



2026 Florida Legislative Session Wrap-Up

*Special Session Edition:
Includes the budget, tax packages,
and property tax amendment*

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Florida
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INTRODUCTION

The 2026 Legislative Session, and its attendant special sessions, are finally over. For the second year in row, the Legislature could not complete its work in 60 days. After the regular session and three special sessions, Floridians now have a new state budget, tax relief package, and congressional maps. Not to mention all the new and amended laws contained in the 251 bills passed by the Legislature in the regular and special sessions.

And last, but certainly not least, in November, Florida voters will make the final decision on what would be by far the largest change to the fiscal structure of Florida government in our state's history. In Special Session F, the Legislature amended and passed Governor DeSantis's property tax relief proposal, estimated to reduce taxes and local government revenue by \$46 billion over five years. The voters will have almost five months to consider this proposed amendment. This is much longer review period than the Legislature had before it passed the proposal less than a week after it surfaced for the first time.

Familiar tensions arose during the session, and it was not long before it looked like it was going to be another prolonged one. This not only impacted the budget, but it also doomed a lot of legislation. Priority bills passed early in one chamber languished in the other and eventually were not considered. Ultimately, many priorities of the Governor, the Senate, and the House failed to pass. These include property tax relief, an artificial intelligence bill of rights, expanding the ability of parents to opt out of vaccines for school children, rural development, school choice scholarship reform, Medicaid oversight, and other health and education issues.

As for the budget, House Speaker Daniel Perez said there was a "fundamental disagreement on what the state budget should look like". He summed it up by saying the House wants to spend less and the Senate wants to spend more, and he was not going to be very flexible on that. This proved true, as the original plan was to return to Tallahassee in mid-April to finish the budget, but the conference committee process did not start until a month later.

The end result was \$114.5 billion spending plan, which while being touted as a budget cut, actually spends \$2 billion more in General Revenue (GR) than in the current year. The Governor's budget vetoes reduced that bottom line to \$113.8 billion, which still represents a \$1.3 billion increase in GR spending.

Special Session E also produced an agreement on state tax relief. Depending on how you count it, the 2026 tax package will save taxpayers approximately \$290 million. Most of it nonrecurring and much of it local. The two largest cuts are a four-month sales tax holiday for hunting, fishing, and camping supplies and a property tax assessment cap for mobile homes.

Florida TaxWatch released our Pre-Budget Edition of our annual Legislative Session Wrap-Up when the regular session ended in March. This final Wrap-Up will bring you up to date the results of special sessions E and F, including the budget, taxes, and the property tax amendment.

TAXATION

LEGISLATION THAT PASSED

Tax Package (HB 7031E) - Due to the stalemate on the state budget, the Legislature did not finish the new tax package during the regular session either. The House and Senate each had their own tax relief bill, relatively modest ones when compared to recent years. The Senate proposed only \$80 million in relief, the House package came in at a little over \$300 million. They shared a few provisions and were also similar in that most of the tax relief was non-recurring and most of revenue impact was on local government. Both bills also had several property tax and tax administration provisions. The bills were placed in conference, to be finalized in a special session along with the budget.

The result was a \$203 million tax package, which retained most of the characteristics mentioned above. Much of the tax savings are non-recurring, including four that will last two or three years. Only about half is recurring. And most of that is local (\$74.9 million). (See Total Tax Savings table below).

The largest tax cut is a property tax assessment cap (3 percent, the same as Save Our Homes) for mobile homes in long-term parks, which will save \$65.2 million annually. The two largest state tax cuts are a sales tax exemption for home hardening products (\$45.3 million state and \$12.7 million local) and a four-month sales tax holiday for hunting, fishing, and camping supplies (\$32.2 million state and \$9.1 local). Other cuts include a sales tax exemption for tickets to certain tennis tournaments (Miami Open) and reduction in the tax on slot machines and cardrooms.

Several of the provisions in the original House and Senate tax packages did not make it into the final bill, including a tax discount for domestic beer, sales and property tax exemptions for Space Florida, and an exemption for surplus lines flood insurance.

For all the provisions in final tax package, and what did not make it, see Appendix A.

Interest Accrual on Refunds (HB 7031E) – There are also some good tax administration provisions in the tax package, the best of which is a long overdue improvement in the Department of Revenue’s process for paying interest on refunds. This provision requires interest to begin accruing on overpayments of taxes on the 91st day after the refund application was postmarked or electronically submitted. It also removes the requirement that the application must be “complete,” something many taxpayers perceived as a tool used by the Department to delay the start of interest accruing. **Florida TaxWatch has worked for years to bring fairness to the Department of Revenue’s process for paying interest on refunds, which makes it difficult for many taxpayers to recover interest. It is likely that the estimate below is quite understated.**

Corporate Income Tax Piggyback – One tax issue that the House and Senate agreed on in the regular session is that the many federal corporate income tax cuts in the One Big, Beautiful Bill Act (OBBBA) will not extend to Florida companies’ state tax returns. Each year, the Legislature passes a CIT “piggyback” bill to adopt the latest federal tax code, conforming Florida law to federal law. Federal taxable income is the starting point for Florida corporations to calculate their state tax liability. This makes administration and compliance easier for both the taxpayer and the taxman. Sometimes, the bill will “decouple” with specific federal changes that would have a large impact on state revenue. The federal One Big Beautiful Bill Act (OBBBA), passed into law in July 2025, contains several provisions that reduce corporate income taxes. These include making 100 percent bonus depreciation permanent, allowing immediate expensing of research and development costs, and providing a more generous limitation for interest deductions. Adopting all of the changes this year would cost Florida \$3.5 billion. Instead, both the House (HB 7031) and the Senate (SB 7048) are proposing to decouple from everything, but the Senate was going to let taxpayers spread the benefit of some provisions over seven years. The Senate passed a delete-all amendment to the House tax package (HB 7031), replacing its language with only the piggyback language. The House and Senate were aligned, meaning a total decoupling from all provisions and Florida companies will

receive no state level benefit from the OBBBA. **The House accepted the Senate amendment and passed HB 7031, keeping this issue out of conference.**

Special Assessments on RV Parks - [SB 118](#) prohibits levying a non-ad valorem special assessment at a recreational vehicle (RV) park levy against the portion of each parking space or campsite that exceeds the maximum square footage of specified RV-type units. Local governments levying the assessment must consider the occupancy rates of the RV park to ensure fair and reasonable apportionment of the special assessment among the RV spaces receiving the special benefit. **The House amended the Senate bill with language that was identical to the original Senate bill. The Senate concurred.**

LEGISLATION THAT DID NOT PASS

Space Florida Tax Exemptions - [HB 1177](#) originally proposed creating a sales tax exemption for tangible personal property, including machinery and equipment, that is leased by Space Florida to private entities. The bill also included defense or aerospace use under the definition of “governmental purpose” for property tax exemptions, covering private lessees operating through Space Florida. In Week 6, the sales and property tax exemptions were amended out, and other provisions were added (see Economic Development section). However, the House tax package (HB 7031) included the tax exemptions for Space Florida. [Florida TaxWatch released a report](#) detailing how under Space Florida’s leadership, Florida’s Space Coast has transitioned from a government complex to a vibrant commercial, market driven enterprise that can also support federal government missions. The report concludes that Florida’s Space Coast is well-positioned to dominate the future of the aerospace industry. However, these exemptions were left out of the final tax package.

Tax Credits for Contributions to Assist Homebuyers - [SB 1672](#) and [HB 311](#) would have created a new tax credit for employers who contribute to their employees’ homebuying expenses. The bills allow a 100% tax credit against corporate income or insurance premium taxes for employer contributions to down payment or closing costs, capped at \$5,000 per employee. SB 1672 also allows credits for contributions to state-approved down payment programs. **HB 311 made it to second reading. In addition, House tax package (HB 7031) also contained the exemption, but this provision did not make the final bill.**

Taxation of Electronic Vehicle Charging Stations - [SB 680](#) would have exempted the sale of electricity from a utility to an electric vehicle charging from both sales tax and gross receipts tax, including electricity used for supporting equipment and infrastructure. The sale of electricity from an electric vehicle charging station to an electric vehicle consumer remains taxable under the bill. **SB 680 died in the Appropriations Committee, but a similar provision regarding charging station taxes was in the original Senate tax package.** See this [Florida TaxWatch report](#) on the growing impact of electric vehicles on Florida’s transportation funding model.

Local Business Tax Repeal - [HB 103](#) and [SB 122](#) would have repealed the authority for cities and counties to levy local business taxes, which is a tax on the privilege of operating a business in a government’s jurisdiction. These taxes currently provide \$189 million annually to local governments. Both bills would have allowed local governments that continue to levy a business tax on gross receipts to continue doing so. Only Panama City and Panama City Beach have such a tax. **HB 103 was approved by the full House. SB 122 passed one committee.**

Research & Development Tax Credit – [HB 847](#) and [SB 1076](#) would have increased the cap on the total annual amount of Research and Development Tax Credits from \$9 million to \$50 million. Florida TaxWatch has long supported increasing the cap. There have been some past increases, but they have only been temporary. This session, **SB 1076 was approved by the Commerce and Tourism Committee.** Similar legislation last session also cleared a committee but then stalled.

Sales Tax Exemption for Vertiports - [HB 1093](#) promotes advanced air mobility—aircraft that are highly automated, electrically powered, and have vertical take-off and landing capability. HB 1093 and SB 1362 originally provided a sales tax exemption for the aircraft, batteries, training devices, and electricity used for training. Both bills were pared down considerably, including removing the exemption. **HB 1093, with provisions to promote**

vertiports, but with no tax exemption, did pass (see Transportation section).

Food Wholesalers M&E Sales Tax Exemption - [HB 723](#), the House rural development bill (see Economic Development section) contains a sales tax exemption for industrial machinery and equipment used by food wholesalers in fiscally constrained counties. **This bill was not heard, and the House did not take up the Senate rural development bill.**

Heated Tobacco Products - [SB 754](#) and [HB 377](#) would exempt these products from tobacco taxes. This type of tobacco, used with an electronic device, does not burn or combust, so it does not produce smoke. While it produces fewer toxins, it is not without its own health concerns. **Both bills passed one committee.**

Tourist Development Taxes – Florida TaxWatch has warned of the “slippery slope” created when the Legislature adds additional authorized uses for this local sales tax surcharge revenue, diverting revenue from its original intended purpose—tourism promotion. Several recent sessions have resulted in expanding the uses of TDT revenue, including last year’s legislation that allows all coastal counties to use them for beach lifeguards and fiscally constrained coastal counties to use them for capital improvements to public buildings. This session, bills have been filed to reduce the percentage of TDT revenue required to be spent on tourism promotion from 40 percent to 20 percent ([SB 458](#)), eliminate any required promotion spending ([SB 454/HB 6007](#)), and add public safety and affordable/workforce housing ([SB 456](#)) and commuter rail ([SB 976](#)) to the allowable uses. **None of these bills were heard in committee.**

PROPERTY TAXES

Property Tax Relief Headed to the Ballot in November - After a special session on the budget and another one to redraw congressional maps, the Legislature returned to Tallahassee the first week in June for yet another special session (the sixth in the last two years). Governor DeSantis called the session to consider his just released proposed property tax constitutional amendment that would provide tax relief on an unprecedented scale.

The amendment has many provisions, the main one being an increase in the homestead exemption to \$150,000 on January 1, 2027, and \$250,000 on January 1, 2028. New Florida residents would have to wait five years to qualify for the increased exemption. The Governor proposed that this new exemption would apply to all property tax levies, including those for schools.

The amendment would also reduce the cap on non-homestead property assessment increases from the current 10 percent to five percent.

The remaining property taxes levied by local governments could only be used for “core local services” such as public safety, education, infrastructure, debt, and retirement benefits. The amendment directs the Legislature to create a state trust fund to help local government fund these core local services.

The Legislature took up the Governor’s plan less than week after it was made public. The Legislature approved the joint resolution and accompanying general bill, but not before making some big changes. Lawmakers shielded school property taxes from the increased exemptions, which will reduce tax savings by approximately 38 percent. Also removed was the requirement that the state create a trust fund to help local governments pay for “core services.” Lastly, the Legislature made a very broad addition to the definition of “core services”—the operations, administration, and expenditures approved by county officer and county and municipal governing bodies.

The state Revenue Estimating Conference (REC) met 10 days after the Legislature passed the joint resolution to adopt a fiscal impact estimate. The REC predicts a tax savings/local government revenue loss of \$5.0 billion in the first year (FY2027-28), growing to \$10.7 billion in FY2030-31. The Legislature did not have this estimate when they debated the proposal.

To see all the provisions in the proposed constitutional amendment (HJR1F) and the linked general bill (SB 4F), along with how the Legislature changed the Governor’s proposal, see Appendix B. It also details why Florida TaxWatch finds that the hurried evaluation and adoption of what could be by far the largest change to the fiscal structure of Florida government in our state’s history was unwise and unnecessary.

OTHER PROPERTY TAX LEGISLATION

LEGISLATION THAT PASSED

Property Tax Provisions in the Tax Package (HB 7031E) – These include:

Mobile Home Park Assessment Limitation – The assessed value of long-term mobile home parks may not increase by more than three percent a year, just like the Save Our Homes limitation for homestead property. This is the largest recurring tax cut in the tax package (\$65.2 million annually).

- **Deployed Servicemember Exemption** - Adds six military operations that qualify service members for a property tax exemption for the time they were deployed. (7.8 million annually).
- **Assessments for Agricultural Property** - Provisions to provide more favorable assessments for property used for composting and packinghouses.
- **Added Save Our Homes Portability** - Allows the transfer of accrued benefit from any homestead abandoned by the taxpayer in the prior three years, instead of only the immediate prior homestead.
- **Allow VABs to hear appeals related to timely filing of a TPP tax return.**

For more detail and all the provisions in the Tax Package, see Appendix A.

