

## **2026 Florida Legislative Session Recap**

Week 6 - February 16-20

### **House Passes Elimination of Non-School Homestead Property Taxes**

On Thursday, the House approved a proposed constitutional amendment 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 makes it to the ballot and is approved by the voters, taxpayers will save, and local governments will lose \$14.7 billion, by far the largest tax cut in Florida's history. The Senate has not released a property tax proposal and its reception to the House plan is unclear.

Florida TaxWatch supports significant property tax relief, but we have concerns about this proposal's impact on taxpayer equity. It will increase the multi-billion-dollar tax shift from homestead properties to renters, businesses and first-time homebuyers that our property tax system already creates. There are also equity concerns for local governments, the degree to which they rely on property taxes to fund services varies considerably.

### **House and Senate Pass Budgets, Conference Negotiations Next Step**

The House and Senate also passed their new state budget proposals this week, totaling \$113.6 billion and \$115.0 billion, respectively. This House offer is a slight reduction of 1.1% from current spending, the Senate has a slight increase. However, both chambers propose an increase in General Revenue spending. The Senate Appropriations Committee took up its budget earlier this week, adopting 181 amendments, almost all of them transferring funding to add another member project. This brings the total number of member projects in both budgets to approximately 2,900.

In addition to deciding who gets to bring what home to their district, there are a number of big ticket budget issues to be negotiated, including funding for public education, Everglades restoration and water quality, state employee pay raises, the Florida State Guard, the Governor's Job Growth Grant Fund, and the transfer of USF Manatee-Sarasota Campus to New

College. The odds for a drama-free, timely resolution to the budget process are not great, but let's be optimistic.

## **First Look at Potential State Tax Package Expected Next Week**

A relatively small number of state tax bills (not property tax) have seen movement so far this session. Usually towards the end of session, the chambers develop tax packages, containing multiple tax cut and tax administration provisions. Some provisions are from bills heard in committee, some are not. Some appear for the first time. On Friday, the Senate Finance & Tax Committee filed a "placeholder bill", only stating the Legislature intends to change the tax laws. There is also a placeholder corporate piggyback bill (see Tax section below for why this is important). The committee will be taking this up on Wednesday (2/25). No bill from the House yet, but the Ways & Means committee is meeting on Thursday (2/26).

## **Other Bills Moving Forward This Week**

### **Passed One Chamber:**

- The full House passed HB 103 to **repeal local business taxes**, worth \$200 million to businesses and local governments.
- The Senate passed SB 434 to prohibit increasing the assessed value of residential property based on **improvements made to enhance wind resistance**.
- HB 5501 would divert \$60 million in documentary stamp taxes from general revenue to fund **Florida Rail Enterprise projects**.
- The House joined the Senate in recreating the **Emergency Preparedness and Response Fund**, but the House bill contains new spending restraints and accountability provisions.

### **Passed Committee**

- HB 1035 promotes the use of green infrastructure and **nature-based solutions to resiliency**, which is supported by Florida TaxWatch research.
- HB 1177 aims to boost **Space Florida**. The bill passed its second committee; however, a sales tax exemption and a property tax exemption were removed from the committee substitute.
- SB 484 begins regulation of the exploding **data center industry**, including shielding residents and businesses from paying for some of the high utility costs these center demand.