



VILLAGE OF KEY BISCAYNE

Florida's 2026 Property-Tax Amendment

What CS/HJR 1F Means for the Village Budget

Passed June 2, 2026 (House 75–26, Senate 30–9) · On the November 2026 ballot · Needs 60% to pass

Prepared for the Village Council Meeting · June 9, 2026



Raised to \$250,000 — About \$1.6M per Year

The exemption *replaces* today's \$50,000 — it does not stack. It rises to \$150K in 2027 (FY28 budget) and \$250K in 2028 (FY29). The real new break is about \$200K per home, and it only touches the homesteaded third of the Village.

\$0.8M

Reduced Village revenue
FY28 (\$150K exemption)

\$1.6M

Reduced Village revenue
FY29+ (\$250K, full)

~\$550M

Taxable value removed
at full phase-in

115

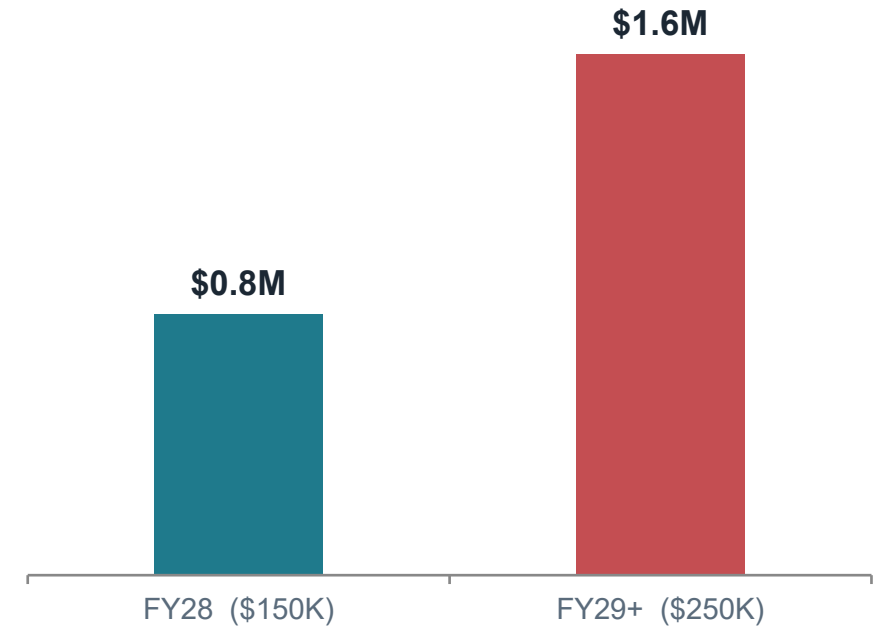
Homesteads paying \$0
Village tax at full \$250K (4.1%)

21 homes pay no Village tax after the FY28 (\$150K) step; 115 once the full \$250K is in.

Of the Village's 7,395 parcels, 2,777 (37.5%) are homesteaded.

The \$250K exemption is indexed to CPI (U.S. City Average) annually from 2029, so this annual loss grows over time.