LEGISLATION THAT DID NOT PASS

Passed House Only

Elimination of Non-School Homestead Property Taxes - The House approved a proposed constitutional amendment ([HJR 203](#)) for the November 2026 ballot that would eliminate all non-school property taxes on homestead properties. The bill that came to the floor proposed a 10-year phase out, but it was amended to full, immediate repeal. If the amendment made the ballot and was approved by the voters, taxpayers would save, and local governments would lose \$14.7 billion, by far the largest tax cut in Florida's history. **The Senate did not take it up and never put forward a proposed property tax constitutional amendment.**

Passed Senate Only

Assessment of Wind Resistance Improvements - [SB 434](#) would have prohibited increasing the assessed value of residential property based on improvements made to enhance wind resistance.

Accessory Dwelling Units (ADUs) - [SB 48](#) would have prohibited denial of a homestead property tax exemption solely because a property contains an ADU and requires separate taxation if the ADU is rented. The bills also required local governments to allow ADUs in single-family residential areas (see Housing section).

DIED IN COMMITTEE

[SB 450](#) would have increased the transferable ad valorem tax exemption for surviving spouses of certain disabled veterans and first responders from 100 to 120 percent of the most recent tax roll amount. It was also in the Senate tax package. **SB 450 passed one committee and the provision was not included in the final tax package.**

[SB 1520](#) would have amended the Live Local Act's "Missing Middle" property tax exemption opt-out provision to provide that an exemption may be granted to a project that received final site plan approval within 1 year before a taxing authority opted out and may continue receiving the exemption after the opt-out. **The bill passed one committee. However, a similar provision passed in HB 1389 (see Housing section).**

PROPERTY TAX PROVISIONS REMOVED

[HB 755](#), which passed, extends funding of \$5 million annually from the Florida Forever Trust Fund for land acquisition within the Florida Keys Area of Critical State Concern to fiscal year 2035-2036. The original bill also loosened eligibility criteria for the Live Local property tax exemption for affordable housing properties in that area (ten or more affordable units reduced to one or more). **HB 755 passed but the property tax exemption was removed.**



FILED, BUT NEVER MOVED

[SB 272](#) would have provided a 100 percent exemption from property taxes (excluding school district levies) for seniors that have lived in the home for five years and have household income of no more than \$350,000.

[SJR 274](#) would have prevented any increase in assessed homestead value after 20 continuous years of ownership and residency and grant a new 50% homestead tax exemption, excluding school district levies, for owners residing on their property for 30 years or more.

[SJR 278](#) would have limited the assessed value of new homestead property that was less than \$500,000 before a change of ownership to no more than 150% of the previous year's assessed value.

[SJR 282](#) would have provided commercial real property owned by small businesses with a benefit equal to Save Our Homes, limiting annual increases in the assessed value to 3% or inflation, whichever is lower.

[SB 286](#) would have established a new formula for assessing changes, additions, or improvements valued under \$100,000 by applying the ratio of the property's assessed value to its just value. It would have excluded from the new formula any changes, additions, or improvements that replace most of the property or increase total square footage by more than 25%.

[SJR 550/HJR 1277](#) would have prohibited levying ad valorem taxes on tangible personal property.

[HJR 787](#) would have removed the authority of counties and school districts to levy ad valorem property taxes. [HB 791](#), contingent on the passage of HJR 787, would have replaced lost revenue to school districts by increasing the state sales tax from six percent to nine percent. The revenue for counties would be replaced by a five percent documentary stamp tax surcharge.

[HJR 793/SJR 1210](#) would have authorized the Legislature to exclude inherited homestead property transfers from being treated as changes in ownership for property tax assessments, allowing the inherited property to keep any accrued Save Our Homes benefit.

[HB 799/SB 932](#) would have required the Legislature to appropriate funds to fiscally constrained counties to offset ad valorem tax revenue reductions resulting from a future constitutional amendment.

[HJR 903](#) would have reduced the maximum annual increase in assessed value of nonhomestead properties from 10 percent to 3 percent.

[HB 957](#) would have limited homestead tax payment deferrals to properties valued at \$1 million or less and increase the minimum value of tax certificates for public sale from \$250 to \$500.

HEALTH, CHILDREN, AND AGING

LEGISLATION THAT PASSED

Drug Pricing and Coverage – Like the federal Trump Rx plan, [HB 697](#) originally aimed at lowering the price of drugs via the Most-Favored Nation policy, setting upper drug price limits based on similar international markets. A committee substitute whittled the bill down from 22 pages to five pages, keeping only some provisions relating to pharmacy benefit managers (PBMs). The bill makes it unlawful for a PBM to force a pharmacy to take a loss when dispensing a drug or to reimburse a nonaffiliated pharmacy less than an affiliated pharmacy. PBMs would be required to allow in-network pharmacies to submit consolidated appeals comprised of multiple adjudicated claims featuring identical drugs, day supplies, and dates of service. PBMs exclusively serving a Program of All-Inclusive Care for the Elderly (PACE) are exempt from the PBM law. A Senate bill ([SB 1760](#)) also contained a prohibition against a PBM from maintaining any ownership interest in an affiliated manufacturer. However, the Senate substituted HB 697 for SB 1760, so this provision was not in the final version of the bill. **It passed both chambers.**

AIDS Drug Assistance Program - Facing a \$120 million shortfall in the Ryan White Part B Aids Drug Assistance Program (ADAP) due to federal funding cuts, a Department of Health (DOH) emergency rule reduced eligibility from 400% of the federal poverty level to 130% beginning March 1. It also limits the drugs covered by the program. As many as 11,000 low-income Floridians would lose access to their medication. In the final week of session, the Senate adopted an amendment to [HB 697](#) (see above) to extend the higher income limit until June and appropriate \$31 million to fund it. The Senate described it as “critical stop-gap funding” while the Legislature works on a long-term solution. The amendment also included increased reporting requirements for DOH. **The House and Senate both approved the bill, with the amendment, unanimously, and the Governor has signed this bill into law**

Child Care and Early Learning – [SB 1690](#) creates the Florida Child Care Fund to expand access to early learning and child care by channeling donations, grants, and legislative appropriations through a Department of Education direct-support organization. It will fund care for children currently on waiting lists. Subject to an appropriation, the TEACH Scholarship Program administrator will establish and administer the Center for Early Childhood Professional Recognition to ensure statewide alignment of training, trainer approval, and competency-based assessments for early learning professionals. [Florida TaxWatch research has shown the value, to the child and the economy, of increasing access to child care.](#) **SB 1690 was approved by the House and Senate.**

Child Welfare - [SB 7018](#) proposed to transition the “Step into Success” pilot into a permanent statewide program to provide former foster youth with expanded workforce education and internship opportunities. The Office of Continuing Care would be tasked with recruiting mentors, establishing regional cohorts, and developing mandatory trauma-informed training for all participating organizations. Florida TaxWatch encourages formalizing successful pilot programs that provide community-based care services to vulnerable populations. SB 7018 passed the full Senate, but the House did not take it up. However, a Senate Health Care budget conforming bill (SB 2518) also included the expansion of Step into Success. **This issue went to conference and the House Health Care conforming bill (HB 5301) passed with the Step into Success provision.**

Alzheimer’s Disease Awareness Initiative – [SB 578](#) requires the Department of Elder Affairs to contract for the development and implementation of the Alzheimer’s Disease Awareness Initiative. The program will assist Florida residents that are affected by Alzheimer’s disease and dementia related disorders with obtaining reputable national research. Other components include an informational website, use of the ADRD Resource Guide, health care provider education in partnership with the Department of Health, public event advertising, and a statewide mobile in-person outreach program that prioritizes underserved communities. [Florida TaxWatch has long supported Alzheimer’s disease research](#) as a worthwhile cause with a high return on investment for Florida. **SB 578 unanimously passed the House and Senate.**



Temporary Certificates for Practice in Areas of Critical Need – [HB 809](#) will expand this program by authorizing the Board of Medicine, the Board of Osteopathic Medicine, and the Board of Nursing to approve continued practice of out-of-state licensed health care practitioners that have an active primary care treatment relationship with at least one patient in an area that was identified as an area of critical concern when the certificate was issued but has subsequently lost such designation. **HB 809 passed the House and Senate.**

Preventing Child Drownings – Florida TaxWatch has released a series of reports showing that drowning remains a leading cause of death for children in the United States, with Florida consistently ranking among the highest states for child drowning fatalities. Learning to swim can reduce drowning risks by 88 percent. **Florida TaxWatch research has helped to make legislative progress through programs like the Swimming Lesson Voucher Program.** [Our latest in a series of reports](#) on the topic recommends expanding prevention efforts including requiring hospitals to show new parents drowning prevention videos, enhancing safety measures for vulnerable populations, and increasing access to swimming lessons. This year, a bi-partisan effort addressed this issue with several bills proposing a variety of measures.

- **Swimming Lesson Voucher Program** – [HB 85](#) and [SB 428](#) expand this program, which provides free swimming lessons, through a voucher system, to eligible low-income Florida residents with children age four or younger. The legislation expands eligibility for the program to children between 1 and 7.
- **Drowning Prevention Education** - [SB 606](#) and [HB 503](#) require hospitals, birth centers, and childbirth educators to distribute educational materials on drowning prevention (produced by the Department of Health) to parents and caregivers as part of postpartum education.
- **Water Safety Requirements** - [SB 658](#) requires new water safety measures for certain landlords and vacation rental operators, mandating exit alarms or self-closing doors near water bodies and at least one pool safety feature.

SB 606 was combined with SB 428 and approved by both chambers. Another water safety bill (see SB 658 below)

LEGISLATION THAT DID NOT PASS

Florida's New Frontier in Healthcare – [HB 693](#), the Big Beautiful Healthcare Frontier Act was the main bill of the House's healthcare package. The Senate companion was [SB 1758](#). Both bills would codify requirements contained in the federal One Big Beautiful Bill Act for SNAP and Medicaid, including expanding the work requirement for SNAP. SB 1758 also proposed a work requirement for most able-bodied Medicaid recipients. The bills would direct the Department of Children and Families to lower its SNAP payment error rate by modifying its eligibility determination process, submitting an improvement plan to the Executive and Legislative branches, and establishing a quality assurance review process. Failure to lower Florida's error rate from the current 15% to 6% could result in a federal penalty of \$1 billion annually, beginning in 2028. ([TaxWatch recently highlighted the fiscal impact federal changes to SNAP would have on Florida](#)). Also, HB 693 would have made a number of healthcare changes, including elimination of the state's Certificate of Need program (later amended out), authorization for EMTs, paramedics, physician assistants, and social workers to participate in interstate licensure compacts; authorization for eligible APRNs to practice autonomously in all specialties without an established physician protocol, requiring insurers to credit patient payments for out-of-network providers toward their deductibles. SB 1758 also had a good provision to seek federal approval for a home and community-based behavioral health services program designed to cover an expanded array of services to adults with serious mental illness who are high utilizers of services in institutional settings. Both chambers passed their own bill but could not reach a final agreement.

Medicaid Oversight - [SB 1760](#) would have established a Joint Legislative Committee on Medicaid Oversight to ensure the state Medicaid program is operating in accordance with the Legislature's intent and to promote transparency and efficiency in government spending. The legislation would have also created additional reporting requirements for Medicaid managed care plans. It is estimated that the bill's revisions to the Achieved

Savings Rebate (ASR) would have resulted in Medicaid managed care plans having to return approximately \$128.3 million more in profit to the state in 2024. While this bill did not pass, it also contained some reforms to Pharmacy Benefit Managers that passed in another bill (see HB 697 above).

Nursing Education – Florida has an extreme nursing shortage, needing 60,000 additional nurses over the next decade. Add the fact that Florida has the lowest passage rate in the nation for the NCLEX – the exam nursing grads must pass before they get their license – and we have a real problem. [HB 121](#) aimed to improve nursing programs by strengthening approval and probation standards, shortening accreditation timelines, and expanding enforcement authority for the Board of Nursing. It also required free remediation or tuition reimbursement when programs fail to prepare students for their exams. More nurses passing licensure exams means more nurses are able to enter the workforce upon graduation. While the goal of improving nursing education in Florida is laudable and this bill may contribute to that, it should be noted that a nearly identical bill was vetoed by the Governor last year for being overly bureaucratic and hindering “the state’s ability to recruit and retain nursing programs and directors.” **HB 121 was approved by the full House during its first floor session in Week 1, but the Senate’s nursing education bill (SB 254) died in its last committee.**

Health Care Provider Scope of Practice – In an effort to address health care workforce shortages, increase access to care, and reduce costs, Florida TaxWatch research has generally supported the past expansion of scope of service for medical providers such as Advanced Practice Registered Nurses and Physician Assistants. Allowing healthcare professionals to practice at the top of their education and training is a great way to leverage the existing workforce, provided that patient safety and quality of care remain paramount. This session, several bills dealing with scope of practice were considered but failed to pass.

