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Florida Property Tax Amendment 3: Understanding the Proposed Changes to Florida's Property Tax

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SUMMARY

Florida voters will consider **Amendment 3**, a proposed constitutional amendment addressing property taxes, on the 2026 General Election ballot. The proposal would make several significant changes to Florida's property-tax system, including increasing the homestead exemption for taxes other than school district taxes, and reducing the annual assessment-growth cap for certain non-homestead properties.

Under the proposal, the homestead exemption for non-school property taxes would increase to **\$150,000 beginning in 2027** and **\$250,000 beginning in 2028**, with subsequent adjustments for inflation. The proposal would also reduce the assessment-increase cap on non-homestead properties from **10% to 5% annually**.

The potential impact will vary significantly among homeowners and communities. The amendment does **not eliminate Florida property taxes**, and the \$250,000 exemption represents a reduction in taxable value rather than a \$250,000 reduction in a homeowner's tax bill.

AMENDMENT 3 AT-A-GLANCE

- Increasing the homestead exemption for non-school property taxes.
- Gradually increasing that exemption from \$50,000 to \$150,000 in 2027 and \$250,000 in 2028.
- Adjusting the exemption for inflation after 2028.
- Reducing the annual assessment-growth cap on non-homestead property from 10% to 5%.
- Establishing constitutional requirements concerning the use of certain county and municipal property tax revenues.
- Providing special rules for certain people who become Florida residents after December 31, 2026.

The proposal would take effect **January 1, 2027**, if approved by voters.

HOW DOES IT WORK?

The exemption reduces the **taxable value** of a qualifying homesteaded property. It does not mean a homeowner receives \$250,000 in cash or saves \$250,000 on their property-tax bill.

For example, if a qualifying home has a taxable value of \$300,000 for applicable non-school taxes, a \$250,000 exemption could leave \$50,000 subject to those taxes. The actual dollar savings would depend on the applicable local tax rates.



DOES AMENDMENT 3 ELIMINATE PROPERTY TAXES?

No.

This is one of the most important distinctions for homeowners to understand.

Amendment 3 would increase the homestead exemption for **taxes other than school district taxes**. It would not eliminate property taxes entirely.

School district property taxes would continue to be assessed under the existing system.

Therefore, a homeowner's total property tax bill could still include:

- School district taxes
- County taxes
- Municipal taxes, where applicable
- Special district taxes
- Other applicable assessments or charges

WHO COULD BENEFIT?

The primary beneficiaries would be Florida homeowners who qualify for the **homestead exemption**.

This means a property owner who establishes the property as their permanent residence and meets the applicable requirements. For example:

- Primary-residence homeowners
- Families purchasing a Florida home as their permanent residence
- Long-term Florida residents
- Individuals planning for retirement in Florida who will own their home as their permanent residence
- Homeowners whose homesteaded property values have increased significantly

WHAT ABOUT PEOPLE WHO MOVE TO FLORIDA?

Amendment 3 contains a special provision for individuals who **are not Florida residents as of December 31, 2026**.

Under the proposed amendment, these individuals would initially receive the existing \$50,000 homestead exemption when they qualify for homestead. The increased exemption would only begin with the **fifth year of exemption**.

IMPORTANT: In order to qualify for a homestead exemption, individuals must prove Florida residency by obtaining a Florida driver license, voter registration or vehicle registration. Keep in mind that obtaining a Florida driver license requires that individuals surrender their driver license from another state.



WHAT IS SAVE OUR HOMES?

Florida's **Save Our Homes** provision limits annual increases in the assessed value of qualifying homestead property. It is important to distinguish between:

- **Market value** — what a property might sell for.
- **Assessed value** — the value used to calculate property taxes after applicable assessment limitations.
- **Taxable value** — assessed value after exemptions.

Amendment 3 does not eliminate the Save Our Homes system. Rather, it changes other components of Florida's property-tax structure.

This distinction is important because a homeowner's property value can rise substantially while the property's assessed value may increase more slowly because of Save Our Homes protections.

WHAT ABOUT NON-HOMESTEAD PROPERTY?

Amendment 3 would also change how non-homestead property is assessed. Currently, certain non-homestead properties are subject to a **10% annual cap** on increases in assessed value.

The proposed amendment would reduce that cap to **5%**.

This could affect owners of:

- Rental properties
- Commercial properties
- Investment properties
- Certain second homes
- Other property that does not qualify for homestead

The impact would depend on the property's classification and individual circumstances.

COULD AMENDMENT 3 AFFECT RENTERS?