Annual revenue reduction, flat 2.8846 mills

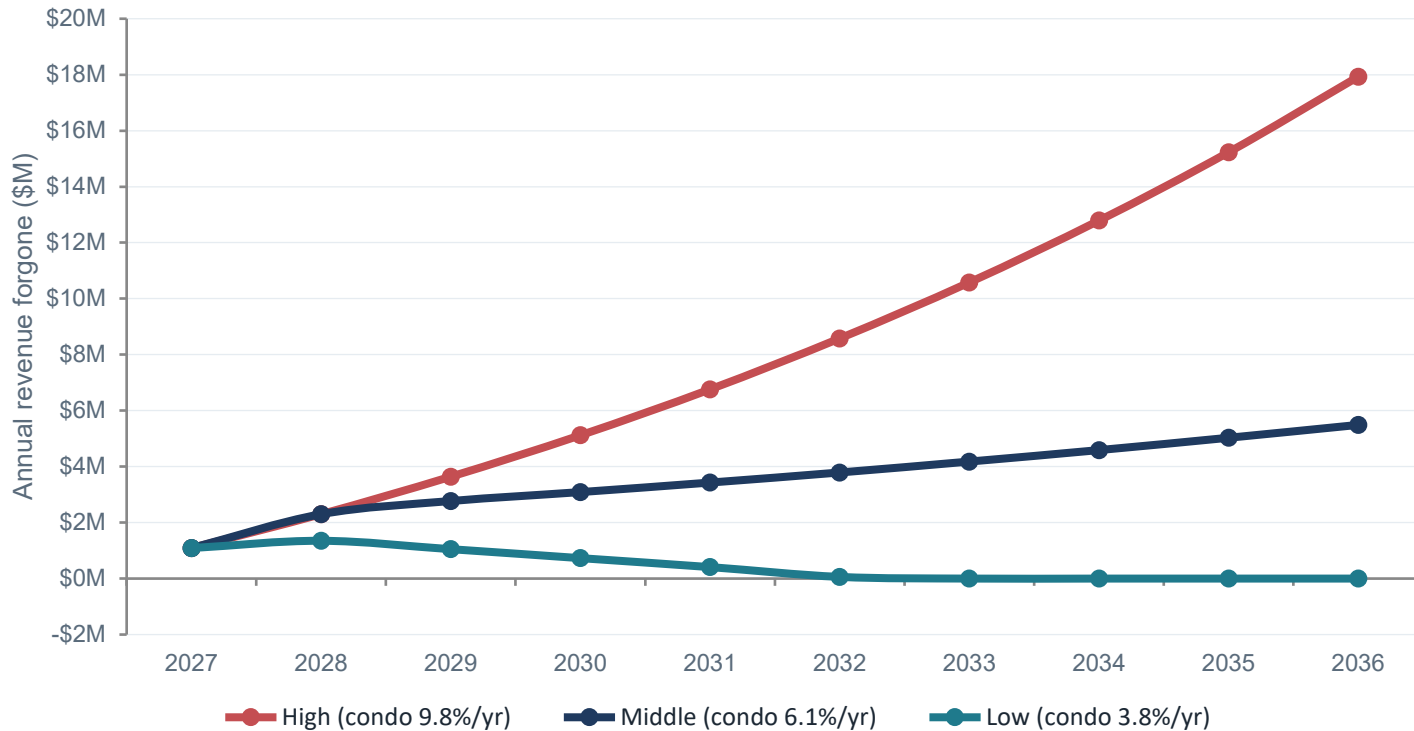


Phasing is the only difference — FY29 is double FY28 because the new break doubles (\$100K → \$200K per home).



Reduced from 10% to 5%

Two-thirds of the Village's tax base (66.5%) is non-homesteaded — condos, second homes, rentals, shops — and condos alone are 64% of non-homestead. **Cutting the cap to 5% slows how fast that value can grow on the rolls. The cost depends almost entirely on how fast condos appreciate.**



10-year cost vs. current 10% cap

~\$84M

High — hot market (9.8%/yr)

~\$36M

Middle — full-cycle history (6.1%/yr)

~\$5M

Low (3.8%/yr) — front-loaded; the existing gap just unwinds slower

Scenarios use Key Biscayne's own segment value history (Miami-Dade PA, 2011–2025) and the Village's actual sale-reset rates — see appendix.

Added cost of 5% vs. today's 10% cap. Even a soft market costs ~\$5M up front as the existing \$663M gap recaptures slower; a hot market compounds to ~\$18M/yr.



The §9(g) Operations Exception

The ballot pitches property taxes as funding only “core” needs. But the bill’s §9(g) catch-all also lets ad valorem taxes **fund municipal operations and administration, and the expenditures approved by municipal governing bodies, “except those expenditures prohibited by general law.”** Anything the Council approves is allowed unless general law bans it — broad enough to cover most of what the Village does.