- **Certified Registered Nurse Anesthetists (CRNAs)** - [HB 375](#) would have authorized autonomous CRNAs to perform CRNA-specific acts without an established supervisory physician protocol. However, the bill allowed facilities to require an autonomous CRNA to operate under an established protocol approved by the medical staff or the governing board.
- **Advanced Practice Registered Nurses (APRN)** - [HB 301](#) would have permitted certified psychiatric mental health APRNs to provide mental health services under autonomous practice, as defined by board rule. Currently, APRNs are only authorized to practice autonomously in primary care practice.
- **Dental Therapist** - [HB 363](#) would have created “dental therapist” as a licensed profession, authorizing dental therapists to perform services including placements of temporary crowns and certain tooth extractions under a supervising dentist.
- **Other** - [HB 693](#)’s many provisions included authorizing autonomous practice for all advanced practice registered nurse specialties and eliminating the cap on the number of physicians assistants a physician can supervise. Another provision authorized dentists to delegate additional tasks to dental hygienists, including dental hygiene diagnosis and treatment and administering fluoride. All three of these provisions would align Florida with favored federal criteria for Rural Health Transformation grants.

The House passed all these bills, but they were not considered by the Senate.

Child Welfare – [SB 560](#), [HB 395](#), and [HB 763](#) each would have required the Department of Children and Families and community-based care lead agencies to coordinate and meet quarterly with organizations that empower children in state care to address challenges and opportunities for children in the child welfare system. While HB 395 only had this provision, the final versions of the other bills each had a unique feature. HB 763 would have added a specific weekly cash allowance for children in out-of-home care starting at age six. SB 560 required a study to make recommendations for agency and legislative actions to ensure affordable and available liability insurance for community-based care lead agencies and their subcontractors. **Even though HB 395 and SB 560 both passed their respective chambers unanimously and HB 763 advanced through committees, the Legislature could not settle on a final bill.**



Social Work Licensure Interstate Compact - [HB 13](#) would have established the Compact, enabling licensed social workers to practice across state lines in all participating states, whether in person or through telehealth. There is a shortage of qualified professionals, and this compact could help increase Floridians' access to quality care and social work services, no matter where they are. Florida TaxWatch research supported last year's licensure compact bill to help address the escalating physician shortage. **HB 13 passed the full House.** The Big Beautiful Healthcare Frontier Act (HB 693, see above) also contained the Social Work Interstate Compact. However, the Senate did not buy in.

Coordinated Access Model Pilot Program - [HB 783](#) proposed a new pilot program in Clay, Duval, and St. Johns counties to help with coordinating access for behavioral health care using a single point of entry. It would have used a single, electronic referral platform to coordinate behavioral health services among multiple providers and standardized screening, referral tools, and warm handoffs for service coordination. Florida TaxWatch encourages pilot programs aimed at providing community-based care services to vulnerable populations. **HB 783 was passed by the full House. The Senate did not advance its companion (SB 1618) and did not take up the House bill.**

Water Safety Requirements - [SB 658](#) would have required new water safety measures for certain landlords and vacation rental operators, mandating exit alarms or self-closing doors near water bodies and at least one pool safety feature. **The bill passed the Senate but was not taken up by the House.**

ECONOMIC DEVELOPMENT

LEGISLATION THAT PASSED

Data Centers - [SB 484](#) begins the regulation of data centers, but it is likely this will be revisited in the future sessions. The rapid growth in artificial intelligence, cloud computing, and streaming has created a very large need for very large data centers. States are looking at how to best regulate this industry and Florida is no exception. Data centers need large amounts of electricity and water to operate and the bill shields residents and businesses from paying for some of the utility costs by ensuring large load customers cover the full cost of their service. The bill also strengthens water permitting, including requiring data centers to use some reclaimed water. The bill directs OPPAGA to contract for an independent, interdisciplinary study of policy considerations related to the construction and operation of large-scale data centers. The House amended the Senate bill to remove a prohibition on local governments entering into non-disclosure agreements with data centers. Current law provides a 12-month public records exemption for information held by economic development agencies when a business is considering locating, relocating, or expanding in Florida, with a possible 12-month extension upon written request. The Senate bill required disclosure if the project involves a data center and eliminated the additional 12-month extension for projects that involve data centers. The House amendment removed the required disclosure for data centers but retained the prohibition of a 12-month extension. The bill went through floor amendments. The final bill retains local government control of where data centers can be located. Earlier versions had state limitations on data centers' proximity to schools or residences. **The Senate concurred with the House changes.**

LEGISLATION THAT DID NOT PASS

Rural Renaissance – A priority of President Albritton, the Senate passed rural economic development legislation early last session, only to see it die on the vine as the dysfunction between the House and Senate came to a head at the finish. The Senate tried again with [SB 250](#), a wide-ranging bill that would have created opportunities for rural communities to improve infrastructure, expand education offerings, increase health care services, and modernize commerce. SB 250 also invested in farm-to-market roads to support Florida's vital agricultural supply chain. The bill would have created the Office of Rural Prosperity, and two new grant programs benefiting rural communities: the Renaissance Grant Program and the Public Infrastructure Smart Technology Grant Program. The bill would appropriate more than \$200 million and redirect millions to transportation and affordable housing projects in fiscally constrained counties. [For more on the bill see this summary.](#) **The full Senate unanimously passed SB 250 on the second day of session.** The House had its own rural development bill (HB 723), but it is a far more modest proposal (11 pages vs. 138 pages). With the Speaker saying the House would not take up any bill that did not move in the House, **the Senate President's priority did not pass for the second year in a row.**

Space Florida - [HB 1177](#) would have further supported the space flight industry which has had a very successful year with commercial launches. The bill would have given Space Florida more flexibility in procurement when using non-state funds. The bill had provisions to create a sales tax exemption for tangible personal property, including machinery and equipment, that is leased by Space Florida to private entities and to extend the governmental property tax exemption to property being used by a private lessee pursuant to a project authorized by Space Florida. HB 1177 removed the exemptions and added provisions including vesting daily operational oversight of each spaceport with the spaceport director or commander and retaining statewide strategic and financing responsibilities for Space Florida. It also required Space Florida to coordinate with state and local entities to develop and promote "quintimodal" transportation hubs, which are interconnected transportation facilities that can move people or property by means of road, railroad, airport, seaport, and spaceport facilities. [Florida TaxWatch released a report](#) detailing how under Space Florida's leadership, Florida's Space Coast has transitioned from a government complex to a vibrant commercial, market driven enterprise that can also support federal government missions. The report concludes that Florida's Space Coast is well-positioned to dominate the future of the aerospace industry. The Legislation could have helped in this effort. HB 1177 passed the full House, but the Senate did not take it up.

Manufacturing – [SB 528](#) and [HB 483](#) would have required the Department of Commerce to encourage and oversee manufacturing in this state and create a Chief Manufacturing Officer to coordinate efforts. The bills would have created the Florida Manufacturing Promotional Campaign to expand consumer awareness, market exposure, and entrepreneurship for manufactured products in Florida through an optional branding and marketing initiative. Another provision would establish the Florida Manufacturers’ Workforce Development Grant Program to support small manufacturers with new technologies or cybersecurity infrastructure and provide workforce training support. Florida TaxWatch has produced voluminous research on the importance of manufacturing and supports these efforts which are consistent with past recommendations. Similar legislation last session passed the Senate and made it to the House floor. **Despite some momentum early this session, neither bill made it out of committee.**

Research & Development Tax Credit – [SB 1076](#) would have increased the cap on the total annual amount of Research and Development Tax Credits from \$9 million to \$50 million. Florida TaxWatch has long supported increasing the cap. There have been past increases, but they have only been temporary. Similar legislation last session cleared one committee but then stalled. This session was a rerun. **SB 1076 passed the Senate Commerce & Tourism Committee.** This bill died but hopefully the R&D credit can be included in the tax package in conference. It was not included in the original versions.

Tourist Development Taxes – Florida TaxWatch has warned of the “slippery slope” created when the Legislature adds additional authorized uses for this local sales tax surcharge revenue, diverting revenue from its original intended purpose—tourism promotion. Several recent sessions have resulted in expanding the uses of TDT revenue, including last year’s legislation that allows all coastal counties to use them for beach lifeguards and fiscally constrained coastal counties to use them for capital improvements to public buildings. This session, bills have been filed to reduce the percentage of TDT revenue required to be spent on tourism promotion from 40 percent to 20 percent ([SB 458](#)), eliminate any required promotion spending ([SB 454/HB 6007](#)), and add public safety and affordable/workforce housing ([SB 456](#)) and commuter rail ([SB 976](#)) to the allowable uses. **Florida TaxWatch has historically supported using TDTs for tourism promotion** and our research has shown that elimination of funding for promotion will hurt tourism and therefore the economy. **None of these bills were heard in committee.**

ENVIRONMENT AND NATURAL RESOURCES

LEGISLATION THAT PASSED

Nature-based Methods for Improving Coastal Resilience – [SB 302](#) promotes the use of green infrastructure and nature-based solutions to resiliency, such as living seawalls, wave attenuation devices, and green stormwater infrastructure, as well enhancing natural systems like mangroves, salt marshes, seagrasses, and oyster reefs. The bill authorizes structures to be erected for nature-based solutions to improve coastal resiliency in all state preserves. The bill requires the Department of Environmental Protection (DEP) to initiate rulemaking to establish a statewide permitting process for such nature-based methods and develop design guidelines and standards for using green or hybrid green-gray infrastructure to address coastal resiliency. DEP and local governments are also required to promote public awareness and education of the value of nature-based solutions for coastal resiliency. **Florida TaxWatch has issued two reports ([here](#) and [here](#))** on nature-based resiliency, citing its benefits and potential for cost savings, and highlighting a success story in Jacksonville. **SB 302 was passed by both chambers unanimously and has been signed by the Governor.**

Conservation Lands – [HB 441](#) enhances transparency for state-held conservation land transactions by extending the public notice period for proposed sales or exchanges from 7 to 30 days. The bill requires that the Division of State Lands publish detailed information online, including parcel data, at least one appraisal report, and a formal justification explaining how an exchange benefits the state. **The Senate took up and passed the House bill.**

Land Use and Development Regulations – [HB 399](#) requires application fees for development permits and orders to be based on the cost of reviewing and processing the application, not the cost of the project. The bill discontinues the practice of requiring a supermajority vote to approve amendments to future land use elements of a comprehensive plan. It preempts or restricts local government regulation relating to assessing the compatibility of residential uses, improvement of large destination resorts, zoning of off-site constructed residential dwelling, and development of compost processing facilities. HB 399 also calls for a study of the impacts of removing urban development boundaries. **HB 399 passed the full House, and after some back and forth and several amendments, the Senate passed the bill.**

LEGISLATION THAT DID NOT PASS

Ocklawaha River Restoration - The Ocklawaha River is the primary tributary to the St. Johns River. The construction of the Rodman Dam, now known as the George Kirkpatrick Dam, and its adjoining reservoir closed off the flow of the river, resulting in the loss of 16 miles of river channel, the loss or flooding of 7,500 acres of forested wetlands, and the covering of more than 20 freshwater springs. The construction of the Dam and Reservoir has resulted in significant adverse impacts to the River and floodplain, including: (1) chronic inundation of the floodplain and degradation of water quality in the Reservoir and upper river; (2) reduced downstream fish and shellfish productivity; (3) elimination of critical plant and wildlife dispersal corridors due to fragmentation of the River and floodplain habitat; and (4) increased exotic and nuisance plant species from stagnant water levels and flow velocities created by the Dam. In a February 2022 research report entitled "[A River \(No Longer\) Runs Through It: Ocklawaha River Restoration.](#)" Florida TaxWatch recommended the breaching of the Dam and the restoration of the natural flow of the Ocklawaha River. Consistent with Florida TaxWatch's recommendations, [HB 981](#) requires the Department of Environmental Protection (DEP) to develop a project plan by July 1, 2027, for the restoration of the Ocklawaha River, which must be completed by December 31, 2032. The river's hydrology and floodplain function must be restored to the approximate conditions that existed prior to the construction of the Cross Florida Barge Canal project. The bill requires DEP to develop a grant program to implement an Outdoor Recreation Plan, to enhance and expand access to rivers and springs. The Department of Commerce must develop an economic development program for Marion and Putnam Counties to support projects that encourage job creation, capital investment, and strengthening and diversifying each county's economy. **HB 981 passed the House. SB 1066 made it to the Senate floor, but time ran out.** The Senate budget contains \$15 million for Ocklawaha River restoration.

Stopping Municipal Utility Revenue Sweeps - Once standard operating and debt obligations costs are covered, many publicly owned utilities make transfers to their General Fund (a practice known as “sweeping”), to help pay for other government services. This practice increases the risk of undercapitalization of water infrastructure and violates taxpayer fairness and accountability. [A recent Florida TaxWatch](#) report examines this problem and makes recommendations to help make sure that utility infrastructure is adequately maintained, future demands for water and wastewater service are met, and rate payers are not overcharged. Several bills ([SB 1420](#), [HB 773](#), [SB 1724](#), [HB 1451](#)) were filed that would have eliminated or prohibited counties and municipalities from using utility revenues for other governmental activities and required surplus revenues to be reinvested in the utility or returned to ratepayers. **Unfortunately, these bills either stalled or had the sweep restrictions removed to focus on the rates charged to customers outside on the local government boundaries.** SB 1556 was amended to require city and county run utilities to reinvest all utility revenue back into the system, instead of sweeping utility revenue into the General Fund. **However, the sweep provision was removed in its second committee in Week 7.**

Advanced Wastewater Treatment - [SB 1468](#) would have advanced the goals of a [water project work program](#), as recommended by Florida TaxWatch. This legislation is a more limited application of the concept. The legislation directs the Department of Environmental Protection to compile a comprehensive list of wastewater treatment facilities, with the information needed to develop priority rankings to guide the policy and funding of the Legislature. Senate sponsor Lori Berman stated we must make sure “we are spending taxpayer dollars wisely and putting the most in need projects at the top of the list when it comes to state funding,” **Florida TaxWatch could not agree more. For the second session in a row, the bill passed committees, but unfortunately stalled.**

Blue Ribbon Projects - [HB 299](#) and [SB 354](#) looked to establish a statewide approach for qualifying blue ribbon projects to streamline large-scale development while maintaining land preservation and affordable housing efforts. Qualifying landowners would be able to bypass traditional zoning and comprehensive plan amendments in exchange for dedicating at least 60 percent of the land for long term conservation and environmental commitments with the landowner receiving dollar-for-dollar credits against several local government fees. Both bills would require 20 percent of the housing to be dedicated for affordable housing development. **The two similar bills made it to their respective floors but ultimately fell short.**

Release of Conservation Easements – [HB 673](#) would have required water management districts to release conservation easements to landowners if certain criteria are met, such as the parcel being under 15 acres and surrounded by impervious surfaces. The bill excludes conservation easements in residential developments and parcels owned by a specific district and mandates that owners assume stormwater management and mitigation credits if the conservation land is released.

