Sincerely,

Charles Chapman
Legislative Advocate
Florida League of Cities, Inc.

ATTACHMENT: Municipal Data for Average and Median Homestead Taxable Values

CC: Representative Miller, Members of the House Ways & Means Committee