Amendment 3 does not provide a direct property-tax exemption to renters.

However, property taxes can be one of many costs considered by landlords when determining rental amounts and operating expenses. Changes to property taxes could therefore have indirect effects on rent prices.

Those effects are difficult to predict because landlords, market conditions, insurance costs, maintenance expenses, supply and demand, and other factors also influence rents.



HOW COULD AMENDMENT 3 AFFECT LOCAL GOVERNMENTS?

Property taxes are an important source of revenue for Florida's counties, municipalities, and other local governmental entities. Increasing exemptions could reduce the amount of taxable property value subject to certain local property taxes.

The proposed amendment also establishes constitutional requirements concerning how counties and municipalities use certain property tax revenues, including categories such as:

- Public safety
- Education and schools
- Infrastructure
- Natural resources
- Bond debt service
- Employee retirement benefits
- Operations and administration

The proposal also provides mechanisms for other expenditures to be approved under specified circumstances.

The actual effect would vary by local government and its tax base, budget, and spending priorities.

If a local government receives less property-tax revenue, it may need to consider various responses, such as:

- Adjusting expenditures
- Changing millage rates
- Using other revenue sources
- Delaying projects
- Changing service levels
- Modifying budgets

The ultimate effect would depend on decisions made by individual local governments.

In some instances, smaller municipalities that rely heavily on residential property taxes as their primary revenue source with few alternative streams, the reduction in property taxes could create severe budget shortfalls. Smaller cities with limited commercial or industrial properties may struggle to generate the funds necessary to meet basic statutory and operational obligations.

When these smaller local cities face insolvency or fiscal distress, the county may be forced to step in. The county could find itself absorbing municipal service responsibilities, providing financial assistance, or directly delivering essential community services that the smaller local governments can no longer afford to maintain on their own.



HOW MUCH COULD A HOMEOWNER SAVE?

There is **no single savings amount that applies to every homeowner**. The proposed \$250,000 exemption is a reduction in taxable value, not a dollar-for-dollar reduction in taxes. Actual savings would depend on factors including:

- Assessed value
- Taxable value
- County
- Municipality
- Applicable millage rates
- School district taxes
- Special districts
- Other applicable taxes and assessments
- The homeowner's eligibility for other exemptions

EXAMPLE OF POTENTIAL IMPACT

Consider a homeowner with a qualifying homestead, and the property's assessed value is **\$300,000**.

- Under the current **\$50,000 exemption**:
 $\$300,000 - \$50,000 = \$250,000$ taxable value
- Under the **\$150,000 exemption**:
 $\$300,000 - \$150,000 = \$150,000$ taxable value
- Under the **\$250,000 exemption**:
 $\$300,000 - \$250,000 = \$50,000$ taxable value

This example does not represent a homeowner's actual tax bill because different taxing authorities apply different rates and school district taxes are not covered by the increased exemption.

The example demonstrates an important concept: **an exemption reduces taxable value; it does not reduce the tax bill by the same dollar amount.**

WHEN WOULD THE CHANGES BEGIN?

If voters approve Amendment 3 by at least 60% approval as required by law, it will take effect **January 1, 2027**.



WHAT DOES AMENDMENT 3 MEAN FOR FINANCIAL PLANNING?

For homeowners, Amendment 3 is potentially relevant to several areas of personal financial planning.

- **Homeownership** - A reduction in property taxes could affect the ongoing cost of owning a home.
- **Retirement planning** - Florida residents planning for retirement may want to consider how property taxes affect their long-term housing expenses.
- **Estate planning** - Changes in property value, homestead status, and taxes can be relevant when evaluating long-term estate and housing decisions.
- **Relocation decisions** - Individuals considering moving to Florida should understand that the amendment contains special rules for certain new Florida residents.
- **Investment property** - Owners of rental or investment property should pay particular attention to the proposed 5% assessment cap for certain non-homestead properties.

IN CONCLUSION

As Florida voters prepare to head to the polls for the 2026 General Election, carefully evaluating Florida Property Tax Amendment 3 requires balancing potential personal savings against broader community and local government impacts. Because the amendment introduces multi-tiered phase-ins, special provisions for new residents, and distinct changes for both homestead and non-homestead properties, the ultimate outcome will depend heavily on individual circumstances and local municipal decisions. Property owners, prospective movers, and investors are encouraged to review their individual financial plans, monitor local tax developments, and consult with qualified tax or financial professionals to fully understand how these proposed constitutional changes may affect their long-term goals.