Storm Water System Standards – [HB 239](#) and [SB 558](#) would have mandated that all newly installed storm water systems in Florida’s counties and municipalities must comply with the Florida Department of Transportation’s Standard Specifications for Road and Bridge Construction. They also require that final inspections be performed by a licensed engineer, general contractor, or third-party inspection company independent of the current operator. These state standards will supersede any existing local standards, ensuring uniformity and high-quality installations across the state.

EDUCATION

LEGISLATION THAT PASSED

School Teacher Training and Mentoring Program - [SB 182](#) establishes a mentoring program for retired or current classroom teachers to support new or struggling teachers in schools with low performance grades. Mentors are required to have at least three years of experience and a highly effective rating. The bill allows them to receive a stipend and mentor multiple teachers. **SB 182 passed the full Senate.** The House added an unrelated amendment to require cursive writing and reading instruction in grades 2-5 and to mandate the display of George Washington and Abraham Lincoln portraits, subject to funding, at each public school. The Senate amended that amendment to require cursive reading and writing instruction in grades 3-5 and establish proficiency standards, prohibit dismissing charter students for academic performance during mandatory school improvement or corrective action, and allow small private schools to operate in a commercial or mixed-use zoning district without rezoning or obtaining a special exception. **The House concurred.**

Higher Education “Train” – [HB 1279](#) is a large bill with many provisions that grew significantly late in the session, as parts of other bills were grafted on to it. Originally dealing with public postsecondary education, the bill now has provisions related to pre-kindergarten, K-12, and higher education. Controversial provisions limiting non-Florida residents to five percent of full-time students at the state’s preeminent universities and international students from one country to five percent of all non-resident students at state universities were removed from the bill before final passage. Provisions in the final bill include authorizing bonus funds for school districts and teachers for students’ successful completion of advanced courses and tests. The bill expands the definition of an educational emergency to include persistently low-performing schools, allowing school boards to exercise authority over personnel contracts in the selection, placement, and compensation of teachers. Other measures impact virtual instruction and school choice, early learning, student support, financial aid, postsecondary governance, and more. For a list of all provisions, [see this summary](#). **The House passed its version, the Senate amended it with most of their language, plus additions, and the House agreed.**

Applied Algebra Courses - [HB 1279](#) requires that applied algebra courses are part of mathematics pathways and requires the development of applied algebra courses that integrate Algebra 1 standards with career and technical education standards. New secondary mathematics pathways would be identified by September 1, 2026, each incorporating newly created applied algebra courses aligned to specific career clusters and building on real-world algebraic applications. Districts would implement this for the 2029-30 school year. These provisions were in SB 920, but it stalled after passing a committee. However, the Senate included it in the final amendment to HB 1279 and the House concurred.

Excess Tax Credit Scholarship Funds - [SB 1318](#) clarifies that when a student’s Florida Tax Credit Scholarship Program account has been closed, the remaining funds in the scholarship account must revert, but do not revert to the state. This ensures the money will still be available for scholarships. **The House did not take the bill up, but the Senate successfully attached it to SB 182 in the waning days of the session.**

Educator Re-Certifications – [HB 561](#) will streamline reinstatement for educators with expired professional certificates, providing teachers with a faster and less expensive process for returning to the classroom. The bills require the Department of Education (DOE) to issue a temporary certification so educators with expired certificates can continue teaching while earning their required credits, removing cost barriers to educators and helping increase the active workforce. They also remove the requirement for educators to pass subject area exams for each subject on their certificate for a second time. The newly created Florida Center for Teaching Excellence will offer professional learning, at no cost, to certified educators seeking to renew or reinstate their certificate. **In Week 8, the Senate took up HB 561, substituted it for the identical SB 1718 and passed it unanimously.**

High School Graduation Requirements – [HB 453](#) allows students to satisfy both the physical education and performing arts requirements by completing two years of marching band. It also permits students with disabilities

to fulfill the physical education requirement by participating in the Special Olympics for one school year. In addition, HB 1279 authorizes a qualifying one-credit dance techniques course to satisfy a physical education or performing arts credit.

LEGISLATION THAT DID NOT PASS

Administrative Efficiency in Public Schools - [SB 320](#) was a wide-ranging bill that aimed to streamline administrative processes for public schools and revise requirements for teacher certifications and contracts, district budget transparency, and facilities management. The many provisions included increasing flexibility for district use of the discretionary property tax levy by authorizing operational or capital spending and removing expenditure restrictions and penalties. **The full Senate passed SB 320 in Week 2.** [See the complete list of provisions here.](#) This is another example from this session of one chamber passing a priority bill early, only to be ignored by the other chamber.

School Choice Scholarship Reform - [SB 318](#), in part, addressed issues identified in an operational audit by the Auditor General, which found that during implementation of the program, “whatever could go wrong has gone wrong.” The bill would have created a dedicated categorical for the Family Empowerment Scholarships in the state’s school funding formula. It would reduce the scholarship administration fee to fund more scholarships. It also increased oversight to reduce fraud and ensure the money follows the student. **The Senate unanimously passed the bill early in the session.** [More information here.](#) There was no similar bill in the House, so they did not take it up.

Public School Personnel Compensation – [SB 1216](#) would have expanded cost-of-living salary adjustments to more public school employees, including prekindergarten teachers, noninstructional staff, and school administrators. It removed the previous 50% limitation on cost-of-living adjustments and clarifies that districts may provide additional salary increases from other funding sources. The bill broadened the criteria for using advanced degrees in salary schedules by permitting use of degrees in a related field or with at least 18 credit hours relevant to the employee’s assignment. **SB 1216 passed the Senate, but the House did not take it up.**

Tech Education – [HB 1503](#) would have required general education core courses that integrate technology to include instruction on artificial intelligence and digital literacy and competency and, when applicable to the subject matter of the course, robotics, software engineering, computer networks, database systems, and cyber security. It requires high school computer science courses to include foundational instruction on artificial intelligence, covering data usage, benefits and risks, and ethical considerations. Language was removed that would have required additional educator certificate coverage areas for computer science (grades K-5) and computer science (grades 6-12), while maintaining the existing computer science (grades K-12) coverage area. After passing the House, the Senate amended it to remove the provision mentioned above. **The House amended the amendment to add the K-12 provision back and asked the Senate to concur. It didn’t.**

Education - [SB 7036](#) is another education bill with many provisions, some of which were in other bills. It would have expanded K-12 educational flexibility, supported new mathematics pathways, updated teacher preparation, and removed restrictions to improve academic success across Florida’s public and private schools. SB 7036 passed its second committee after controversial provisions giving school districts authority to use of temporary door-locking devices and to purchase certain instructional materials developed by or under the direction of the state were removed. **SB 7036 made it to Special Order, but after it was postponed four times, it died.** The House did not have a similar bill, but several of the provisions were in other bills that the House advanced.

TECHNOLOGY

LEGISLATION THAT PASSED

Data Centers - [SB 484](#) begins the regulation of data centers, but it is likely this will be revisited in the future sessions. The rapid growth in artificial intelligence, cloud computing, and streaming has created a very large need for very large data centers. States are looking at how to best regulate this industry and Florida is no exception. Data centers need large amounts of electricity and water to operate and the bill shields residents and businesses from paying for some of the utility costs by ensuring large load customers cover the full cost of their service. The bill also strengthens water permitting, including requiring data centers to use some reclaimed water. The bill directs OPPAGA to contract for an independent, interdisciplinary study of policy considerations related to the construction and operation of large-scale data centers. The House amended the Senate bill to remove a prohibition on local governments entering into non-disclosure agreements with data centers. Current law provides a 12-month public records exemption for information held by economic development agencies when a business is considering locating, relocating, or expanding in Florida, with a possible 12-month extension upon written request. The Senate bill required disclosure if the project involves a data center and eliminated the additional 12-month extension for projects that involve data centers. The House amendment removed the required disclosure for data centers but retained the prohibition of a 12-month extension. The bill went through floor amendments. The final bill retains local government control of where data centers can be located. Earlier versions had state limitations on data centers' proximity to schools or residences. **The Senate concurred with the House changes.**

Local Government Cybersecurity - [HB 1085](#) creates the Local Government Cybersecurity Protection Program to assist eligible local governments with developing and enhancing cybersecurity risk management to defend against threats. The program will provide local governments with information technology commodities and services through competitive grants, giving priority to fiscally constrained counties. A late House amendment will allow local governments to buy IT commodities and services from Florida Digital Service contracts without a grant. The Senate bill (SB 576) envisioned the program being administered by the Florida Digital Service, the House wanted it administered by Cyber Florida, housed within the University of South Florida. The Senate language prevailed. The program is repealed on July 1, 2031, unless it is reenacted by the Legislature. HB 1085 passed the House. The Senate replaced the language with the Senate bill and sent it back to the House. **The House amended that and the Senate concurred.**

LEGISLATION THAT DID NOT PASS

Artificial Intelligence (AI) Bill of Rights - [SB 482](#), a priority of Governor DeSantis, would have provided some protections from AI for Floridians. The legislation gave parents the right to control children's interaction with chatbots, require chatbots to remind users it is not human and to take breaks, restrict AI companies from selling or disclosing personal information, and establish rules about the unauthorized use of people's names, images or likenesses. Parents would be required to give consent for minors to use AI platforms. The bill was amended to prohibit students below sixth grade from using AI unless supervised by school personnel or used by students with disabilities or those learning English as a second language. President Trump wants nationwide regulation of AI. **The Senate passed its bill, but the House never took the issue up, as it preferred to follow the federal government's lead.**

Tech Education - [HB 1503](#) would have required general education core courses that integrate technology to include instruction on artificial intelligence and digital literacy and competency and, when applicable to the subject matter of the course, robotics, software engineering, computer networks, database systems, and cyber security. It required high school computer science courses to include foundational instruction on artificial intelligence, covering data usage, benefits and risks, and ethical considerations. Language was removed that would have required additional educator certificate coverage areas for computer science (grades K-5) and computer science (grades 6-12), while maintaining the existing computer science (grades K-12) coverage area. After passing

the House, the Senate took up HB 1503 and amended it to remove the provision mentioned above. The House attempted to add the K-12 provision back. **The Senate did not concur.**

IT Procurement Reform - [HB 1197](#) included several measures recommended by Florida TaxWatch to increase the efficiency, effectiveness, and transparency of the state's IT procurement. The bill would have created the Bureau of Enterprise Project Management and Oversight within the Florida Digital Service and directs it to develop standardized governance frameworks and reporting requirements for major IT projects. It would have required all state agencies to follow new project planning processes and submit certain procurement and performance data for IT projects costing \$10 million or more. It enhanced vendor performance tracking and contract standards with the goal of reducing vendor dependency and safeguarding the state's investments in IT. **The bill passed the full House, but the Senate had a much different IT bill (see SB 480 below.)**

IT Governance - [SB 480](#) would have established the Division of Integrated Government Innovation and Technology (DIGIT) under the Executive Office of the Governor. The Florida Digital Service (FLDS) would be transferred to DIGIT, and the state Chief Information Officer (CIO) will serve as DIGIT's executive director. DIGIT would have responsibilities including master data management, legacy system needs assessments, IT expenditure tracking, and developing career training programs for the state's IT workforce. The bill also mandated biennial cybersecurity risk assessments for state agencies, eliminating the Cybersecurity Advisory Council. **SB 480 made it to the floor.** The House passed a completely different IT bill (see HB 1197 above).

PUBLIC SAFETY AND SMART JUSTICE

LEGISLATION THAT PASSED

Emergency Preparedness and Response Fund - This Fund, created in 2022 to provide the Governor with funds to spend on declared emergencies, terminated on February 17, 2026. Nearly \$5 billion has been spent through the Fund. The Senate passed [SB 7040](#) to re-create the Fund despite objections that the Fund lacked adequate controls and concerns over the amount spent on non-natural disasters (immigration enforcement) and some of the items it was spent on. The House added some guardrails and oversight, allowing it to be used for declared natural, manmade, or technological emergencies, subject to legislative consultation. Purchasing aircraft, boats, or motor vehicles would be prohibited, but short-term vehicle leases would be allowed in emergencies. Federal reimbursements must be deposited in the fund in a separate account. Expenditures from this account can only pay invoices that were incurred before the deposit and funds cannot be used for any other purpose until all outstanding prior invoices have been paid. The bill requires quarterly reporting to the Legislature on fund balances and assets. The fund's termination is extended to July 1, 2028.

