

**Revenue Estimating Conference
Ad Valorem Assessments
March 6, 2023
Executive Summary**

Estimates of the statewide property tax roll are primarily used in the appropriations process to calculate the Required Local Effort (RLE) millage rates. These are the expected rates local school districts must levy in order to generate the required local funding for participation in the Florida Education Finance Program. After taking into account the initial losses and recovery schedule previously adopted for Hurricane Ian, the Revenue Estimating Conference has updated its ad valorem forecast for 2023. Based on the final data for activity occurring in the 2022 calendar year, the new projection is \$3,286.30 billion, which is \$115.31 billion higher than the previous estimate for 2023 adopted in August 2022. While not as strong as 2022's 20.07% growth, the new estimate still represents growth of 12.03% over the prior year. At 96 percent, the value of one mill is now projected to be \$3,154.84 million.

Conditions in Florida's housing market are still important to the overall forecast, but they are not the singular driving factors they once were. While homestead appreciation grew 28.44% in 2022 and topped the prior peak of 26.04% seen in 2006 during the housing boom, appreciation across all property types came in at 24.96%. This included significant increases in vacant land values and the just value of agricultural property. The Conference does not expect this degree of appreciation to continue into subsequent years. Just as record low interest rates brought on the 2021 and 2022 buying surge, tightening monetary policy and elevated mortgage rates have already started to bring a halt to the spree—introducing a dampening effect on price increases or even price decreases. Expected appreciation in 2023 is dropped to 10.77% and goes negative (-2.51%) in 2024. This expectation is in line with the forecast adopted by the Florida Economic Estimating Conference.

County (non-school) taxable value is lower than school taxable value due to the greater number of exemptions available to property owners. In recent years, the Revenue Estimating Conference has been forecasting county taxable value separately from school taxable value. County taxable value on January 1, 2022 came in at \$2,586.64 billion. The new projection for 2023 is \$2,931.42 billion. This represents a year-over-year increase of \$344.78 billion or a 13.33 percent increase from the 2022 actual. The revised estimate is \$96.55 billion higher than the previous estimate for 2023 adopted in August 2022.

July 1, 2023 Certified School Taxable Value

| | Actual July 1, 2022 Certified School Taxable Value | August 2022 Estimate of July 1, 2023 Certified School Taxable Value | March 2023 Estimate of July 1, 2023 Certified School Taxable Value | Change in Estimates (Mar. 23 vs Aug. 22) | Change from 2022 Actual | Percentage Change from 2022 Actual |
|--|--|---|--|---|-------------------------|---------------------------------------|
| <i>(billions of dollars)</i> | | | | | | |
| School Taxable Value | 2,933.44 | 3,170.98 | 3,286.30 | 115.31 | 352.86 | 12.03% |
| Real Property | 2,779.73 | 3,007.79 | 3,138.06 | 130.28 | 358.33 | 12.89% |
| Personal Property | 151.80 | 152.34 | 156.35 | 4.01 | 4.55 | 3.00% |
| Centrally Assessed Property | 1.91 | 1.98 | 1.98 | 0.00 | 0.07 | 3.50% |
| Projectd VAB | 0.00 | 8.88 | -10.10 | -18.98 | -10.10 | n/a |
| Value of one mill at 96 percent | 2.82 | 3.04 | 3.15 | 0.11 | 0.34 | 12.03% |

**Total school taxable value includes Value Adjustment Board changes and other tax roll adjustments. Components may not add up to the total.*

January 1, 2023 County Taxable Value

| | Actual January 1, 2022 County Taxable Value | August 2022 Estimate of January 1, 2023 County Taxable Value | March 2023 Estimate of January 1, 2023 County Taxable Value | Change in Estimates (Mar. 23 vs Aug. 22) | Change from 2022 Actual | Percentage Change from 2022 Actual |
|------------------------------|--|--|---|---|-------------------------|---------------------------------------|
| <i>(billions of dollars)</i> | | | | | | |
| County Taxable Value | 2,586.64 | 2,834.87 | 2,931.42 | 96.55 | 344.78 | 13.33% |
| Real Property | 2,432.93 | 2,680.55 | 2,783.18 | 102.63 | 350.25 | 14.40% |
| Personal Property | 151.80 | 152.34 | 156.35 | 4.01 | 4.55 | 3.00% |
| Centrally Assessed Property | 1.91 | 1.98 | 1.98 | 0.00 | 0.07 | 3.50% |
| Projected VAB | 0.00 | n/a | -10.10 | -10.10 | -10.10 | n/a |

**Total county taxable value includes Value Adjustment Board changes and other tax roll adjustments. Components may not add up to the total.*

| CERTIFIED SCHOOL TAXABLE VALUE GROWTH RATES | | |
|--|-------------|------------|
| Year | August 2022 | March 2023 |
| 2022 | 20.07% | 20.07% |
| 2023 | 8.10% | 12.03% |
| 2024 | 6.78% | 3.32% |
| 2025 | 5.76% | 6.67% |
| 2026 | 5.65% | 6.16% |
| 2027 | 5.34% | 5.52% |
| 2028 | 5.24% | 5.39% |