



PROPERTY TAXES: THE FLORIDA FORMULA

The Big Picture

Florida continues to attract businesses, new residents, and visitors at record levels.

That success is not accidental. It is the result of a proven formula rooted in low taxes, limited government, and cost-efficient local services.

Florida consistently ranks among the best states for taxpayer return on investment, meaning residents receive strong public services for the taxes they pay. This is possible because:

- ▶ Local governments deliver disciplined, efficient spending even as costs rise
- ▶ Florida's effective property tax rate is roughly half that of Texas*
- ▶ This balance of affordability and service is a competitive advantage worth protecting

At the core of this success is a property tax system built on a simple principle: decisions and dollars stay close to the people they serve. Local accountability promotes transparency, responsiveness, and responsible budgeting, while long-standing homeowner protections guard against sudden tax spikes.

This approach has kept Florida affordable, functional, and attractive. **Do not upend the Florida formula.**

What Property Taxes Actually Do

Property taxes fund the essential services residents rely on every day:

- ▶ Police and fire protection
- ▶ Emergency response
- ▶ Roads, bridges, and transportation
- ▶ Water and utility infrastructure**
- ▶ Solid waste services**
- ▶ Parks and libraries

These services underpin public safety, economic activity, and quality of life, and they are most effective when managed locally with direct accountability to voters.

*Florida's property tax burden is half that of Texas. Source: Texas Scorecard, 2024

**Property taxes are used to secure debt that funds infrastructure. These are separate from utility service fees.



Broader Economic Pressures

Rising expenses are driven largely by broader economic pressures, not sudden changes in local tax policy. Since 2020, inflation has increased the cost of labor, materials, and core services for households and governments alike. These pressures reflect statewide market and risk realities, not unique local decisions.

What Lawmakers Should Defend

Local Control and Accountability

Local elected officials are best positioned to align spending with local needs. Centralized mandates weaken the will of local voters and overlook meaningful differences among communities.

Transparent, Disciplined Budgeting

Florida cities adopt budgets through a legally required public process with public notice, hearings, and voter input.

Homeowner Protections

Florida's Save Our Homes cap limits annual homestead assessment increases, resulting in savings and protecting long-term residents.

Bottom Line

- ▶ Property taxes fund core public safety and infrastructure, including police, fire, emergency response, roads, and utilities. These services make communities safe, insurable, and economically viable.
- ▶ Rising costs and Florida's affordability challenges are due to inflation and market pressures, including labor and property insurance.
- ▶ State-level property tax mandates shift risk, not costs. When local flexibility is removed, the residents ultimately inherit the consequences through reduced services, deferred maintenance, and pressure for backfill funding.