Inmate Services – [HB 913](#) requires funds in the Contractor-Operated Institutions Inmate Welfare Trust Fund to be used exclusively to provide for programs to aid inmates' reintegration into society or environmental health upgrades to facilities, including fixed capital outlay for repairs and maintenance that would improve environmental conditions. The trust funded is funded by net proceeds from inmate canteens, vending machines, phone commissions, and similar sources. The House sponsor filed the bill, in part, because "current law has not kept pace with the real costs of inmate care and facility maintenance." The bill was amended to remove provisions to standardize reimbursement for inmate medical services by aligning costs with applicable Medicaid rates. **HB 913 passed both chambers unanimously.**

Inmate Job Training - [HB 325](#) expands the career and technical education authorized under the Correctional Education Program by adding commercial driver license (CDL) training to the programs that may be implemented at state correctional facilities. The curriculum must include training for Class A and Class B CDLs and limits participation in the program to nonviolent inmates who have two years or less remaining to serve on their sentence and who are proficient in English. The shortage of commercial truck drivers is a national problem, and Florida currently has 16,000 drivers job openings. Florida TaxWatch supports programs that prepare inmates to successfully reintegrate into society and achieve gainful employment. **HB 325 was approved by both chambers. Update: The Governor vetoed this bill, citing public safety concerns.**

Clerks of the Court Funding – [HB 925](#) will increase revenues going to the clerks, who are plagued by budget shortfalls. The House and Senate proposed different approaches to address this issue. HB 925 increased the per-petition reimbursement amount from \$40 to \$195 for certain filings and expanded the types of filings eligible for reimbursement. For civil traffic violations that occur within the municipality's jurisdiction, the portion of the fee remainder paid to the Clerk would increase from 5.6 percent to 28.2 percent. The amount going to the municipality would decrease. [SB 532](#) allowed the clerks to retain all the funds they collect above the Revenue Estimating Conference's original Article V revenue projection. Currently the excess funds are split 50/50 between the clerks and General Revenue. The clerks must hold 10 percent of the funds in reserve until it reaches 16 percent of budget authority. **The Senate replaced the language in HB 925 with the language in SB 532 and sent the bill back to the House. The House concurred.**

Problem-Solving Courts - Florida created the model for problem-solving courts when it created the nation's first drug court in Miami-Dade County in 1989. Many other types of these courts have since been developed, including adult drug courts, dependency drug courts, early childhood courts, juvenile drug courts, mental health courts, and veterans courts. **Florida TaxWatch supports these courts** because of their focus on treatment instead of incarceration for non-violent criminals and their ability to reduce recidivism. However, improved evaluation of these programs is needed. [SB 820](#) requires additional data to be presented in the annual problem-solving court reports prepared by the Office of the State Courts Administrator. The bill creates new data reporting requirements for early childhood and veterans treatment courts programs and improves data reporting requirements for mental health courts and drug courts. **SB 820 was approved by the House and Senate.**

HOUSING

LEGISLATION THAT PASSED

Live Local IV – This is the third session in a row the Legislature passed a revision to the Live Local Act, which was originally passed in 2023 to increase the state’s stock of affordable and workforce housing. That bill appropriated \$711 million for housing programs, created tax incentives, and preempted local control over zoning, density, height restrictions, and rent control. Florida TaxWatch research noted some needed improvements and recommended the Legislature revisit the Live Local Act to make some changes, especially ones focusing on the “missing-middle” – essential workers and middle-income families that do not earn enough to buy a house or pay market rents in their area. This session, [HB 1389](#):

- Expands where local governments must allow multifamily and mixed-use developments to include land zoned for commercial, industrial, or mixed use and land owned by counties, cities, school districts, and religious institutions.
- Makes it harder for local governments to opt out of Live Local property tax exemptions by requiring that the local availability of affordable units has exceeded the demand for each of the previous three years, rather than the most recent year.
- Provides that the owner of a property that was issued a building permit within 4 years before the effective date of an ordinance or resolution that opts out, may apply for and continue to be granted the exemption.
- Prohibits local governments from restricting the height of proposed developments through the use of setbacks or stepbacks.
- Mandates a study to evaluate the efficacy of using mezzanine finance or second-position short-term debt and the potential of tiny homes in meeting the need for affordable housing.

A House amendment to the Senate amendment right before passage changed the opt out provision from a complete elimination of the option to the above language and removed the requirement that local governments pass an ordinance to allow Accessory Dwelling Units. **The chambers accepted the other’s changes.**

Mobile Home Assistance - [SB 594](#) will add short-term lot rental assistance for mobile home owners as an allowable program expense under local housing distributions, allow rehabilitation and emergency repairs funds to be used for mobile home owners, and remove the existing 20 percent funding cap on manufactured housing expenditures. **The House and Senate had identical bills.**

Homes for Veterans Property Management Incentive Pilot Program - [SB 1602](#) creates the pilot program in Broward, Escambia, Hillsborough, and Santa Rosa counties to provide landlords with incentives to lease eligible dwelling units to veterans who are participating in the federal Supportive Housing program. Landlords may receive proportional funding to compensate for up to forty days during which a dwelling is vacant before the veteran is able to move in. Funds are also available to cover property loss caused by the veteran above the amount of the deposit money, up to \$2,000. **The bill passed both chambers unanimously.**

Disclosure of Estimated Taxes - [SB 856](#) required online property listings to include estimated ad valorem taxes, rather than displaying the current owner’s taxes, to give prospective buyers a more accurate picture of future tax liabilities. Florida TaxWatch contends this overdue change is needed because Save Our Homes often make a property’s current tax bill much lower than it will be when the home is reassessed without having accrued any SOH benefit. **SB 856 passed the full Senate, but the House did not pass it. However, both original tax packages included this provision, and it was included in the final bill.**

LEGISLATION THAT DID NOT PASS

Accessory Dwelling Units (ADUs) - SB 48 would have required local governments to allow ADUs, sometimes known as accessory apartments or granny flats, in single-family residential areas. The bill also prohibited denial of

a homestead property tax exemption solely because a property contains an ADU and requires separate taxation if the ADU is rented. OPPAGA would have been required to produce a study of mezzanine financing and tiny homes for potential inclusion in affordable housing solutions. Florida TaxWatch supports the promotion of ADUs. **The full Senate approved its bill, but the House did not vote on it.** In addition, the House removed the ADU provision from SB 1389 (above) right before passage, but the study on financing and tiny homes survived.

Blue Ribbon Projects - [HB 299](#) and [SB 354](#) looked to establish a statewide approach for qualifying blue ribbon projects to streamline large-scale development while maintaining land preservation and affordable housing efforts. Qualifying landowners would be able to bypass traditional zoning and comprehensive plan amendments in exchange for dedicating at least 20 percent of the housing for affordable housing development and 60 percent of the land for long-term conservation and environmental commitments. The landowner would receive dollar-for-dollar credits against several local government fees. **The two similar bills made it to their respective floors but ultimately fell short.**

Tax Credits for Contributions to Assist Homebuyers - [SB 1672](#) and [HB 311](#) would have created a new tax credit for employers who contribute to their employees' homebuying expenses. SB 1672 would also allow credits for contributions to state-approved down payment programs, such as Hometown Heroes. The bills allow a 100% tax credit against corporate income or insurance premium taxes for employer contributions to down payment or closing costs, capped at \$5,000 per employee. **This tax credit was also included in the original House tax package, this provision did not pass.**

Affordable Housing - [HB 675](#) would have increased the time period for which rental units must remain affordable to qualify for the Live Local zoning variance from 30 years to 50 years. The bill would have decreased the maximum area median income (AMI) that is used to determine eligibility for the Live Local ad valorem tax exemption for 75 percent of the assessed value of affordable housing units from 120 percent to 100 percent of the AMI. It also proposed eliminating documentary stamp taxes on deeds and other qualifying home purchase instruments for moderate-income first-time buyers. [SB 756](#), and [SB 752](#) also contained the elimination of documentary stamp taxes on deeds and other qualifying home purchase instruments for moderate-income first-time buyers, but they never moved.

Housing Tax Credit - [HB 51](#) would have created a new \$2,000 tax credit for businesses that provide discounted housing to formerly homeless employees, with an additional \$1,000 credit for housing converted from previously idle property.

TRANSPORTATION

LEGISLATION THAT PASSED

Vertiports - Since 2021, the Florida Department of Transportation (DOT) has been laying the groundwork to build an intercity advanced air mobility (AAM) “Aerial Highway Network” to connect major metropolitan areas across Florida. [HB 1093](#) promotes AAM, which [DOT describes](#) as “a revolutionary approach to air transportation that expands aviation beyond traditional roles, enabling efficient movement of people and goods in urban, suburban, and rural areas. AAM leverages cutting-edge aircraft technology (such as electric vertical takeoff and landing aircraft), to create new multi-modal solutions.” The bill makes vertiports and charging systems eligible for funding under public-private partnerships and authorizes DOT to fund all the project costs of a public or private vertiport if federal funds are not available. The bill incorporates vertiport-related infrastructure into commercial service airport infrastructure preservation programs. The legislation has been pared down considerably, including removing a sales tax exemption, liability protections, establishment of vertiport demonstration corridors, and unified state regulation for vertiport design and electric aircraft charging infrastructure. DOT is already testing aircraft. As the Senate sponsor said, “Welcome to the age of the Jetsons.” **HB 1093 passed both chambers.** In addition, the omnibus transportation bills SB 1220 and HB 1233 (see below), had provisions promoting the development of AAM and vertiports. This includes authorizing DOT to acquire, own, operate or construct airports to support AAM (SB 1220). Neither SB 1220 nor HB 1233 passed.

BUDGET COMFORMING BILLS PASSED DURING SPECIAL SESSION 2026E

Fuel Tax Distributions - [SB 2506](#), a budget conforming bill, revises the distribution of the “fuel sales tax”. The result is that the State Transportation Trust Fund loses \$25.2 million annually, which is redistributed to the Agricultural Emergency Eradication Trust Fund (\$8.6 million), the Marine Resources Conservation Trust Fund (\$10.7 million), the State Game Trust Fund (\$1.7 million), and the Invasive Plant Trust Fund (\$4.2 million). **This bill was passed in the budget conference.**

State Transportation Trust Fund (STTF) - While the Senate bill is taking money from the STTF, the House proposed to increase the amount of documentary stamp tax proceeds that goes to the STTF. Originally, budget conforming bill [HB 5501](#) redirected \$60 million from General Revenue to the STTF for the Florida Rail Enterprise to develop the state’s passenger, freight, and multimodal freight systems. However, during the conference, a different redistribution of doc stamp revenue appeared in the tax package, It now takes \$155.2 million from GR and sends it the Small County Outreach Program (\$20.0 million), the Small County Road Assistance Program (\$15.2 million), and the Florida Rail Enterprise (\$60.0 million). The Rail distribution reinstates a revenue distribution that was eliminated during the 2025 Legislative Session. In addition, \$60 million will be distributed each year to the Water Protection and Sustainability Program Trust Fund to be used to fund the C-51 Reservoir Project. This was approved in the budget conference.

LEGISLATION THAT DID NOT PASS

Transportation - [SB 1220](#) and [HB 1223](#) were long, wide-ranging omnibus transportation bills that touched on air travel, ports, rail, drone delivery, autonomous vehicles, increased speed limits, trails, and tolls. [Here’s a list of HB 1220’s provisions.](#) SB 1220 also included an appropriation of \$300,000 for a study needed to develop options to deal with the transportation revenue reduction caused by alternative fuel vehicles. See this [Florida TaxWatch report](#) on the growing impact of electric vehicles on Florida’s transportation funding model. These “trains” grew with every committee stop and floor amendment. SB 1220 grew from 22 pages to 68 pages, ending with a 116-page delete-all amendment. HB 1223 similarly went from 28 pages to 85. With scores of changing provisions, it is not surprising that a consensus could not be reached. The Senate passed SB 1220, and the House replaced it with the 116-page amendment, including a provision to raise speed limits from 70 to 80 mph on limited access roadways and from 60 to 70 on other non-urban highways. **The Senate refused to concur and the bill died.** With all those provisions, there had to be some good, and probably important, ones on which there was a consensus. Florida TaxWatch is disappointed that the study of alternative fuel vehicles’ impact on gas tax revenues was scuttled, making it another year the Legislature ignored our deteriorating transportation funding model.

