

FISCAL NOTE

	FY 2026	FY 2027	FY 2028
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
SCHOOL FOUNDATION FUND	(\$0)	Indeterminable	(\$19,800,000)
AD VALOREM TAX	(\$0)	Indeterminable	(\$11,700,000)

Source of revenue (decrease):

This bill amends the long-term homeowner tax exemption by reducing the residency requirement from 8 months to 6 months and removes the qualification of a surviving spouse who would not otherwise qualify, beginning January 1, 2026. The fiscal impact of these two qualification changes is indeterminable. This bill also repeals the exemption sunset, decreasing property taxes beginning in tax year 2027 (FY 2028). The estimated decreases in property tax revenues to the School Foundation Program (SFP) and to other local taxing entities from the sunset repeal are provided in the above table.

The SFP will experience a revenue decrease from the 43 mills supporting K-12 public education, which include the statewide 12 mill levy, the school district 25 mill levy, and the countywide 6 mill levy. For purposes of this analysis, the decrease in property tax revenues to the SFP is shown as an absolute revenue decrease in lieu of estimating the school district recapture revenue decrease and school district entitlement expenditure increase separately.

Assumptions:

The above estimate assumes 23,000 qualifying applications, an average assessed value exemption of \$20,000 and the 2024 tax year average mill levy of 68.504 mills. Based on the information above, this bill would decrease total property taxes by approximately \$31.5 million in tax year 2027 (FY 2028). Of the estimated total impact, the decreased revenue from the 43 mills supporting the SFP is approximately \$19.8 million in tax year 2027 (FY 2028).

This bill may require the Legislature to appropriate additional funds from the SFP for increased entitlement payments to ensure sufficient funding is available to offset the reduction in revenue generated by the school district 25 mill levy and countywide 6 mill levy.

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