Understanding the Potential Impact of the November Property Tax Amendment on Brevard County

Background

On June 2, 2026, the Florida Legislature approved a proposed constitutional amendment for placement on the November 2026 General Election ballot. If approved by at least 60% of voters, the amendment would increase Florida's homestead exemption from $50,000 to $150,000 beginning in 2027 and to $250,000 beginning in 2028. Beginning in 2029, the homestead exemption would be adjusted annually for inflation.

The proposed amendment would also limit the use of county and municipal property tax revenues to the following purposes, defined as "core services":

- Public safety, including law enforcement, fire services, and emergency medical services
- Education and public schools
- Infrastructure, including the construction and maintenance of roads and bridges, stormwater management, and other public infrastructure
- Flood control and natural resource projects
- Bond obligations
- Pension obligations for local government employees
- Operations and administration of counties, municipalities, constitutional officers, and other authorized governmental functions

If Amendment 3 is approved, County services that do not fall within the allowable uses of property tax revenues will require sufficient alternative funding sources or face reductions in service levels, or potential elimination. Simply put, these services will be prohibited from being funded with County ad valorem revenue. These services may include but are not limited to:

- Parks and Recreation Programs
- Housing and Human Services
- Veterans Services
- Transit Services
- UF/Agricultural Extension Services
- Economic Development
- Space Coast Government Television and Communications
- Administrative and Operational Support Services

Fiscal Impact

If approved by voters, the proposed amendment is expected to substantially reduce property tax revenues available to counties and municipalities. The $250,000 homestead exemption is estimated to reduce Brevard County property tax revenues by more than $87 million annually (26%), assuming current millage rates remain unchanged.

Estimated reduction by taxing fund/program area include:

- General Fund: $54,056,168
- Law Enforcement: $7,332,504

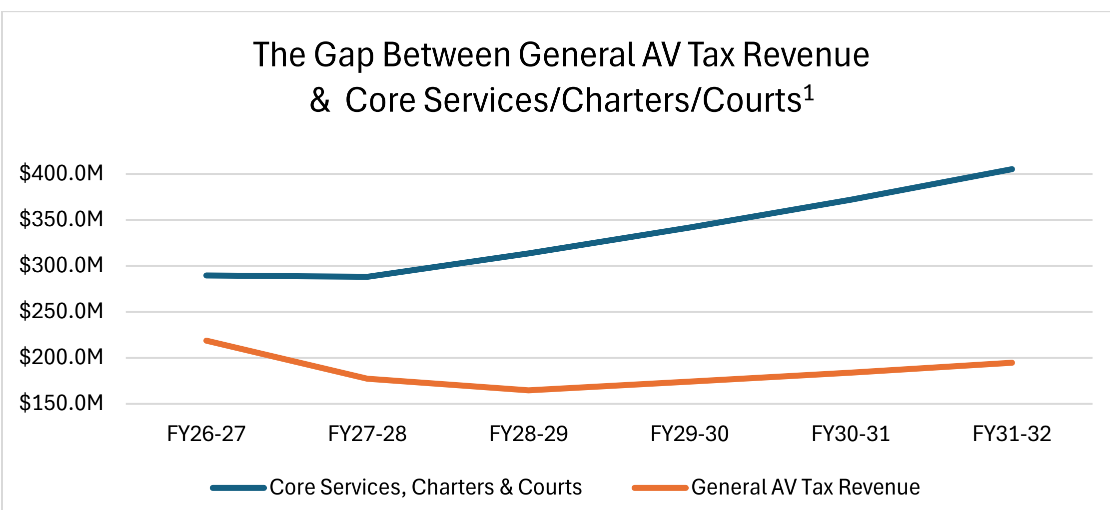
- Fire Rescue: $6,017,240
- Road and Bridge: $2,187,031
- Library Services: $6,230,172
- Mosquito Control: $2,575,086
- Parks & Recreation: $7,213,588
- Environmentally Endangered Lands: $1,408,611

General Fund

The General Fund supports a broad range of County services including public safety, detention services, emergency medical services, emergency management, judicial services, paving and street maintenance, County facilities, Parks and Recreation, Housing and Human Services, Transit Services, UF/IFAS Extension Services, administrative services, and other government operations.

Based on preliminary estimates, after funding constitutional offices, courts, state-required obligations, and other mandated services, the remaining General Fund revenues would be insufficient to maintain current service levels across many County departments and programs.

Even without the proposed property tax amendment, the County has already made targeted budget reductions to continue funding Board priorities such as public safety and critical infrastructure. Rising costs continue to outpace growth in the County's primary revenue source, ad valorem property taxes. Additionally, growth in ad valorem tax revenue is limited by the Charter Cap, which restricts annual revenue increases to the lesser of 3% or the Consumer Price Index (CPI). As a result, the County continues to experience a growing structural imbalance between available General Fund property tax revenue and the cost of providing core governmental services, constitutional offices, and courts. If the proposed amendment is approved, the reduction in General Fund ad valorem property tax revenues would further increase this structural imbalance and require additional funding decisions to maintain essential County services. The chart below illustrates the projected gap between General Fund property tax revenue and the cost of these core governmental functions.