INSURANCE

LEGISLATION THAT PASSED

Citizens Property Insurance Corporation - [SB 1028](#) has the goal of attempting to remove more policies from the state-run Citizens, to continue to return it to being the insurer of last resort. The bill creates two commercial line clearing houses—one for authorized insurers and one for surplus lines (insurers that are not regulated like authorized insurers). New applications or renewals would first go through the authorized clearinghouse and if an equal or better policy is not offered within five days, the application would go through surplus lines. Applicants will have to accept an offer with “equal or better” coverage and a premium within 115% of the Citizens policy. **SB 1028 passed the House and Senate.**

LEGISLATION THAT DID NOT PASS

Property Insurance Affiliates - [HB 1399](#) would have created new oversight requirements for property insurers’ transactions with affiliates, requiring fair and reasonable financial arrangements, mandatory registration for affiliates, and consideration of affiliate revenue in rate filings. Following reports that insurers in Florida shifted billions to affiliates while claiming storm-related losses, this legislation sought increased oversight of property insurance company payments to affiliated, commonly owned entities. **HB 1399 was passed by the full House.**

Disputes with Citizens Property Insurance Corporation - [HB 863](#) would have required Citizens Property Insurance Corporation to offer and clearly disclose an arbitration option before the Division of Administrative Hearings for claim disputes. This would end Citizens’ ability to require policyholders to resolve disputes before the Division of Administrative Hearings (DOAH) without the policyholders’ consent. The bill sponsor believes Florida homeowners should not be subject to a separate system of justice simply because they are insured by a state created company. **The bill was approved by the full House, but the Senate companion did not move.**

Residential Property Insurance - [HB 767](#) would have improved transparency and education for property insurance consumers. It would have required the Office of Insurance Regulation to maintain a consumer resource center online, offering rate filings, market trends, mitigation credits, claim processes and consumer rights. Insurers would have been prohibited from factoring the value of land into coverage or claim adjustments, with limited exceptions for shorelines or land modified by erosion or accretion. Insurers would have to notify consumers if they offer an enhanced discount for a roof system that uses a secondary water resistance. **HB 767 was approved by the full House.**

Mandatory Human Reviews of Insurance Claim Denials - [HB 527](#) authorized carriers, insurers, and HMOs to use AI but not as the only basis for denial. It required human professionals to verify claim details, policy terms, and AI outputs before denying or reducing payments. HB 527 passed the full House. **The Senate bill was never heard in committee.**

My Safe Florida Condominium Pilot Program – This program was created in 2024 to provide eligible condominium associations free inspections and grant funding for wind mitigation improvements. [SB 1706](#) would have expanded the program, which is currently limited to condo associations located 15 miles inward of a coastline, to all condo properties in the state, providing that they were built before January 1, 2008 and at least 80 percent of the occupied units within the condominium are owned or occupied by a person or family whose annual income is at or below 80 percent of the area median income. The bill specified that grant funds can only be used for mitigation improvements recommended in an inspection report that will result in a mitigation credit, discount or other rate differential. A condominium association receiving a grant would be required to complete 100 percent of the opening protection improvements to the common elements which were recommended in the final inspection report. SB 1706 passed the full Senate but was not taken up by House. In addition, these provisions were also in [HB 1221](#) and [SB 1452](#), larger bills relating to the Department of Financial Services. **Although the House advanced their bill to the floor with zero “no” votes, it amended these condo provisions out of SB 1452, which then passed.**

GOVERNMENT EFFICIENCY AND ACCOUNTABILITY

LEGISLATION THAT PASSED

Local Government Spending - [HB 1329](#) will increase transparency in local government budgeting by expanding online posting requirements and mandating that cities and counties undertake a 10 percent budget-cutting exercise at least 14 days before final adoption of the budget. Integrating efficiency and cost savings into both the state and local government budget processes is a **bedrock Florida TaxWatch recommendation**. HB 1329 passed the full House. **It was amended in the Senate and the House concurred.**

Emergency Preparedness and Response Fund - This Fund, created in 2022 to provide the Governor with funds to spend on declared emergencies, terminated on February 17, 2026. Nearly \$5 billion has been spent through the Fund. The Senate passed [SB 7040](#) to re-create the Fund despite objections that the Fund lacked adequate controls and concerns over the amount spent on non-natural disasters (immigration enforcement) and some of the items it was spent on. The House added some guardrails and oversight, allowing it to be used for declared natural, manmade, or technological emergencies, subject to legislative consultation upon executive renewal of the emergency. Purchasing aircraft, boats, or motor vehicles would be prohibited, but short-term vehicle leases would be allowed in emergencies. Federal reimbursements must be deposited in the fund in a separate account. Expenditures from this account can only pay invoices that were incurred before the deposit and funds cannot be used for any other purpose until all outstanding prior invoices have been paid. The bill requires quarterly reporting to the Legislature on fund balances and assets. The fund's termination is extended to July 1, 2028.

Sovereign Immunity Caps – [HB 145](#) increases the limits on the recovery of awards against a governmental entity. The House and Senate offered different bills. Beginning October 1, 2026, the House proposed increasing the per person cap from \$200,000 to \$500,000 and the cap for multiple judgments arising out of the same incident is increased from \$300,000 to \$1,000,000. The House bill would increase the caps again on October 1, 2031, rising to \$600,000 and \$1,200,000. [SB 1366](#) proposed new limits of \$350,000 and \$500,000 with no future increase. In addition, the House proposed allowing local governments to settle claims in excess of these limits without further legislative action. Both bills reduced the timeframe for presenting tort claims to an agency from 3 years to 18 months and the statute of limitations for negligence suits from 4 years to 2 years. The House passed HB 145 on the third day of session. In Week 9, the Senate replaced the House bill with the Senate language. **The House concurred with the Senate amendment. Update: The Governor has vetoed this bill, citing added costs to taxpayers and asserting the current claims bill process is sufficient.**

LEGISLATION THAT DID NOT PASS

IT Procurement Reform - [HB 1197](#) included several measures recommended by Florida TaxWatch to increase the efficiency, effectiveness, and transparency of the state's IT procurement. The bill created the Bureau of Enterprise Project Management and Oversight within the Florida Digital Service and directs it to develop standardized governance frameworks and reporting requirements for major IT projects. It required all state agencies to follow new project planning processes and submit certain procurement and performance data for IT projects costing \$10 million or more. It enhanced vendor performance tracking and enhanced contract standards to reduce vendor dependency and safeguard the state's investments in IT. **The bill passed the full House, but the Senate had a different IT bill (see Technology section). Neither passed.**

Local Government Regulatory Accountability Act – [HB 105](#) would have established a uniform process and remedies to prevent arbitrary or unreasonable regulatory enforcement actions by counties, municipalities, and special districts. Local governments and special districts would have been prohibited from initiating or threatening enforcement actions deemed arbitrary or unreasonable and unauthorized by ordinance. Citizens or businesses could have requested a review of such enforcement actions, and a response would be required within 30 days. Legal actions could be taken within 180 days, and prevailing plaintiffs could recover attorney fees, costs, and damages up to \$50,000 per occurrence. **HB 105 passed the House but not the Senate.**

Stopping Local Government Utility Revenue Sweeps - [SB 1566](#) also included the cost savings exercise provision (HB 1329) until it was amended out in Week 5. However, it was replaced by another [TaxWatch recommendation](#), requiring city and county run utilities to reinvest all utility revenue back into the system, instead of sweeping utility revenue into the General Fund. **However, that provision was amended out of the bill in Week 7.**

Fleet Management – [SB 7032](#) would have streamlined state agency fleet management by eliminating Department of Management Services approval requirements and authorizing agencies to independently purchase, manage, and dispose of vehicles, watercraft, and aircraft under specified conditions. **The bill was reported favorably by Governmental Oversight and Accountability but then stalled.**

Florida Agency for Fiscal Oversight – [SB 1572](#) and [HB 1303](#) would have created the agency within the Department of Financial Services to identify unnecessary spending and conduct audits of local governments that propose new or increased taxes. Annual financial ethics training would be required for agency employees, elected officials, and volunteers, and whistle-blower protections would be extended to those reporting information to the new oversight agency. Local governments would have been required to submit yearly Local Government Efficiency Reports to the Department of Financial Services. **These bills did not advance.**

THE BUDGET

For the second year in row, the Legislature could not complete its work on time. Lawmakers could not produce a new state budget, the only thing they are constitutionally required to do, so they had to return for a special session.

Familiar tensions arose during the session, and it became obviously fairly early on that the budget was going to take extra time. House Speaker Daniel Perez said there was a “fundamental disagreement on what the state budget should look like.” He said the House wants to spend less and the Senate wants to spend more, and he was not going to be very flexible on that. This proved true, as the original plan was to return to Tallahassee in mid-April to finish the budget, but the conference committee process did not start until a month later.

The House and Senate budget proposals totaled \$113.6 billion and \$115.0 billion, respectively. After a prolonged budget conference, the two chambers compromised on a \$114.5 billion spending plan. While being touted as a budget cut, it actually spent \$2 billion more in General Revenue (GR) than in the current year.

BUDGET HIGHLIGHTS

Bottom Line (after vetoes):

General Revenue - \$51,693 billion, \$1.5 billion more than in the current year.

State Trust Funds - \$26.841 billion, \$1.3 billion less than the current year.

Federal Funds - \$35,186 billion, \$1.2 billion less than the current year..

Total Appropriations - \$113.801 billion, \$1.0 billion less than the current year.

It should be noted that the practice of appropriating money in general bills and in the “back of the (budget) bill” has made the General Appropriations Act’s published bottom line an inaccurate barometer of total appropriations. While this increases total appropriations, the Governor’s line-item vetoes will reduce the amount. Stay tuned for Florida’s TaxWatch’s Annual Taxpayer’s Guide to Florida’s 2026-27 State Budget, which will be released after the vetoes and will quantify all net appropriations.

Reserves – The new budget maintains very healthy reserves of \$14.3 billion. This is comprised of \$8.6 billion in unobligated GR and \$5.7 billion in the Budget Stabilization Fund (BSF). The new budget adds \$118.0 to the BSF and another \$750.0 million contingent on the voters passing a proposed constitutional amendment in November that would increase the cap on the BSF balance from 10 percent of the prior year’s GR collection to 25 percent. It should be noted that the Governor veto the \$750 million transfer last year.

Emergency Preparedness and Response Fund (EPRF) - The budget adds \$250.0 million to the EPRF. This fund was scheduled to terminate last February, but the Legislature re-created the Fund despite objections that the Fund lacked adequate controls and concerns over the amount spent on non-natural disasters, such as immigration enforcement. The Legislature also added some guardrails and oversight for the EPRF.

Member Projects and Budget Turkeys – Despite the call for a leaner budget, legislators requested more hometown projects than ever before. The budget includes nearly 2,000 of those local member projects. The Florida TaxWatch annual Budget Turkey Watch report identified 631 appropriations totaling \$829.7 million that qualify as “Budget Turkeys.” These are appropriations that bypass or violate established budget procedures or legislative and public scrutiny. In addition, the report highlighted \$441.1 million in projects that, while not meet the Budget Turkey criteria, certainly merit extra scrutiny and close gubernatorial review. These two groups of appropriations are almost entirely member projects.

Debt Reduction – Florida TaxWatch commends the Governor and the Legislature for their commitment to reducing outstanding state debt. Florida has retired \$7.5 billion in tax-supported debt since 2018. The new budget transfers \$150 million to the Debt Reduction Program.

State Employee Pay Raises – The Senate budget contained a three percent across-the-board state employee pay raise. While the House proposed only targeted increases. The settled on no across-the-board raises but funded four percent increase for state law enforcement officers, firefighters, and park rangers. The minimum salary for correctional officers was increased from \$22/hour to \$24/hour (vetoed). Lastly, Assistant State Attorney’s will receive a \$10,000 increase and Assistant Public Defenders will get \$3,500.

Public Schools – The budget provides \$30.0 billion for the Florida Education Finance Program (FEFP). This is \$9,338 per student, an increase of \$150 (1.6 percent). Base Student Allocation (BSA) funding was increased by \$85 per student (2.0 percent, less than inflation). The Legislature provided \$1.56 billion for teacher salary increases, which includes \$200 million for teachers with at least 10 years of teaching experience. Last year, local property taxes paid 71 percent of the increase in total funding. This year, the state paid for most (56 percent) of the increase. Florida TaxWatch commends the Legislature for rolling back the Required Local Effort Millage rate from 3.092 mills to 3.037 mills and not passing on another property tax increase to overburdened taxpayers.

The Legislature provided \$145.5 million for eight new public schools in small school districts. Charter schools received all of the \$260.2 million PECO allocation for maintenance, repair, renovation and remodeling. Traditional public schools, universities, and colleges received none of this funding.

Higher Education – Colleges and universities will receive \$9.3 billion (including tuition and fees), a 8.5 percent decrease in state funding. The \$40.0 million in funding for Florida’s four Preeminent State Research Universities was eliminated. University performance-based funding was unchanged (\$350 million). Colleges receive \$209.1 million for 30 construction projects and universities were allocated \$465.5 million for 31 projects, large increases from last year’s funding (after vetoes). Once again, the Legislature did not pay much attention to the statutorily required ranked project list prepared by the Board of Governors and the Division of Colleges.

Medicaid – Funding of \$37.6 billion is provided for Medicaid and Kid Care, including \$1.6 billion for Medicaid workload and price level increases. There will be more than four million people enrolled in the Medicaid program. The new Rural Health Transformation Program was appropriated \$209.9 million and 14 new positions. Rate increases for Medicaid Providers are allocated \$205.9 million.

Elder Care – The Program of All-Inclusive Care for the Elderly (PACE) gets \$38.4 million to create 2,200 new PACE slots. Funding of \$3.0 million is provided to reduce the waitlist for Alzheimer’s respite services, \$7.5 million is provided to reduce the waitlists for the Community Care for the Elderly program and the Home Care for the Elderly program.

Behavioral Health – Funding for community mental health and substance abuse recurring funding is increased, including \$5 million for the 988 Suicide and Crisis Lifeline, \$7 million for Central Receiving Facilities to expand crisis services statewide, and nearly \$10 million for more community treatment beds. The budget also adds \$15 million to the children’s Statewide Inpatient Psychiatric Program and provides a five percent rate increase to providers of substance use treatment services as an alternative to incarceration.

Corrections - The budget further provides \$106.4 million for correctional facility infrastructure improvements and expansion projects, including a new prison hospital and additional dorms. (The Governor vetoed \$59.4 million earmarked for the hospital and dorms.)

Housing and Economic Development – Florida’s affordable housing programs (SHIP and SAIL) are fully funded at \$236.5 million and the Hometown Heroes Housing Program gets \$50 million. The Florida Job Growth Fund will receive \$40 million, down from \$50 million last year and \$75 million the year before. Visit Florida funding is maintained at \$80 million to promote our state’s tourism industry and \$24.5 million goes to Space Florida for aerospace industry development and infrastructure funding.

