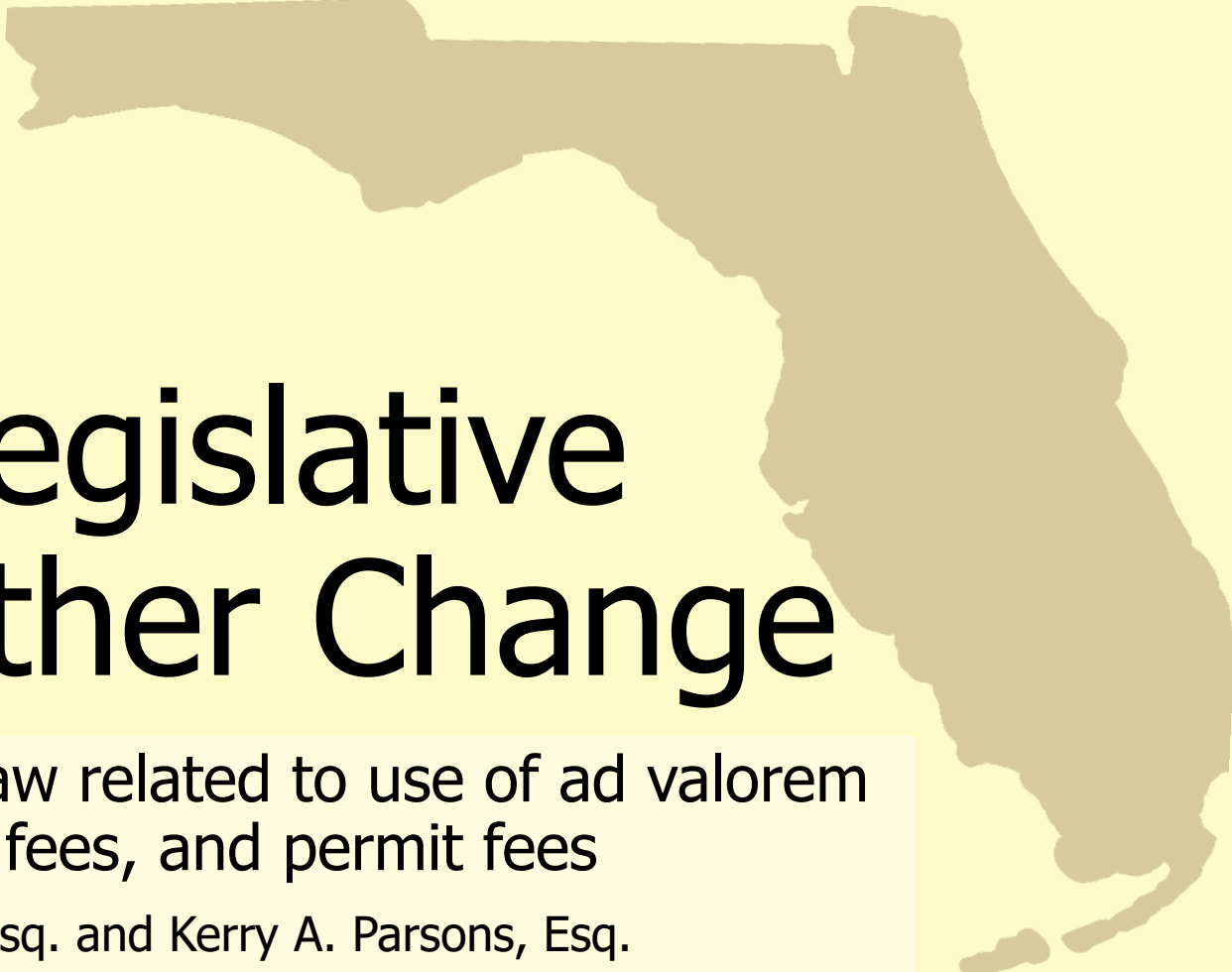




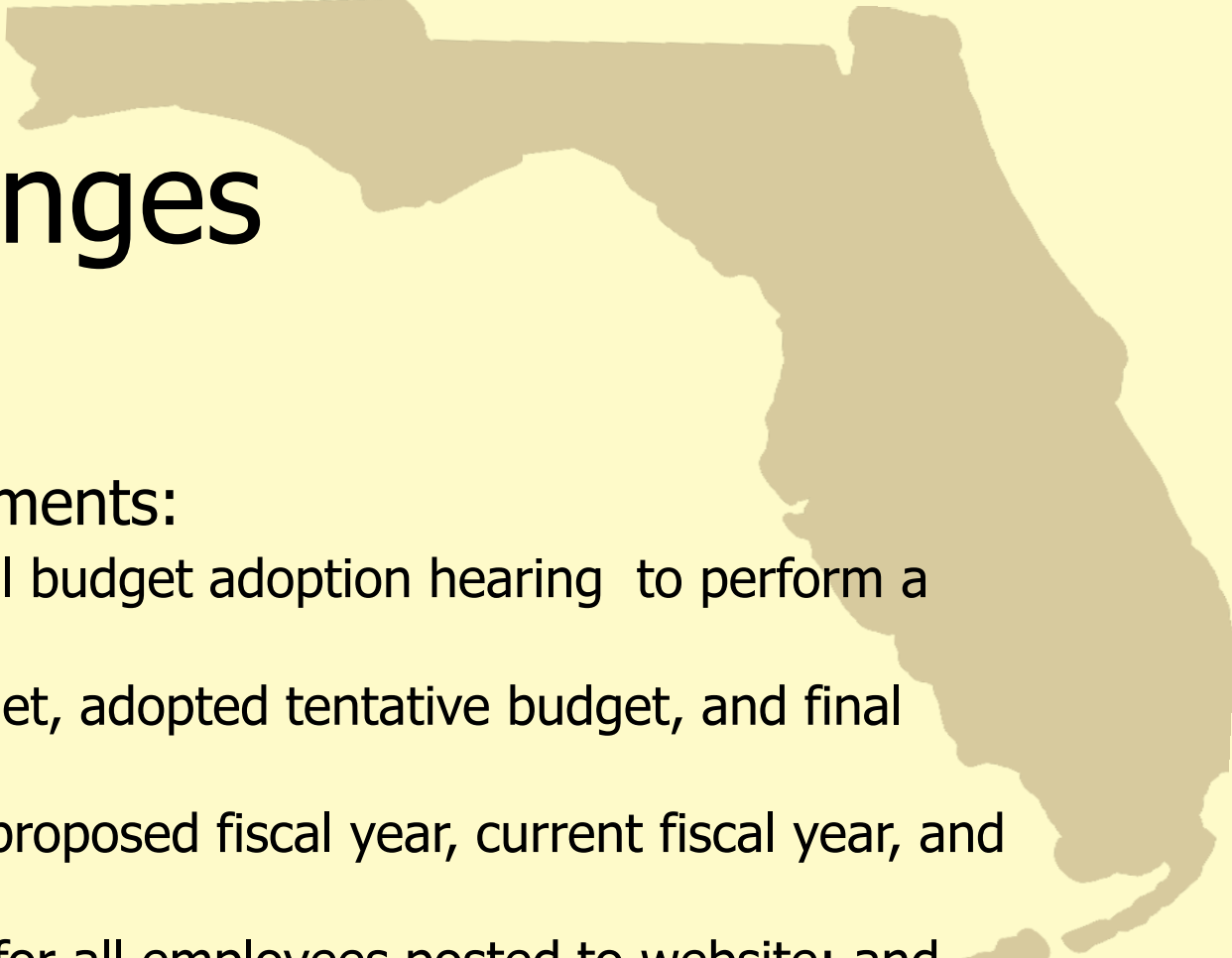
Another Legislative Session, Another Change

Updates on new changes to the law related to use of ad valorem taxes, budgeting, utility fees, and permit fees

