

Property Taxes: Fiscally Constrained Counties

House Select Committee on Property Taxes
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Presented by:



The Florida Legislature
Office of Economic and
Demographic Research
850.487.1402
<http://edr.state.fl.us>

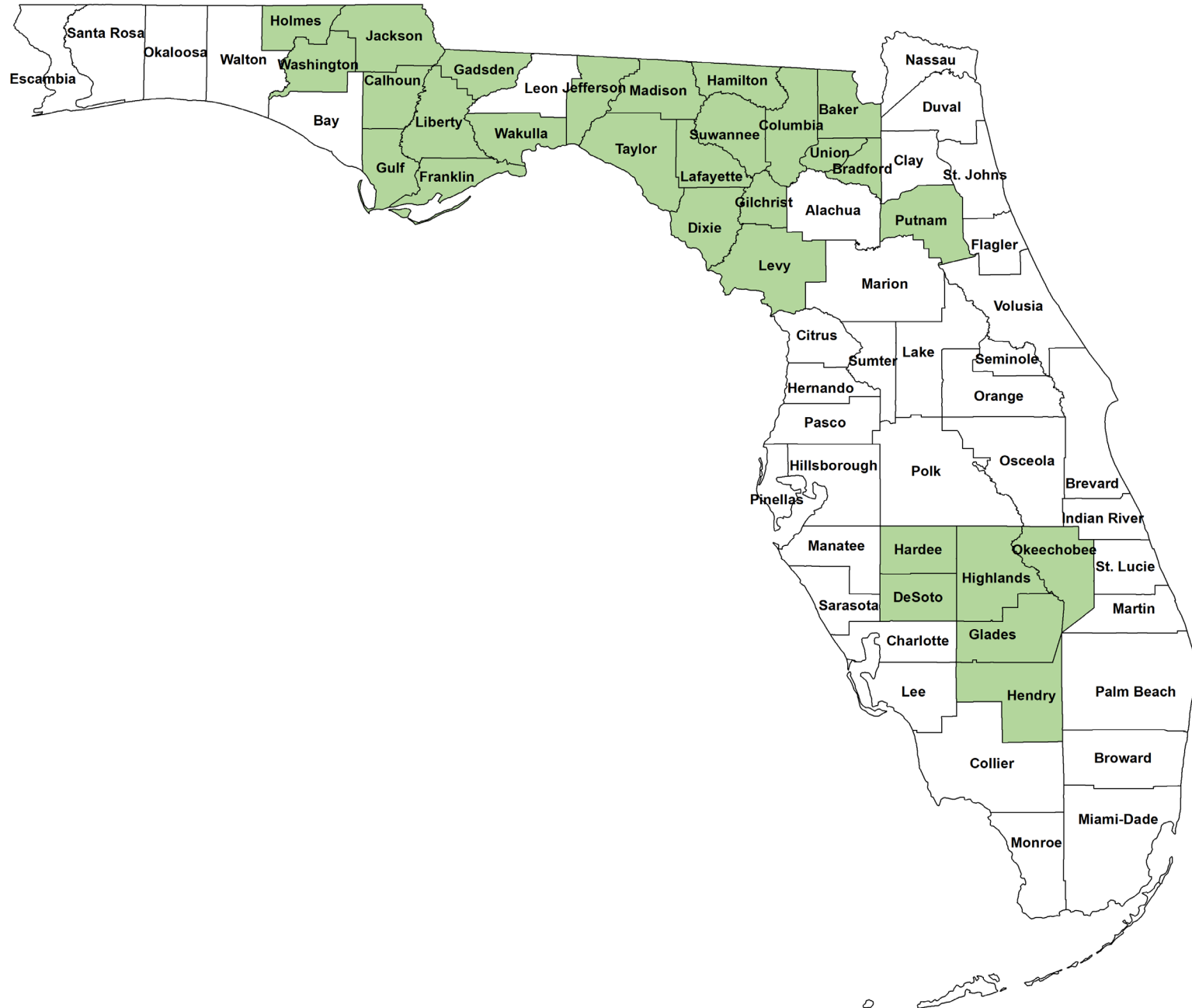
Fiscally Constrained Counties...