Agriculture and the Environment - Funding is provided for:

- **Everglades Restoration** - \$638.6 million
- **C-51 Reservoir Project** – The distribution of documentary stamp tax revenues was changed to allocate \$60 million annually to this public-private partnership for a major regional alternative water supply project in Southeast Florida.
- **Water Quality Improvement** - \$584.4 million. Florida TaxWatch commends the Legislature for their commitment to funding water quality but reiterates our recommendation to use the statutory Water Quality Improvement Grant Program to better choose projects based on established criteria and statewide vision. For the second year in a row, the Legislature used the implementing bill to bypass this process and use all \$380 million to fund local member projects. **After Florida TaxWatch designated all projects in this line-item budget turkeys, the Governor vetoed 106 projects worth \$80.3 million.**
- **Flood and Sea-Level Rise and Planning Grant Programs** - \$170.0 million
- **Conservation Land Acquisition and Protection** - \$334.0 million.

- **Petroleum Tank Cleanup** - \$167.0 million
- **Beach Restoration** - \$64.1 million, an \$11.6 million increase
- **Springs Restoration** - \$50.0 million
- **Drinking Water and Wastewater Revolving Loan Programs** - \$579.3 million
- **Citrus Protection and Research** - The budget includes \$196 million for Florida's citrus industry, a priority of Senate President Ben Albritton. His Make Citrus Great Again initiative has been allocated \$320 million in two years for research, field trials, infrastructure, and tree acquisition.
- **Farmers Feeding Florida** - \$38 million to purchase, transport, and distribute Florida-grown food products to food-insecure Florida residents.
- **Conservation Lands Acquisition and Easements** - \$425 million for the Rural and Family Lands Protection Program and \$100 million for Florida Forever.

Transportation - \$11.6 billion is provided for the Transportation Work Program. The distribution of documentary stamp tax revenues was change to redirect \$95.2 million from General Revenue to the State Transportation Trust Fund for the Small County Outreach Program (\$20.0 million), the Small County Road Assistance Program (\$15.2 million), and the Florida Rail Enterprise (\$60.0 million).

APPENDIX A

FINAL 2026 TAX PACKAGE – HB 7031E

Due to the stalemate on the state budget, the Legislature did not finish the new tax package during the regular session either. The House and Senate each had their own tax relief bill, relatively modest ones when compared to recent years. The Senate proposed only \$80 million in relief, the House package came in at a little over \$300 million. They shared a few provisions and were also similar in that most of the tax relief was non-recurring and most of revenue impact was on local government. Both bills also had several property tax and tax administration provisions. The bills were placed in conference, to be finalized in a special session along with the budget.

The result was a \$203 million tax package, which retained most of the characteristics mentioned above. Much of the tax savings are non-recurring, including four that will last two or three years. Only about half is recurring. And most of that is local (\$74.9 million). (See Total Tax Savings table below).

The largest tax cut is a property tax assessment cap (3 percent, like Save Our Homes) for mobile homes in long-term parks, which will save \$65.2 million annually. The two largest state tax cuts are a sales tax exemption for home hardening products (\$45.3 million state and \$12.7 million local) and a four-month sales tax holiday for hunting, fishing, and camping supplies (\$32.2 million state and \$9.1 local). Other cuts include an sales tax exemption for tickets to certain tennis tournaments (Miami Open) and reduction in the tax on slot machines and cardrooms.

There are also some good tax administration provisions, the best of which is a long overdue improvement in the Department of Revenue's process for paying interest on refunds, which makes it difficult for many taxpayers to recover interest (see tax administration section). **This has been a priority of Florida TaxWatch and our Tax Advisory Council.**

Many of the provisions in the original House and Senate tax packages did not make it into the final bill, including a tax discount for domestic beer, sales and property tax exemptions for Space Florida, and an exemption for surplus lines flood insurance.

SALES TAX

Hunting, Fishing, and Camping Sales Tax Holiday - From September 1, 2026, through December 31, 2026, items including firearms, ammunition, and firearm accessories, bows, crossbows, rods, reels, tackle, tents, sleeping bags, camp stoves, hammocks, lanterns and flashlights will be exempt from the sales and use tax. Firearms, accessories, and ammunition do not have price limits, but other items do, such as tents (\$200), most other camping supplies (\$50), and rods and reels (\$75 each). Supplies used for commercial fishing are not exempt.

Recommended by House and Senate. The Senate bill had a one-week shorter holiday, beginning on September 7, 2026. The Senate proposed some firearm accessories in its holiday but also proposed a separate year-long exemption for firearm accessories which was not included in the bill. The conference added a long list of accessories to the holiday.

Taxpayer Savings: State (GR) - \$31.2 million | Local - \$8.8 million | Total - \$40.0 million

Home Hardening Products (three years) – The bill creates a three-year sales tax refund for impact-resistant doors, garage doors, and windows. This would only apply to site-built homes with a homestead exemption and a maximum value of \$700,000. An owner may receive up to \$500 in refunded sales tax. The home hardening products must be purchased from July 1, 2026, through June 30. Taxpayers have until September 30, 2029, to apply for the refund.

Recommended by House. Conference changed it from a two-year exemption to three-year.

Total 3-Year Savings: State - \$45.2 million | Local - \$12.8 million | Total - \$58.0 million

Tennis Exemption (three years) – This adds some tennis tournaments to a long list of tickets to sporting, cultural, and recreational events that are exempt from sales tax. Admissions to any Association of Tennis Professionals' ATP Masters 1000 tournament or any Women's Tennis Association's WTA 1000 tournament will be exempt for 3 years. There is one of each (Miami Open).

Recommended by Senate.

Taxpayer Savings (total 3 years): State - \$25.8 million | Local - \$7.3 million

Credit for Donation of Sales Tax on a Motor Vehicle Purchase (one year) – Currently, anyone who purchases or registers an automobile or light truck in Florida may designate \$105 of the state sales tax due at the time of purchase or registration to an eligible nonprofit scholarship-funding organization (SFO) participating in the Florida Tax Credit Scholarship Program (FTC). This new law will add heavy trucks (up to 8,000 lbs.) to the eligible vehicles. Not really a tax savings, but taxpayers get to decide if part of the tax they pay goes to this program.

Recommended by House

Fiscal Impact: State - \$5.3 million first year, \$5.8 million recurring

State University and College Public Works Contracts - A sales tax refund mechanism would be created for state universities and colleges for tangible personal property purchases made by state university contractors when such property goes into or becomes part of public works owned by the state university. Such sales are already exempt if the materials are bought and held by the governmental entity commissioning the work before being handed off to the contractor. This complex process can result in the contractors having to pay tax on needed materials (not having to go through university bureaucracy). That cost can be passed on to the institution.

Recommended by Senate.

Taxpayer Savings: Indeterminate recurring

Liquified petroleum gas tanks – The bill creates a permanent sales tax exemption for tanks with a capacity of 20 pounds or less.

Recommended by House and Senate

Taxpayer Savings: Indeterminate recurring

PROPERTY TAX

Mobile Home Park Assessment Limitation – This is the largest recurring tax cut in the tax package. Beginning January 1, 2027, the assessed value of long-term mobile home parks may not increase by more than three percent a year, just like the Save Our Homes limitation for homestead property. To qualify, the lot must rent more than 75 percent of the mobile home lots to residents with a lease of at least one year, and the taxes are required to be paid by the residents. In any year that the park does not qualify for this new three percent assessment cap, it is subject to the ten percent assessment increase limitation for non-homestead property.

Recommended by House

Taxpayer Savings: Local - \$6.6 million (first year) | \$65.2 million recurring

Deployed Servicemember Exemption - Operation Update – The bill adds six military operations to the list of operations that qualifies service members with a homestead exemption for a property tax exemption for the time they were deployed.

Recommended by Senate.

Taxpayer Savings: Local - \$25.1 million first year | \$8.4 million recurring

Agricultural Classification for Compost – Compost is added to the definition of agricultural purpose, allowing property that is used for composting to be assessed at the lower agriculture value.

Added by Conference.

Taxpayer Savings: \$1.4 million recurring

Agricultural Assessment of Packinghouses – Another provision providing more favorable property tax assessments for agricultural property. Using the income methodology to assess ag property, packinghouses and the land on which they are located, if having the same ownership, shall be considered a part of the average yields per acre and shall not have any separately assessable contributory value.

Added by Conference.

Taxpayer Savings: Indeterminate recurring

Additional Save Our Homes Portability - Under current law, a taxpayer may transfer, or “port,” any accrued Save Our Homes benefit (up to \$500,000 of value) from an immediate prior homestead to a new one. The bill allows the port from any homestead abandoned by the taxpayer in the prior three years. This change could allow for a larger reduction in ad valorem property taxes for property owners who change homes more than once in a three-year period.

Recommended by House.

Taxpayer Savings: Indeterminate (recurring)

Homestead Properties Rented by Officers of the United State Government – This provision affects homesteads that are owned by Diplomatic, Intelligence, Consular, and Foreign Service Officers whose employment requires them to be stationed, deployed, or are directed to reside outside of Florida. If the property is rented to another person, the federal officer may continue to receive a homestead exemption and the Save Our Homes benefit.

Recommended by House.

Taxpayer Savings: Local - indeterminate (recurring)

Allows VABs to Hear Appeals Related to Timely Filing of a TPP Tax Return – Tangible personal property (TPP) taxpayers must file a TPP return with the county property appraiser by April 1. The property appraiser must grant a 30-day extension and may grant an additional 15-day. An assessment may not be contested unless a return as was timely filed. A late TPP return may be subject to penalties. The new law adds challenges relating to the timely filing of a TPP return to the reasons a VAB may meet.

Recommended by Senate.

Taxpayer Savings: Indeterminate (recurring)

Tax Increment Financing Exemption for Children’s Services Councils - The bill specifies that special taxing districts for children’s services are exempt from paying Community Redevelopment Agencies (CRAs) a portion of the taxes they collect pursuant to the CRA’s tax increment financing mechanism.

Recommended by House and Senate.

Taxpayer Savings: Indeterminate (recurring)

Notification of Exemption Denial - The bill allows property appraisers during the time between July 1 and the date the TRIM notice is mailed to notify property owners who have applied for an exemption that they have received additional information that would cause their application to be denied. This allows property owners to challenge the denial at the Value Adjustment Board level, and potentially saves the owners significant court fees, interest, and penalties.

Recommended by House.

Taxpayer Savings: Local – Indeterminate or zero (recurring)

New Levies by Municipal Service Taxing Units and Dependent Special Districts - The bill clarifies the voting threshold for adoption of a millage rate for the first year that ad valorem taxes are levied for a municipal service taxing unit or for dependent special districts. The levy must be approved by a unanimous vote of the membership of the governing body of the county or municipality, or by a three-fourths vote of the membership of the governing body if the governing body has nine or more members, or by referendum.

Recommended by House.

Taxpayer Savings: Indeterminate

Disclosure of Estimated Taxes - The bill requires online property listings to include estimated ad valorem taxes, rather than displaying the current owner’s taxes, to give prospective buyers a more accurate picture of future tax liabilities. This overdue change is needed because Save Our Homes often makes a property’s tax current tax bill much lower than it will be when the home is sold and reassessed without having accrued any SOH benefit.

Recommended by House and Senate.

Taxpayer Savings: None

OTHER TAXES

Gambling Taxes - The bill reduces the pari-mutuel cardroom tax rate on the monthly gross receipts of cardroom operators from 8 percent to 5 percent. The tax rate on slot machine revenues is reduced from 35 percent to 34 percent. Beginning July 1, 2026, the bill also provides an exemption from the annual license fee for slot machine permitholders that are prohibited by the Florida Constitution from conducting live racing and are located in a county where the Seminole Tribe of Florida operates at least two casinos.

Recommended by House.

Taxpayer Savings (Slot License):	State - \$2.0 million recurring (Trust Fund)
Taxpayer Savings (Slot Tax):	State - \$7.5 million recurring (Trust Fund)
Taxpayer Savings (Cardrooms):	State - \$3.9 million recurring (Trust Fund)
Total:	State - \$3.3 million recurring (GR)
	State - \$16.7 million recurring

Strong Families Tax Credit Program - This program provides credits against multiple taxes for monetary donations to certain eligible charitable organizations that provide services focused on child welfare and well-being. The bill increases the annual cap on total credits from \$40.0 million to \$53.1 million for the next two fiscal years. In addition, beginning January 1, 2027, a taxpayer may not apply for a tax credit greater than \$2 million per eligible charitable organization in any year and the total amount of tax credits for any single eligible charitable organization that may be approved in a year cannot exceed \$10 million.

Added by conference committee. The House package set the caps on taxpayers and charitable organizations at \$1 million and \$5 million. The conference doubled those limits and added the \$13.1 million increase of the cap on total annual credits.

Taxpayer Savings: State (GR) - \$13.1 million a year for two years.

Child Care Tax Credit - The bill extends the program, which provides credits against multiple taxes for 50 percent of the startup costs of an eligible child care facility; \$300 per child, per month, enrolled in an eligible child care facility operated by the taxpayer; or 100 percent of payments, up to \$3600 per child per year, made directly to an eligible child care facility on behalf of an employee. Currently authorized through FY2026-27, the bill extends the program for one year.

Recommended by House. The House tax package proposed a three-year extension; the conference committee reduced it to one year.

Taxpayer Savings: State (GR) - \$5.0 million for one year.

Documentary Stamp Tax - Alarm System Contractors - In 2024, the Legislature created a three-year documentary stamp tax exemption for non-interest-bearing written obligations to pay \$3,500 or less, in connection with the sale of an alarm system. The bill extends this exemption for one additional year, until June 30, 2028.

Recommended by House. The House tax package proposed a three-year extension. The conference report reduced it to one year.