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Tallahassee Office

Budget Process Changes

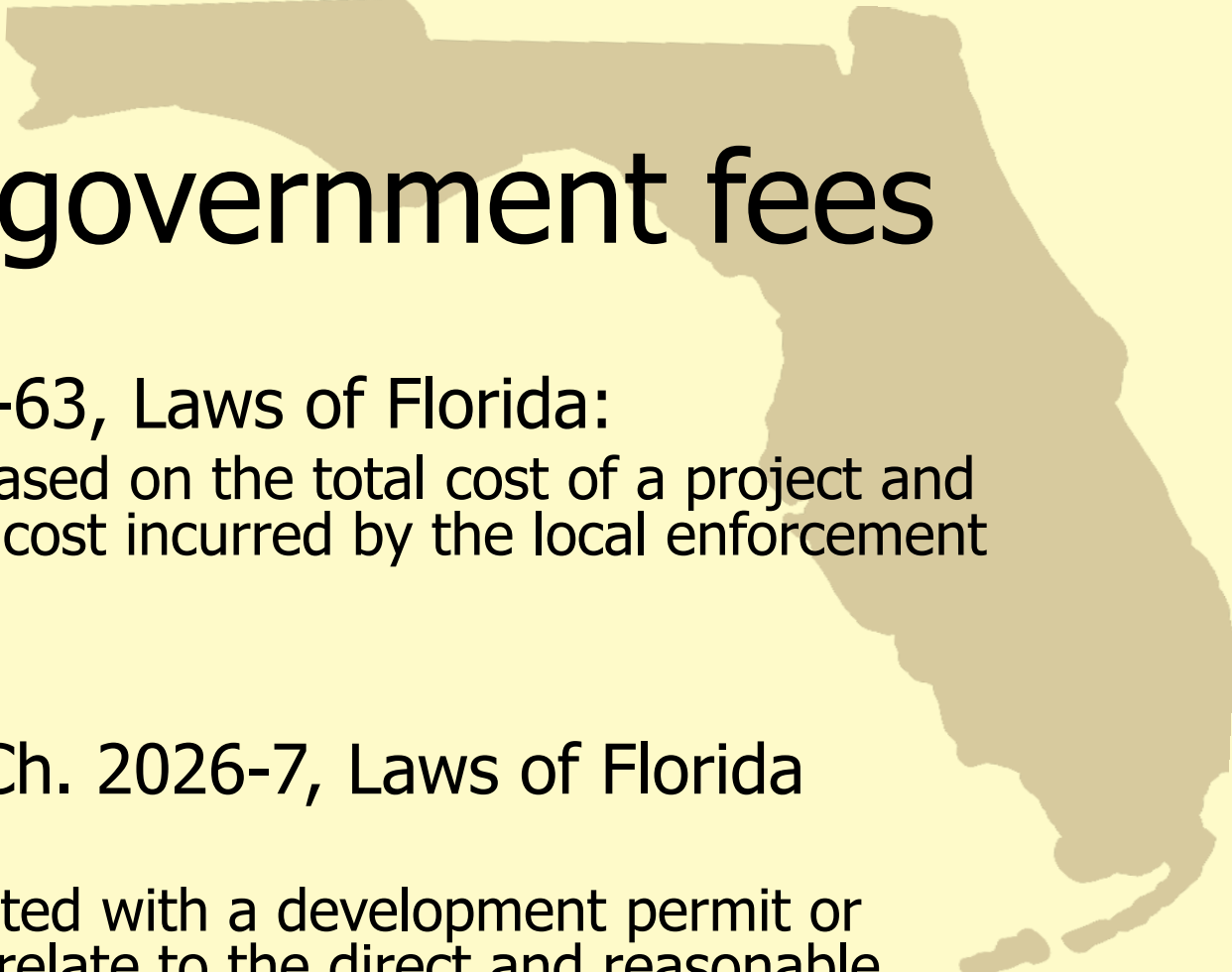


- Ch. 2026-161, Laws of Florida
 - Effective Jan. 1, 2027 new requirements:
 - Budget Workshop 14 days before final budget adoption hearing to perform a budget reduction exercise;
 - Online posting of each tentative budget, adopted tentative budget, and final budget;
 - The posted budget must include the proposed fiscal year, current fiscal year, and the proceeding 4 fiscal years;
 - Quarterly summary of compensation for all employees posted to website; and
 - Budget development calendar published by January 30th annually.

Utility Fees

- Ch. 2026-135, Laws of Florida
 - Changes to surcharges:
 - Removes the automatic surcharge up to 25% for consumers outside the municipality's boundaries. Consumers outside the boundaries MAY NOT be more than 25 % in excess of the rates, fees, and charges to the consumers inside the boundaries.
 - May continue to charge the surcharge if in effect before March 1, 2026 BUT ONLY necessary to comply with bond covenant terms in effect as of July 1, 2024. Must be completely phased out upon retirement of the bonds or July 1, 2029 whichever is sooner.

New trends in local government fees



- Building Inspection Fees: Ch. 2026-63, Laws of Florida:
 - Building inspection fees may not be based on the total cost of a project and may not exceed the actual inspection cost incurred by the local enforcement agency.
- Development permits and orders: Ch. 2026-7, Laws of Florida (effective Jan. 1, 2027):
 - Amount of any application fee associated with a development permit or development order MUST reasonably relate to the direct and reasonable indirect cost associated with the review, processing, and final disposition of the application and must be published on the local government's fee schedule. The fee MAY NOT be based on a percentage of construction costs, site costs, or project valuation.

Ballot Amendment No. 3 (House Joint Resolution 1F)

- The Original ballot Language:

SAVE OUR HOMES FROM EXCESSIVE PROPERTY TAXES.

