

WSJ Print Edition

Floridians to Vote On Property-Tax Cut

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Florida lawmakers approved a measure for the November ballot that would dramatically overhaul the state's property-tax system, significantly reducing the tax bill for many homeowners and creating potential funding woes for local governments.

In a special legislative session that concluded on Tuesday, the Republican-led House and Senate backed a constitutional amendment proposed by Republican Gov. Ron DeSantis, after revising it to protect funding for schools. It is now up to Florida voters to decide the fate of the measure, which requires 60% support to pass.

Property-tax revolts have erupted around the country in recent years as homeowners' tax bills have climbed along with home values. In Florida, the issue has intensified amid an influx of wealthy people who have pushed up home prices. Escalating property-insurance premiums and other living costs are contributing to affordability problems for many state residents.

Supporters of the Florida proposal, mainly Republicans, argue that swelling propertytax collections have fueled irresponsible spending by local governments. Opponents say the sharp reduction or elimination of property taxes would decimate funding for key areas, including education, public safety and infrastructure.

The constitutional amendment would expand the socalled homestead exemption—a reduction in the taxable value of a homeowner's primary residence that results in a lower property-tax payment. The amendment would increase the exemption from the current \$50,000 to \$150,000 in 2027 and \$250,000 in 2028. And it would create a framework for potential future increases in exemptions that could reach the full assessed value of a home.

The measure would also reduce the cap on the annual increase in assessments of nonhomestead properties—like second homes and rental properties—to 5% from 10%.

During the special session, lawmakers passed amendments to DeSantis's original proposal to soften some of its effects. One key change was to shield school funding from the proposal, ensuring a continued stream of property-tax revenue for education.

In promoting the overhaul, DeSantis argued that property taxes have become a big financial burden for Floridians and that they force homeowners to pay up repeatedly on the same asset. He also said property-tax revenue has soared in recent years at a rate that far outpaced inflation and population increase.

"Is there anything else that can be proposed that would actually deliver thousands of dollars of savings every single year to taxpayers?" he said at a news conference on Monday.

City and county leaders across the state sounded alarms over potential repercussions for Floridians. They warned that funding would be gutted for essential services like fire rescue, public hospitals and road repairs.

In an Op-Ed for the Miami Herald, Miami-Dade County Mayor Daniella Levine Cava said the move would be "catastrophic" and a "wholesale dismantling of the property tax system." It would reduce revenues for Miami-Dade County by a projected \$386 million in 2027, she said.

Local governments would have to find other ways to pay for essential services, such as adding fees or drawing more revenue from non-homestead properties, said Esteban Santis, director of research at the Florida Policy Institute, a research and advocacy organization that opposes the proposed amendment.