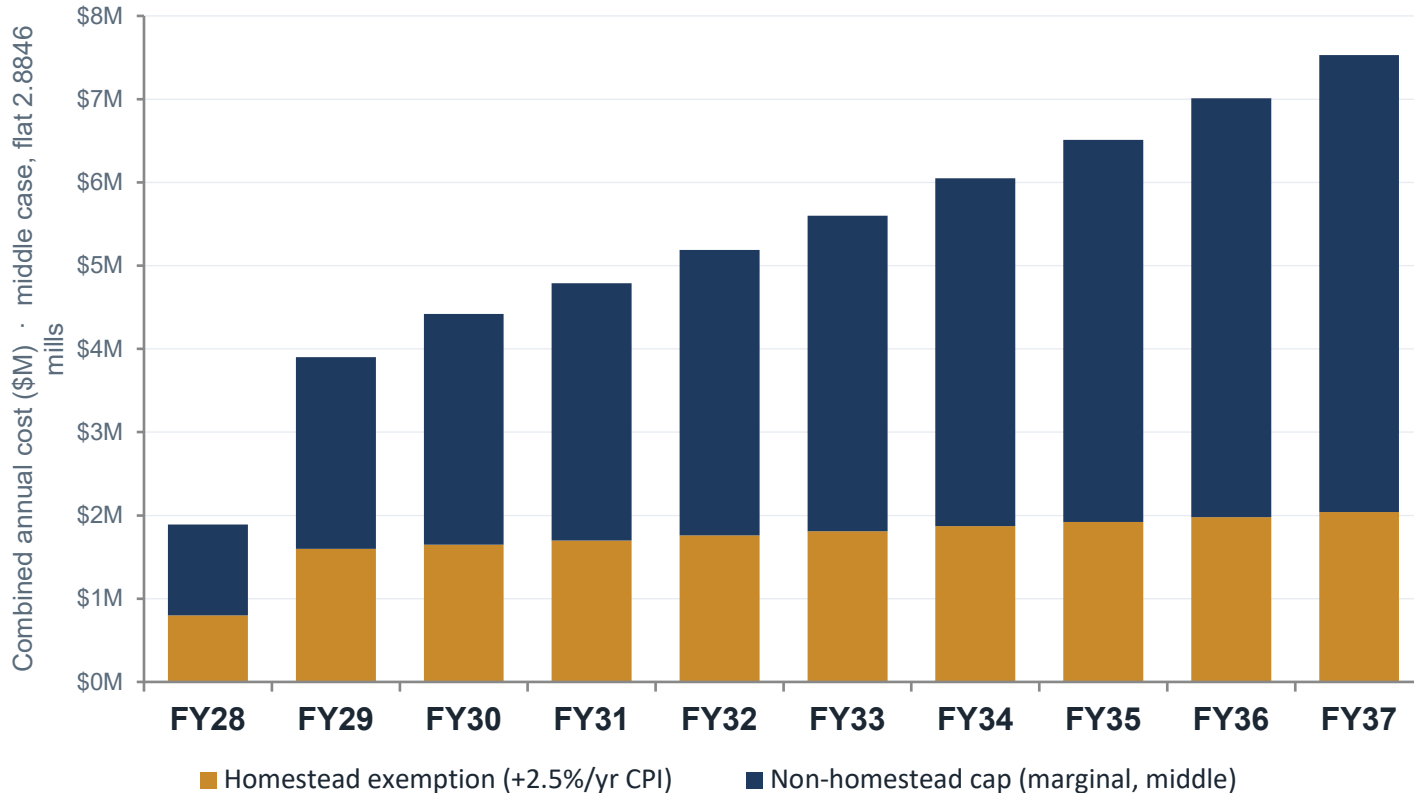
What this means for the Village

- Police, Fire, Public Works, and debt (~\$29.1M) already absorb 91% of property taxes — all clearly permitted.
- Parks, Community Center, and Athletics (~\$7.5M) likely qualify under the operations catch-all.
- ~\$13.3M of non-property-tax revenue can cover anything that doesn't.



Estimated Annual Revenue Impact

Annual cost to the Village by fiscal year (flat 2.8846 mills)



~\$20M

Annual cost in FY37 — HIGH (hot market)

~\$7.5M

Annual cost in FY37 — MIDDLE case

~\$2M

Annual cost in FY37 — LOW (soft market)

The takeaway: the exemption is a steady ~\$2M/yr. The 5% cap adds a few \$M even in a soft market (the existing gap recaptures slower) and compounds fast if condos run hot.



Five Additional Provisions

<p>Reset to market value</p>	<p>↑ then ↓</p>	<p>Every homestead is reassessed to full market value, then re-capped at 3%. On its own a big increase — but the exemption is allowed to climb “up to all remaining value,” so it’s the on-ramp to full elimination, not a standalone hike.</p>
<p>Full elimination (eventual)</p>	<p>Major risk</p>	<p>Directs the Legislature to set a schedule to fully phase out homestead taxes. No timeline yet. Ceiling equals the entire homestead base: ~\$3.9B in value, ~\$11M/yr. The single biggest long-term threat once defined.</p>
<p>4-year wait for new residents</p>	<p>Favorable</p>	<p>People moving to Florida after 1/1/2027 get only \$50K for four years, then the full \$250K. Lifelong Floridians (including first-time buyers) get the full break immediately. Slows revenue erosion from newcomers.</p>
<p>\$500K portability cap</p>	<p>Minimal</p>	<p>Lets owners carry built-up Save Our Homes savings to a new home, capped at \$500K. Largely a continuation of current law; small Village effect.</p>
<p>2/3 Council vote (2030+)</p>	<p>Local control</p>	<p>Council may vote to shorten the new-resident wait for a “critical local need” — but doing so gives up revenue, it doesn’t raise it.</p>