Taxpayer Savings: State - \$1.2 million (GR) and \$1.1 (Trust Fund) for one year (2027-28)



TAX ADMINISTRATION/OTHER

Interest Accrual on Refunds – This is a very good taxpayer friendly provision. It requires interest to begin accruing on overpayments of taxes on the 91st day after the refund application was postmarked or electronically submitted. It also removes the requirement that the application must be “complete,” something many taxpayers perceived as a tool used by the Department to delay the start of interest accruing. **Florida TaxWatch has worked for years to bring fairness to the Department of Revenue’s process for paying interest on refunds, which makes it difficult for many taxpayers to recover interest. It is likely that the estimate below is quite understated.**

Added by Conference. This language replaced very bad language in the Senate bill that would have only allowed interest only if it was requested in the original refund application, including any currently pending claims.

Increased Interest Payments: \$2.4 million first year | \$9.8 million recurring.

Back-to-School Holiday Dates - The bill revises the dates of the annual one-month back-to-school sales tax holiday from the month of August to July 20th through August 20th.

Recommended by House.

Insurance Premium Tax Credits - The bill amends the order in which Insurance Premium Tax credits are taken against tax liabilities, so that all active tax credit programs are listed in order of their adoption date.

Recommended by House.

Property Appraiser and Tax Collector Online Reporting – Property appraisers and tax collectors are currently required to post their final budget on their website within 30 days of adoption. The bill requires them to post “all supporting schedules” as well.

Added by Conference.

Tax Collector Commissions – For the commission they are paid for collecting property taxes, the bill allows tax collectors to waive that commission for voted school millages.

Added by Conference.

Voted School Millage Ballot Placement and Timing at General Election – The bill requires that a measure to adopt a voted school millage must be placed on the ballot at the next general election held more than 90 days after the adoption of the resolution.

Added by Conference.

								
Total Tax Savings — HB 7031E								
Estimated state and local tax relief by fiscal period, in millions of dollars								
First Year 2026–27			Additional Non-Recurring 2027–28 and 2028–29			Recurring Annual After 2028–29		
STATE	LOCAL	TOTAL	STATE	LOCAL	TOTAL	STATE	LOCAL	TOTAL
\$93.7	\$28.8	\$122.5	\$65.8	\$15.1	\$80.9	\$29.1	\$74.4	\$103.5

PROVISIONS IN THE HOUSE AND SENATE TAX PACKAGES THAT DID NOT MAKE IT INTO THE FINAL BILL

Sales Tax Exemption for Firearm Accessories (one year) – In addition to the guns and ammo holiday, the House also proposed a one-year sales tax exemption for firearm accessories. Exempted items included cases, grips, muzzles, holsters, silencers, ammunition feeding devices, sights, cleaning kits, and more. These items would be exempt for a one-year period of July 1, 2026, to June 30, 2027.

Taxpayer Savings: \$11.7 million

Sales Tax Exemption for TPP Leased by Space Florida (one year) – The House proposed a sales tax exemption, from July 1, 2026 to June 30, 2027, for tangible personal property that is leased by a private lessee, if the property is owned by Space Florida and is used by the lessee solely in connection with a defense or aerospace contract, program, or project.

Tax Savings: \$28.2 million

Property Tax Exemption for Space Florida - The House also proposed that property being used by a non-governmental lessee pursuant to a project authorized by Space Florida is deemed to perform an essential governmental purpose and therefore would be exempt from ad valorem taxes. The bill also expands the term “governmental purpose” to include “a defense or aerospace use.”

Taxpayer Savings: \$11.4 million recurring

Property Tax Exemption for Multifamily Projects on State-Owned Lands – The House proposed that multifamily projects on state-owned lands that receive the current exemption may keep the exemption even if the property is sold to a non-state entity. The property must continue to qualify for the current exemption, and the owner must continue to apply annually for the exemption.

Taxpayer Savings: Indeterminate (recurring)

Surplus Lines Tax Exemption for Certain Flood Insurance – The House proposed a three-year exemption from the insurance premium tax on flood insurance policies issued by surplus lines carriers. The exemption is repealed on June 30, 2029. Taxpayer Savings: State - \$35.3 million per year for three years

Tax Discount for Domestic Beer (one year) - The House proposed to temporarily reduce the beverage tax rate for beer that is manufactured in this country from 48 cents to 40 cents per gallon when sold in bulk or in kegs or barrels, and from 6 to 5 cents per pint, or fraction thereof, when sold in containers of less than one gallon.

Taxpayer Savings: \$29.3 million

Credit for Qualified Railroad Expenditures – For the 2026 tax year, the House proposed to amend the type of railroad that can qualify for the corporate income tax credit for qualified railroad reconstruction or replacement expenditures to include any railroad that operate entirely within Florida. This temporarily would have expanded the pool of railroads eligible for the credit from solely freight railroads to include eligible passenger railroads.

Taxpayer Savings: \$0.8 million

Homebuyer Workforce Tax Credit – The House wanted to create a new tax credit for employers who contribute to their moderate-income employees’ home buying expenses. The bill allowed a 100% tax credit against corporate income or insurance premium taxes for employer contributions to down payment or closing costs, capped at \$5,000 per employee. The program was capped at \$5 million per year for three years. Taxpayer Savings: \$5.0 million a year for three years

Inheritance of Homestead Property – The Senate proposed that the transfer of homestead property to a lineal descendant is not a change in ownership that requires a reassessment of the homestead under Save Our Homes.

Taxpayer Savings: \$28.2 million recurring

Surviving Spouses of Veterans – The Senate proposed that a surviving spouse of a totally and permanently disabled veteran or a veteran or first responder who lost their life in service may transfer up to 120 percent of the homestead exemption to a new primary residence.

Taxpayer Savings: \$0.3 million recurring

Rural Community Investment Program – The Senate proposed that the value of the Rural Community Investment Program credit would be increased from 25% of the investor’s contribution to 50%. The RCIP provides a tax credit against the corporate income tax or insurance premium tax for investment in certain rural communities.

Taxpayer Savings: Indeterminate

Charter School Funding – Currently, taxes collected from a voter approved property tax levy must be shared with public charter schools sponsored by a school district. The Senate proposed that the tax be shared with all charter schools regardless of the sponsoring entity.

Collection of Taxes by Vacation Rental Platforms – The House bill required collection of taxes by certain vacation rental platforms. These taxes are due now but are often collected by the owner or operator of the vacation rental.

APPENDIX B

VOTERS WILL DECIDE ON A MULTI-BILLION-DOLLAR PROPERTY TAX RELIEF AMENDMENT IN NOVEMBER

After a special session on the budget and another one to redraw congressional maps, the Legislature returned to Tallahassee the first week in June for yet another special session (the sixth in the last two years). Governor DeSantis called the session to consider his just released proposed property tax constitutional amendment that would provide tax relief on an unprecedented scale.

The amendment has many provisions, the main one being an increase in the homestead exemption to \$150,000 on January 1, 2027, and \$250,000 on January 1, 2028. New Florida residents would have to wait five years to qualify for the increased exemption. The Governor proposed that this new exemption would apply to all property tax levies, including those for schools.

The amendment would also reduce the cap on non-homestead property assessment increases from the current 10 percent to five percent.

The remaining property taxes levied by local governments could only be used for “core local services” such as public safety, education, infrastructure, debt, and retirement benefits. The amendment directs the Legislature to create a state trust fund to help local government fund these core local services.

The Legislature took up the Governor’s plan less than week after it was made public. The Legislature approved the joint resolution and accompanying general bill, but not before making some big changes. Lawmakers shielded school property taxes from the increased exemptions, which will reduce tax savings by approximately 38 percent. Also removed was the requirement that the state create a trust fund to help local governments pay for “core services.” Lastly, the Legislature made a very broad addition to the definition of “core services”—the operations, administration, and expenditures approved by county officer and county and municipal governing bodies.

The Governor was not pleased with the changes; his goal was to eventually eliminate all property taxes for most homeowners. However, he said that he would support the amendment and work with the Legislature on the implementing bill.

The amendment will appear on the November 2026 ballot and if 60 percent of the voters approve it, it will become law for the 2027 tax year.

Florida TaxWatch appreciates the conversation about lowering property tax. Our report *Save Our Taxpayers - Property Tax Relief Must be Accomplished Equitably* highlighted the rapid growth in local government property tax collections and concluded that significant relief is warranted. Our *How Counties Compare* report shows that most counties in Florida have increased property tax revenues far in excess of the growth in population and inflation over the last 10 years.

However, we do not believe you can solve the problem by only looking at the increase in property taxes. We also need to discuss the rapid increase in local government budgets. If guardrails aren’t put in place to curb local government spending, any reduction in homestead property tax revenue will be passed on to non-homestead property owners or replaced with other taxes, fees and special assessments.

Florida’s property tax system already shifts billions in property taxes from homesteads to non-homestead property and history has shown that increasing exemptions on one class of taxpayers worsens the shift to others. In this case, this includes renters, businesses, and other property without a homestead exemption.

In addition, the hurried evaluation and adoption of this proposal, which became public only a week before it was approved by the Legislature, was unnecessary. This is by far the largest change to the fiscal structure of Florida government in our state’s history. Anyone watching the legislative deliberation and debate could tell this was

not ready. There had not even been an official state fiscal impact estimate done. Rather than forcing this issue to be decided in a hastily called Special Session, it would have been far better to have this issue taken up by the constitutionally mandated group Florida TaxWatch helped to establish—the Taxation and Budget Reform Commission, which begins in 2027.

The state Revenue Estimating Conference (REC) met 10 days after the Legislature passed the joint resolution to adopt a fiscal impact estimate. The REC predicts a tax savings/local government revenue loss of \$5.0 billion in the first year (FY2027-28), growing to \$10.7 billion in FY2030-31. This ranges from \$1.0 million in Liberty County to \$1.4 billion in Miami-Dade County (all non-school jurisdictions).

PROPERTY TAX RELIEF AMENDMENT (HJR 1F) AND LEGISLATION (SB 4F)

Homestead Exemption

- Beginning January 1, 2027, the homestead exemption will increase to \$150,000. Beginning January 1, 2028, it will increase to \$250,000.
- The exemption will be adjusted for inflation beginning January 1, 2029.
- The exemption will not apply to school taxes. (*The Governor's proposal included school taxes*).
- Homeowners that were not Florida residents as on Dec. 31, 2026, and purchase a new residence in Florida after January 1, 2027, shall receive a \$50,000 homestead exemption until the fifth year, when they would qualify for the \$250,000 exemption (as adjusted for inflation).
- The legislature is directed to prescribe, by general law, a uniform procedure for counties, municipalities, and school districts to increase the amount of assessed valuation exempt, up to all remaining assessed valuation.
- Beginning January 1, 2030, a county, municipality, or school district, by two-thirds vote of the membership of the governing body, may determine that a reduction of the five-year requirement provided under subparagraph (1)b. is warranted for a critical local need.
- A special district may, upon approval by referendum, increase the amount of the exemption, up to all remaining assessed valuation. The district would be able to adjust this exemption by inflation.

Non-Homestead Cap

- Beginning January 1, 2027, the cap on the annual increase in the assessment of non-homestead properties will be reduced from 10% to 5%.
- It still will not apply to school levies.
- The current Save Our Homes three percent assessment cap on homesteads would not change.

Other

- Counties and municipalities would be restricted to using their remaining ad valorem tax revenue solely for core services such as public safety, education, infrastructure, natural resource projects, debt, and retirement benefits. *The Legislature made a broad addition to this list—expenditures approved by county officials and county and municipal governing bodies.*
- *The Legislature removed the Governor's requirement to establish a state trust fund to provide grants to local government.* The Governor says he will work with legislators to implement one.

LINKED TAX ADMINISTRATION BILL (SB 4F)

Maximum Millage Rate

- **Current law** – The max millage rate that counties, municipalities, dependent and independent districts, and MSTUs may levy is the rolled-back rate based on the amount of taxes which would have been levied in the prior year if the maximum millage rate had been applied, adjusted for change in per capita Florida personal income, unless a higher rate was adopted, in which case the maximum will be that adopted rate.
- The governing body may adopt a rate of up to 110% of the max rate by a two-thirds vote.
- The governing body may adopt a rate exceeding 110% of the max rate by a unanimous vote (3/4 vote if the governing body has nine or more members), or by referendum.
- **Proposed Change** – The maximum rate would be the traditional rolled-back rate– the rate that would bring in the same amount of taxes as the previous year when applied to the new tax roll minus new construction, additions, deletions, property added by boundary changes, and tangible personal property value in excess of 115% of the previous year.
- The supermajority votes to exceed the maximum rate would remain the same.
- Note – This would result in a lower maximum rate which would help taxpayers and slow the tax shift. The current method has allowed governments to have max rates far in excess of the rolled-back rate and even their adopted rate.

Ballot Summary

- The bill provides that the ballot summary for this amendment only will be able to exceed the 75-word cap that is in law.

Required Notice of Proposed Amendment

(The three provisions below were in the Governor's plan but were removed by the Legislature.)

- The bill requires an insert about the amendment to be mailed to all taxpayers with the TRIM notice (Notice of Proposed Property Taxes) and other mailings. Current law prohibits anything else from being included in these mailings.
- This notice will include the ballot summary and a link to a website where taxpayers can find out how much money they will save. The PAs must follow the prescribed notice and not include and change anything. The notice will say: "This notice is not advocating for the passage or defeat of the proposed constitutional amendment."
- The bill appropriates \$5.5 million to reimburse each county for the expense of printing and mailing the insert.

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the taxpayers of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible donations and private grants. Donations provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves since 1979.

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