Created in 2006 as s. 218.67, Florida Statutes, the law deemed that certain qualifying counties were fiscally constrained and thereby eligible for additional funding. The definition in 2025 is as follows: “Each county that is entirely within a rural area of opportunity as designated by the Governor pursuant to s. 288.0656 or each county for which the value of a mill will raise no more than \$5 million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1, shall be considered a fiscally constrained county.”

- Prior to 2006, the term primarily existed in statute to set county and state responsibilities for juvenile detention, with the benchmark for the value of a mill for fiscally constrained counties set at \$3 million.
- The 2006 law set aside a portion of certain sales tax revenues for distribution to fiscally constrained counties, with the benchmark for the value of a mill for fiscally constrained counties set at \$5 million. Today, this distribution is valued at \$10,152,000.
- For those counties that no longer qualify for the fiscally constrained county distribution after July 1, 2006, there is a two-year phase-out period. Following this period, the county is no longer eligible to receive any such distributions unless the county subsequently qualifies as being fiscally constrained. Today, five counties have exceeded the \$5 million cap but are still deemed to be fiscally constrained because they are entirely within a rural area of opportunity as designated by executive order of the Governor (Columbia, Hendry, Highlands, Okeechobee and Putnam).

FY 2025-26...29 counties

Fiscally Constrained Counties



Appropriations to Fiscally Constrained Counties...

The Legislature appropriates funds to offset the reductions in property tax revenue that are a direct result of each of the following:

- a. Provisions in Article VII of the Florida Constitution including the additional \$25,000 homestead exemption, the \$25,000 tangible personal property tax exemption, homestead assessment difference transferability, and the 10% assessment increase limitation on nonhomestead property (s. 218.12, Florida Statutes). For FY 2026-27, the Revenue Estimating Conference projects this to be \$73,812,467.
- b. Sections 3(f) and 4(b) of Article VII, Florida Constitution, including the tax exemption for real property dedicated in perpetuity for conservation purposes and classified use assessments for land used for conservation purposes (s. 218.125, F.S.). For FY 2026-27, the Revenue Estimating Conference estimates this to be \$1,431,792.
- c. Section 6(a)(2) of Article VII, Florida Constitution, including the CPI adjustment to the 2nd Homestead (s. 218.136, F.S.). For FY 2026-27, the Revenue Estimating Conference estimates this to be \$1,693,667.

The Legislature also appropriates funds on an ad hoc basis for selected special purposes, such as the offset of reductions in ad valorem tax revenue from refunds due to a catastrophic event. Additionally, they have authorized payments from State Forest Timber Sales (2009).

FY 2026-27 Total Projection...\$76.9 million

Value Comparison...

County Taxable Value--Real Property	ALL	Homestead	Homestead Share of All	Share of JV
Just Value	5,146,829.2	2,389,375.5	46.4%	
Taxable Value	3,290,944.5	1,186,925.0	36.1%	
Difference from JV	-1,855,884.7	-1,202,450.5		
	-36.1%	-50.3%		
Just Value	5,146,829.2	2,389,375.5	46.4%	
Differentials	-1,242,383.7	-899,349.1	72.4%	-37.6%
Assessed Value	3,904,445.5	1,490,026.5	38.2%	
Exemptions	-613,501.0	-303,101.5	49.4%	-12.7%
Taxable Value	3,290,944.5	1,186,925.0	36.1%	
Fiscally Constrained Counties--Real Property	ALL	Homestead	Share of All	JV
Just Value	136,768.9	48,350.0	35.4%	
Taxable Value	58,049.1	18,492.3	31.9%	
Difference from JV	-78,719.8	-29,857.7		
	-57.6%	-61.8%		
Just Value	136,768.9	48,350.0	35.4%	
Differentials	-54,361.0	-18,573.5	34.2%	-38.4%
Assessed Value	82,407.9	29,776.6	36.1%	
Exemptions	-24,358.8	-11,284.3	46.3%	-23.3%
Taxable Value	58,049.1	18,492.3	31.9%	