



June 1, 2026

Via Email Delivery

Senator Bryan Avila  
Florida Senate  
309 Senate Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

**Re: Homestead Property Tax Reform**

Dear Senator Avila,

On behalf of the Florida League of Cities, which represents Florida's 411 cities, towns, and villages, I respectfully express our opposition to **SJR 2-F** and **SB 4-F** regarding the proposed constitutional amendment relating to homestead property tax exemptions.

City officials understand the Legislature's desire to provide meaningful tax relief to Florida homeowners. However, overhauling Florida's tax system should be approached carefully and transparently – not rushed. Pursuing reform of this magnitude without understanding the fiscal consequences, guaranteeing replacement revenue, or preserving local budget flexibility risks the very services and infrastructure that make Florida's communities safe, attractive, and economically competitive.

**Unknown Fiscal Consequences**

The proposal would fundamentally alter the financial foundation upon which Florida's cities operate. However, despite its far-reaching implications, no comprehensive fiscal analysis has been completed. Legislators are being asked to consider a generational change to Florida's system of local government finance without knowing its true impact on public safety, infrastructure investments, quality-of-life services, or the long-term fiscal health of individual communities.

A constitutional change of this scale should be driven by data, analysis, and careful planning—not by estimates or assumptions.

**Lower Credit Ratings, Higher Borrowing Costs, and Lost Budget Flexibility**

Florida cities have hundreds of millions of dollars in outstanding bonds that are legally required to be repaid using non-ad valorem revenues (not property taxes). These bonds fund essential public projects. Limiting the use of property tax revenue reduces the financial flexibility cities rely on to meet these obligations, increasing financial risk. As a result, cities may face lower credit ratings, higher borrowing costs, and potential downgrades or defaults on existing debt.

This added risk also affects how investors view local governments. Even if no bonds are directly impacted, reduced budget flexibility and revenue uncertainty can make borrowing more expensive and limit access to capital. Those higher costs are ultimately passed on to taxpayers, businesses, utility customers, and renters.

Local officials are best positioned to understand and respond to their communities' unique needs, and they are directly accountable to voters for the services they provide and the budgets they adopt. The proposed constitutional framework would restrict local revenue options, reduce budget flexibility, and increase reliance on state funding – limiting a community's ability to respond to emergencies, economic downturns, infrastructure demands, and local priorities.

### **No Guaranteed Trust Fund Revenues**

A trust fund without a dedicated funding source is only as reliable as future appropriations and future legislative priorities. Any replacement revenue must be stable, predictable, non-competitive, immune from being swept, and non-discretionary.

Cities cannot responsibly budget for critical services based on funding streams that may fluctuate annually, depend upon future appropriations, or be subject to changing legislative priorities. If local revenues are constitutionally reduced or eliminated, any replacement funding mechanism must provide a permanent and reliable source of revenue that grows with community needs. Without such assurances, cities face significant fiscal instability and increasing uncertainty in future budget cycles.

Funding for police officers, firefighters, emergency responders, infrastructure maintenance, and utility systems requires long-term stability — not uncertainty.

### **Conclusion**

Given the absence of a completed fiscal impact analysis, the lack of guaranteed replacement revenue, and the significant implications for local governance and budget flexibility, we respectfully urge a more deliberate and data-driven approach before advancing constitutional changes of this magnitude.

To that end, we encourage legislators to review the resources available on the League's website at [flcities.com/propertytax](http://flcities.com/propertytax), including an independent study conducted by Wichita State University, which examines the real-world fiscal impacts of proposals like these on local governments and the communities they serve.

Sincerely,



Charles Chapman  
Legislative Advocate  
Florida League of Cities, Inc.