Agenda Item:	2.c
Meeting Date:	June 2, 2026

MEMORANDUM

To: City Commission

Through:

From: Nicole Delfino

Date: 2026-06-02

Subject: *STARRED ITEM: Property Tax Reform Discussion

Presenter(s): Nicole Delfino, Strategy & Sustainability Manager; Les Tyler, Director of Finance; Sue Burness, Director of Communications

Staff Recommendation: Discuss Current State Legislative Action

Strategic Themes: Good Governance

Boards & Committees: N/A

Budget Impact: Significant

Past Action: Previous Legislative Discussion

Next Action: Advocacy & Education

Attachments: A. SJR 2-F Property Tax Legislative Bill Summaries.pdf

Background: SJR 2-F and SB 4-F (Avila) were filed in the Senate for the Special Session on property taxes beginning Monday afternoon, June 1.

Why Property Taxes Are Essential
â€¢ Property taxes fund the services that keep communities safe and functional. Property taxes fund core public safety and infrastructure, including police, fire, emergency response, and roads. These services make communities safe, insurable, and economically viable.
â€¢ Florida is already a national leader in taxpayer value. Florida consistently ranks among the best states for taxpayer return on investment, meaning residents receive strong public services for the taxes they pay. Local governments deliver disciplined, efficient spending even as costs rise, which is why Florida's effective property tax rate is roughly half that of Texas. This balance of affordability and service is a competitive advantage worth

protecting.
â€¢ Property taxes provide stable and predictable revenue, particularly during economic downturns when sales taxes and tourism-related revenues are volatile.
â€¢ Florida's property tax system was designed by voters, not politicians. Florida voters already approved caps for annual homestead assessment increases at 3%, protecting full-time homeowners from sudden tax spikes even when market values soar. That's not a loophole; it'; a voter-approved safeguard.
â€¢ Cities are partners in the state's prosperity. Cities are committed to fiscal discipline, local accountability, and keeping Florida an affordable and secure place to live.

What's at Stake
â€¢ This proposal is a tax shift, not a tax cut. Eliminating property taxes doesn't eliminate the cost of government â€" it shifts the burden onto renters and small businesses through higher fees, new taxes, or reduced services.
â€¢ Smaller communities face the steepest impact. An independent property tax study, modeling a $250,000 homestead exemption, found that some cities could see their tax base reduced so significantly that maintaining current levels of essential services would be at risk â€" with smaller communities facing the steepest impact.
â€¢ Many Florida cities would have to dedicate nearly all remaining property tax revenue to public safety and still face funding shortfalls.
â€¢ Eliminating property taxes without a sustainable replacement threatens the services residents depend on every day. Experts estimate it would blow a $43 billion hole in local budgets. To replace that revenue, Florida would need to double the state sales tax to 12% â€" the highest in the nation.
â€¢ Local governments have made long-term commitments and issued bonds for critical infrastructure projects. Those obligations remain regardless of changes to the tax structure.
â€¢ The proposal shifts financial decision-making from locally elected officials to Tallahassee, reducing local control and forcing cities to compete with each other for state funds. Florida voters have demonstrated their trust in local decisions, approving 89% of local tax referenda in the 2023-24 cycle.
â€¢ There is no guarantee that this newly created trust fund will not be swept like other trust funds have been throughout Florida's history.