This amendment benefits Florida taxpayers by:

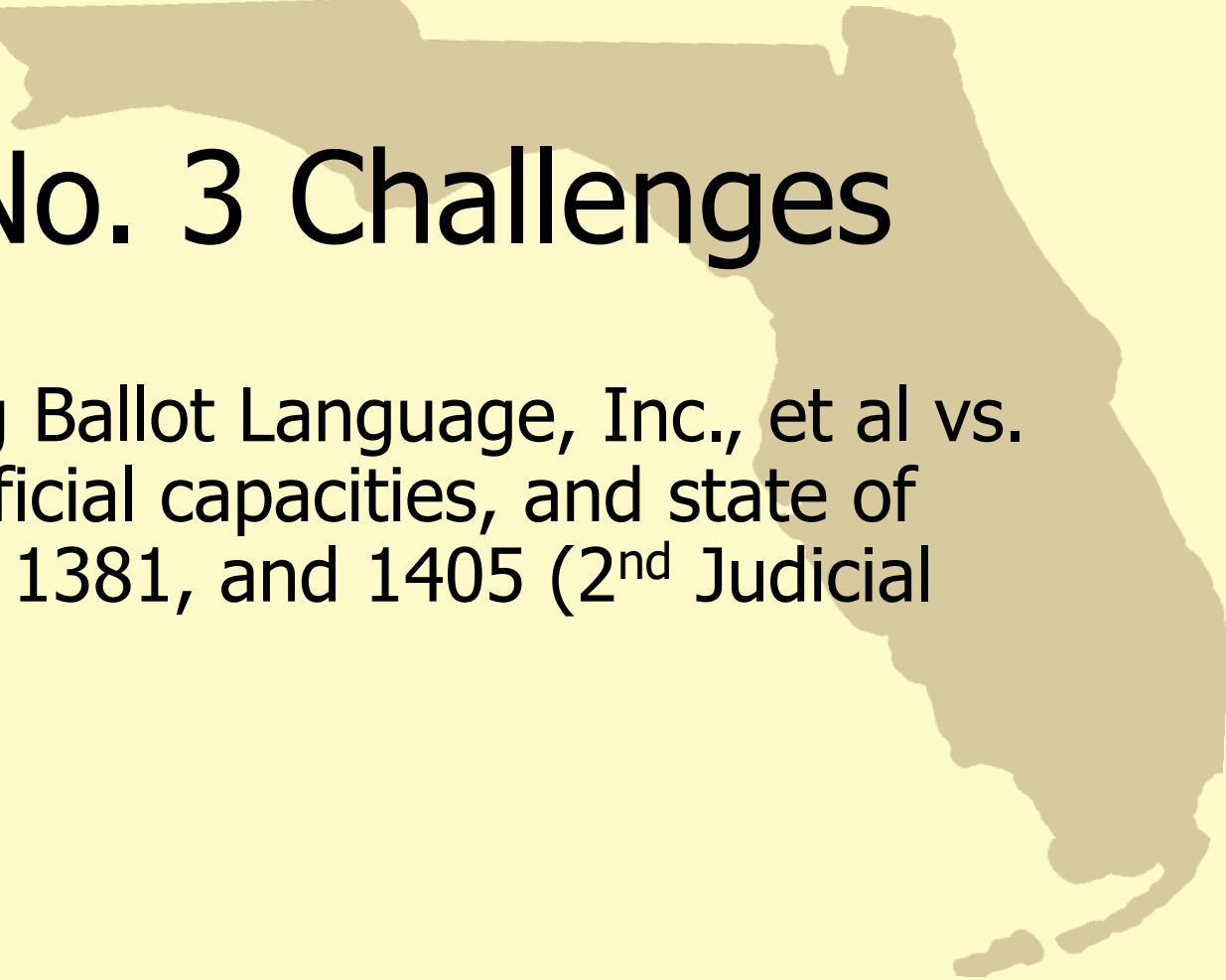
Exempting homestead properties from taxation. Exempts the first \$250,000 of a homestead's value from taxation for all levies other than school district levies and requires, through general law, a schedule for full elimination. Ensuring funding for core services. Requires local governments to use remaining property taxes solely for core public needs including public safety, education and schools, infrastructure, and natural resources.

Protecting small businesses. Limits future property tax assessments on businesses.

Ensuring fairness for Florida residents. Requires any person who establishes Florida residency after January 1, 2027, to maintain Florida residency for five years prior to receiving the increased homestead exemption.

If approved, the amendment would take effect on January 1, 2027.

Ballot Amendment No. 3 Challenges



- Save Our Voters From Misleading Ballot Language, Inc., et al vs. Cord Byrd, James Uthmeier in official capacities, and state of Florida; Case No. 2026 CA 1254, 1381, and 1405 (2nd Judicial Cir. (Leon County) 2026).

Ballot Amendment No. 3 new ballot language

Amendment 3: Increased Homestead Exemption; Lower Cap on Increases in Non-Homesteaded 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.

No. 3 Constitutional Amendment Article VII, Sections 4, 6, and 9 Article XII

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

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☐ Yes

☐ No