ACEC Florida Region 3

Property Tax Forum

A CONVERSATION ABOUT FLORIDA'S FUTURE

PANELISTS



MODERATOR

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SEMINOLE COUNTY
FLORIDA'S NATURAL CHOICE

Amendment #3 Ballot Language

Increased Homestead Exemption; Lower Cap on Increases in Non-Homestead Property Assessments

This amendment increases the homestead exemption, for all non-school taxes, to $150,000 in 2027 and $250,000 in 2028, and adjusts for inflation thereafter. It requires the Legislature to prescribe a uniform procedure for counties and municipalities, for their respective levies, to increase the homestead exemption up to full assessed value, and allows special districts, subject to referendum approval, to do the same.

Persons who are not Florida residents on December 31, 2026, will receive the existing homestead exemption upon qualifying for a homestead exemption, with the increased homestead exemption beginning with the fifth year of exemption, to the extent permitted by the U.S. Constitution.

This amendment reduces the annual cap on assessment increases for non-homestead properties from 10% to 5%.

This amendment requires counties and municipalities to use property taxes solely for public safety, education and schools, infrastructure, natural resources, bond debt service, retirement benefits for employees, and operations and administration. Other expenditures may be approved by county officers or county or municipal governing bodies unless prohibited by general law, notwithstanding Article VII, Section 9(a) of the Florida Constitution, which allows counties and municipalities to levy property taxes for their respective purposes.

This amendment takes effect January 1, 2027.

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Summary of Amendment #3

Increased Homestead Exemption; Lower Cap on Increases in Non-Homestead Property Assessments

1. **Increased Homestead Exemption:** Raises the homestead exemption for non-school property taxes to $150,000 in 2027 and $250,000 in 2028, with annual inflation adjustments thereafter.

2. **Additional Local Exemptions:** Establishes a process allowing counties and municipalities to increase homestead exemptions up to the property's full assessed value. Special districts could do the same with voter approval.

3. **New Florida Residents:** Individuals who are not Florida residents as of December 31, 2026, would generally need to wait until their fifth year of homestead exemption eligibility to receive the increased exemption.

4. **Non-Homestead Properties:** Reduces the annual cap on assessment increases for non-homestead properties, including commercial properties, rental properties, and second homes, from 10% to 5%.

5. **Restrictions on Property-Tax Spending:** Limits county and municipal property-tax expenditures to specified purposes, including public safety, education, infrastructure, natural resources, debt obligations, employee retirement benefits, and government operations. Other expenditures may be approved by authorized local officials unless prohibited by state law.

6. **Effective Date:** January 1, 2027.

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ACEC Region 3 Property Tax Forum

10/20/2026

Purpose

The ACEC Region 3 Property Tax Forum convened local government leaders from Orange County, Osceola County, and Seminole County to discuss the potential impacts of Amendment 3 on local government finances, public services, infrastructure, and economic growth. The panel highlighted concerns that further limitations on property tax revenues could significantly affect counties' ability to maintain service levels in rapidly growing communities.

Key Concerns

Fiscal Impacts

County representatives projected substantial revenue losses if Amendment 3 is adopted:

- Osceola County estimates an impact of approximately **$410 million**, including funding that supports sheriff services.
- Seminole County estimates a loss of approximately **$190 million**.
- Orange County expressed concern that reduced revenue growth would hinder its ability to provide services needed to support continued population growth.

Public Safety and Essential Services

Panelists stressed that public safety would likely experience some of the greatest impacts from reduced revenues.

- Approximately **72% of Seminole County property tax revenues support public safety services**.
- Counties are already facing workforce shortages, including challenges recruiting correctional officers and other public safety personnel.
- Reduced revenues could result in delayed equipment purchases, staffing constraints, and longer emergency response times.

Infrastructure and Transportation

Participants noted that transportation and infrastructure programs could face funding reductions.

- Planned transportation projects may need to be reevaluated.
- Funding priorities could shift from expansion projects to maintenance activities.
- Transit investments and commitments may be reduced.
- Orange County indicated its roadway resurfacing cycle could extend from approximately 31 years to more than 50 years under constrained funding conditions.

Growth and Economic Development Implications

A recurring theme was the growing mismatch between service demands and available revenues. Panelists noted that homesteaded properties may not generate sufficient tax revenue to cover the cost of serving new growth, potentially shifting additional financial burden to commercial properties, apartments, and non-homestead properties.

Potential consequences include:

- Reduced investment in roads, parks, and community facilities.
- Declining quality of life and community attractiveness.
- Challenges attracting and retaining businesses.
- Increased pressure on smaller municipalities to consolidate services.

Implications for the Engineering Community

The panel encouraged engineering professionals to help educate stakeholders about the potential impacts of property tax policy changes, support data-driven analysis, and identify opportunities for efficiency and regional collaboration. Suggested areas include shared services, operational improvements, and evaluations of long-term infrastructure funding needs.

Bottom Line

Forum participants generally agreed that Amendment 3 could significantly constrain local government revenues at a time when Central Florida communities continue to experience growth. While efficiency measures may provide some relief, panelists indicated that reduced revenues would likely require difficult decisions affecting public safety, transportation, infrastructure maintenance, and overall quality of life.

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