



Understanding Property Tax Amendment

Agenda



- About Amendment 3
- Direct Effect of Amendment 3 on Tax Bills
- Effect of Amendment 3 on City Budget
- How the City Might Fill the Gap
- Other Provisions of Amendment 3
- What we don't know
- Summary
- Questions?



What Is Amendment 3?

- Proposed Amendment to Florida Constitution
- Passed by FL Legislature on June 2
- If approved by 60% of voters, it would:
 - Increase homesteaded exemption for non-school taxes:
 - \$150,000 starting Jan 1, 2027
 - \$250,000 starting Jan 1, 2028
 - Beginning 2029, increase each year based on inflation
 - New Florida residents not eligible for increased exemption for 5 years
 - Limit increase in assessed value of non-homestead property to 5% a year
 - Require the legislation to create procedures for full elimination of homestead property taxes
 - Limit local governments' use of property tax funds to selected purposes

Amendment 3 does NOT provide funding to replace the lost revenue.



How Would Amendment 3 Affect Your Property Tax Bill?

- Everyone's situation is different
- Variables included:
 - Market value
 - Homesteaded or not, and for how long?
 - In a special taxing district?
 - Local tax rates
- To better understand your situation:
 - Review your TRIM notice
 - Look up your property on the Property Appraiser's website: www.sarasotapropertyappraiser.gov/propertysearch



How to Estimate your Amendment 3 Tax Reduction

Homestead Exemption on Non-School Taxes

- Look at 2026 TRIM Notice Column 7 - proposed millage rates
- Separate the school and non-school millage rates
- Add up the non-school millage
- For City of Sarasota non-school millage rate = 8.7813
 - 2027 – Additional exemption \$100,000 = property tax savings of \$878.13
 - 2028 – Additional exemption \$200,000 = property tax savings of \$1,756.26
- These numbers stay the same whether your home is assessed at \$300,000, \$500,000, or \$5 million

Where Does Your Property Tax Dollar Go?



\$0.42

SARASOTA
SCHOOL
BOARD



\$0.28

SARASOTA
COUNTY



\$0.21

CITY OF
SARASOTA



\$0.09

ALL OTHER
AUTHORITIES

Sarasota County taxes: General Revenue, Debt Service, Legacy Trail, Mosquito Control

Sarasota County School Board: State, Local non-voted, Local voted

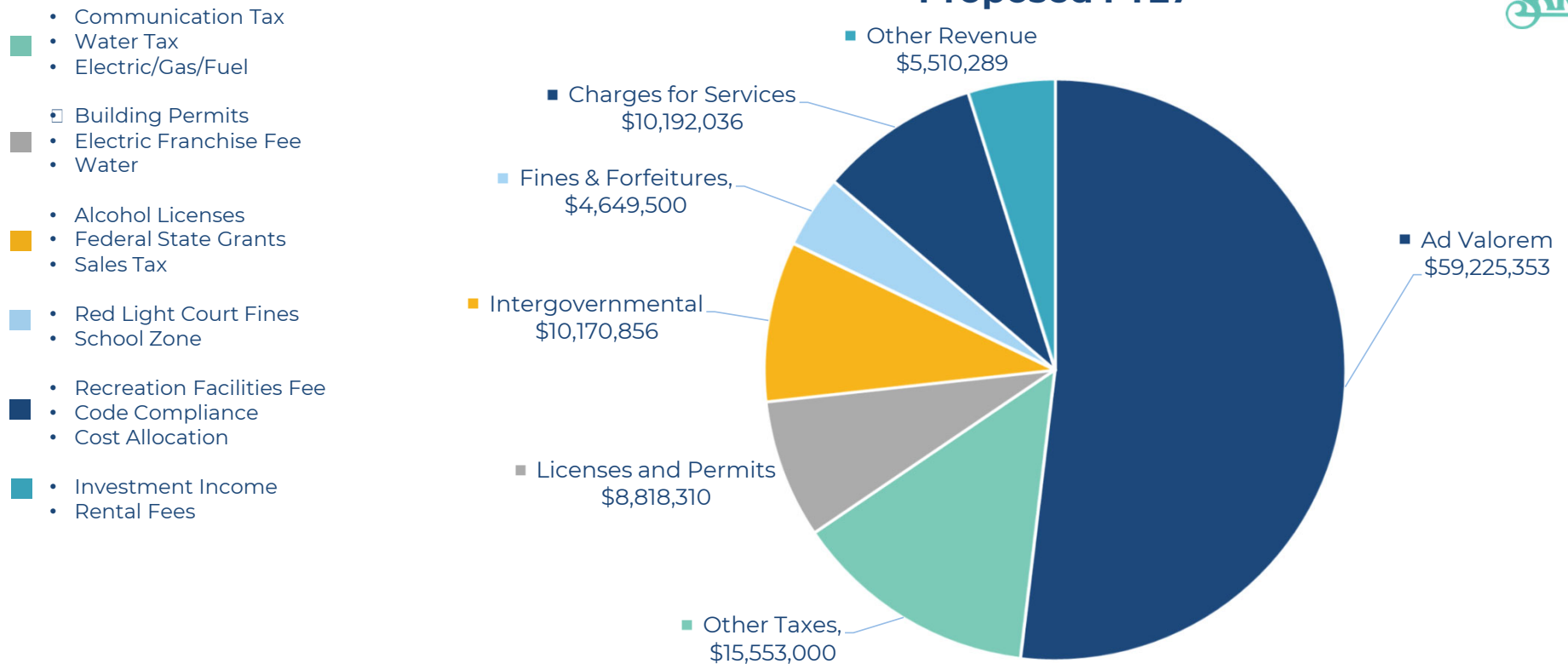
City of Sarasota: General Revenue, Debt Service, Special District (where applicable)

Other: Ad Valorem: Sarasota County Hospital District, Emergency Medical Services, SW FL Water Management, West Coast Inland Navigation, and Non-Ad Valorem: Sarasota County Fire Rescue, Stormwater

Revenue Sources of General Fund



Proposed FY27



What the General Fund Pays For

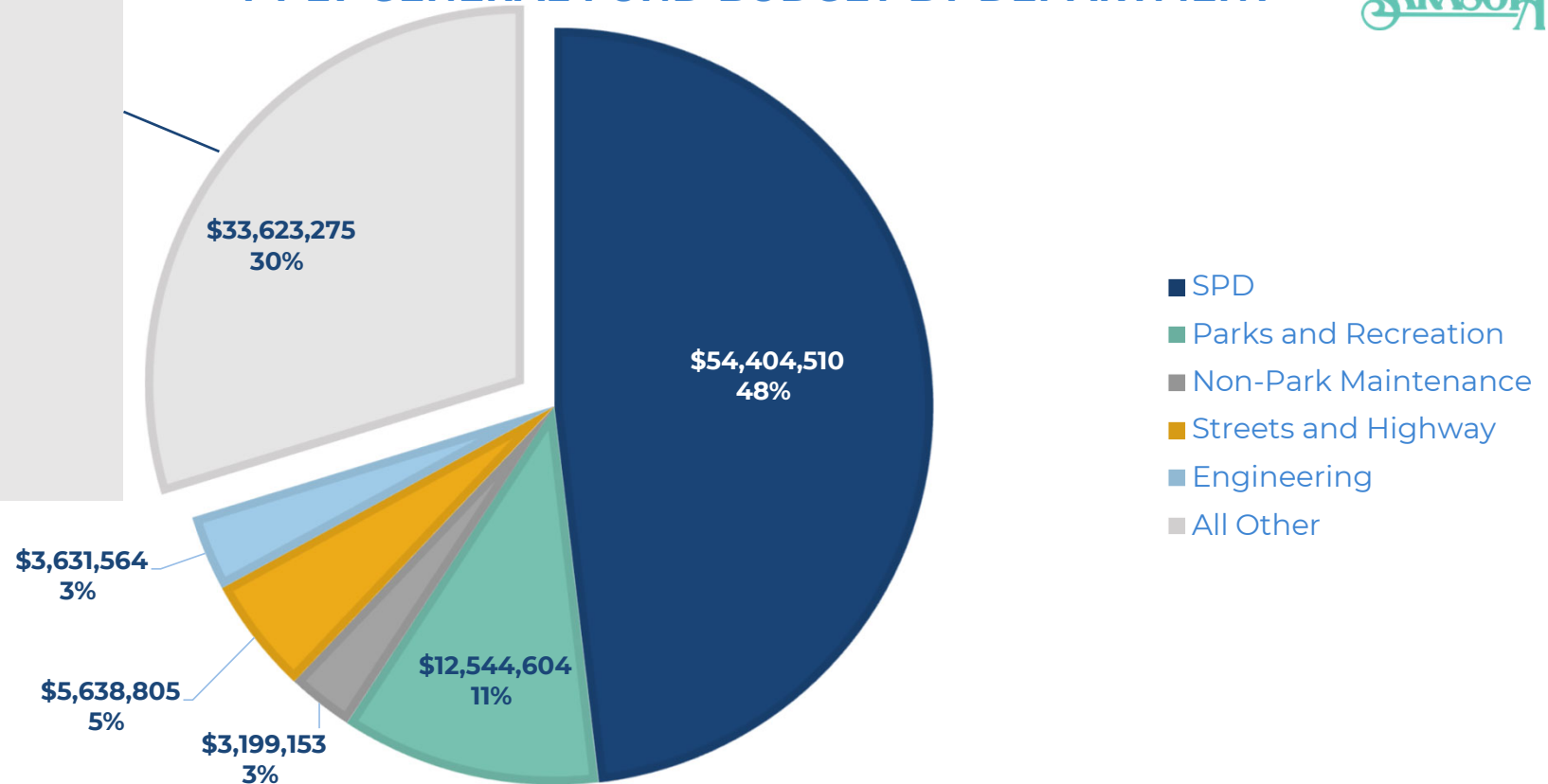


FY 27 GENERAL FUND BUDGET BY DEPARTMENT

All Other | 30%

Includes:

- City Attorney
- City Auditor and Clerk
- City Commission
- Facilities Management
- Financial Administration
- Governmental Affairs
- Special Events
- Administrative Services
- Human Resources
- Planning
- Development Services
- Homelessness Response
- Housing and Community Development
- Fire pension





What Services It Pays For

The **General Fund** is the City's main account for day-to-day operations. It covers services that help keep our community safe, clean, and thriving. The General Fund ensures that the City can continue providing the services residents rely on every day.

These dollars help pay for important services like:

- **Police protection**
- **Emergency Response**
- **Parks and recreation**
- **Street maintenance**
- **Code compliance**
- **Building communities and neighborhood redevelopment**

What This Means For Our City



\$5.6M

Est. City General Fund
Impact

\$80M

Est. County Impact

\$8.8B

Est. State Impact

\$?

unknown future impacts

What Does \$5.6M Look Like?



- 37 police officers; or
- Approximately 47 FTE staff positions; or
- The entire Streets and Highway budget; or
- The Engineering and Non-park maintenance budgets combined; or
- The entire Parks and Recreation maintenance budget; or
- RL Taylor CC, Payne Park Tennis Complex, Lido Beach & Arlington Park budgets combined.

Potential Impacts



- **Cuts to public safety and critical services**

Police, parks and recreation, roads and infrastructure, and storm response will be reduced because the dollars will not be available.

- **A tax/cost shift**

The cost of services stays the same. It just shows up everywhere else — in higher local fees, higher property tax rate, higher rents, or higher borrowing costs.

Cuts to Public Safety and Services



Public Safety:

- SPD accounts for 48% of the City's General Fund.
- No revenue source large enough to absorb this loss without impacting public safety.



Emergency Response:

- Less resources to adequately respond to emergencies.
- Lower reserves.
- More reliance on uncertain state and federal assistance.



Building and Maintaining Infrastructure:

- Decrease in property tax revenue = bonding capacity shrinks and interest rates increase.
- Less ability to finance roads, stormwater systems, utilities, and public facilities.



Parks & Recreation

- Parks and Rec accounts for 11% of the City's General Fund.
- Reduction in recreational programs.
- Reduction in maintenance of parks and right-of-way landscaping.

Tax/Cost Shift



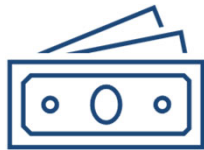
Millage Increases:

Possible millage increases for the General Fund

Current millage: 3.2730 →

3.4329 in 2027

3.5569 in 2028



Fee Increases:

Possible new or increase in service fees and/or assessments → passed on to customers as higher prices



Homestead to Non-Homestead:

Shifting costs from homestead to non-homestead or to the general public who use City services.



Renters:

No homestead benefit, but landlords' taxes go up → rent goes up

Other Provisions



Amendment 3 lists how local governments may use property tax revenues

- Public safety
- Education
- Finance/refinance infrastructure
- Finance/refinance natural resource projects
- New bonds and debt service for existing obligations
- Employee retirement benefits
- Fund operations and administration and expenditures approved by local governing body, except those prohibited by law.

Other Provisions



- **5-year residency**

- Person who establishes residency before January 1, 2027, is eligible to receive the new homestead exemption
- Non-FL resident who buys a property and makes it their homestead in 2027 would not receive the increased exemption until their 5th year

- **10%-5% Non-homestead Cap**

- Similar to 3% "Save Our Homes" cap for Homesteaded Property
- What is currently a 10% cap becomes a 5% annual cap on increased assessed value

- **Possible Full elimination**

- Legislature required to create a procedure for local governments to increase assessed valuation exemption
- Gives special districts ability to increase assessed valuation exemption through Legislative procedures
- No timeline provided

Unknowns

- County impacts
- Hospitals impacts
- What happens when non-homestead becomes homestead (financial impacts)
- Interpretation of allowable uses
- Interpretation of the full elimination



Summary



- If approved by 60% of Florida voters Amendment 3 will:
 - Reduce homesteaded property taxes about \$878 in Year 1 and another \$878 in Year 2
 - School taxes and Non-Ad Valorem taxes will not change
 - Limit increases in assessed value of non-homesteaded property to 5% annually
 - Limit use of property tax funds to items specified in Amendment 3
- The City will need to cover the budget gap by:
 - Reducing services
 - Finding other sources of funding, like new & increased fees, assessments, and sponsorships
 - Increasing property tax millage rates
 - Turning to the State for grants
- Net effect:
 - Cost of funding City services may shift to non-homestead, businesses, renters, etc.
 - Locally-elected government could lose ability to set policy in exchange for state funds

What You Can Do

Read the amendment carefully before November.

Share what you've learned with your neighbors, friends, and family.

Scan here for the facts, the sources, and the data.

September (last week): Vote by mail ballots arrive
October 1 – November 1: Early voting
November 3: Election Day





Thank you