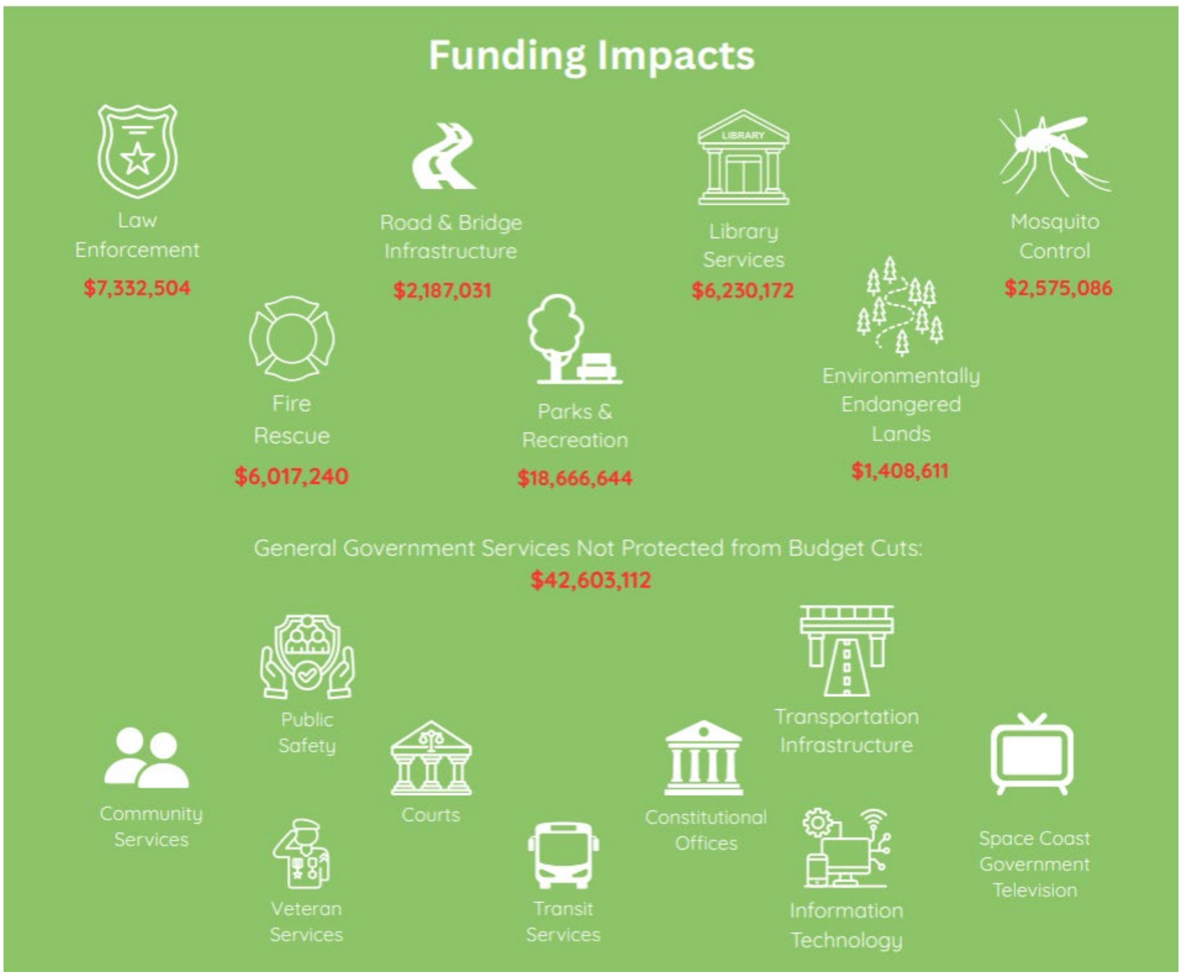


[1] Core Services include Public Safety, the Sheriff's Office, Road & Bridge, Facilities, Commission Offices, and Natural Resources

Currently, in Fiscal Year 2026-27, the gap between General Fund revenues available for core governmental services and the cost of providing those services is covered by a substantial portion of other major General Fund revenues, including the local half cent sales tax, state shared revenue, FPL franchise fees, Communications Services Tax and other miscellaneous revenue. As the gap between property tax revenues and core service expenditures continues to widen, an increasing share of these other major General Fund revenues must be redirected to support core government functions, leaving fewer resources available to fund County programs and services that would not be eligible for property tax funding under the proposed amendment.

While a portion of Brevard County's property tax growth is generated through increases in taxable value from new construction and development, this growth represents less than 3% of total property tax revenue. In recent years, the cost of maintaining countywide services has grown faster than the recurring revenue generated from new construction.

The following graphic combines estimated general fund revenue losses and other taxing districts that support County functions.



Potential Service Level Impacts

This proposed amendment would require the County to evaluate service levels across all functions supported by property tax revenues. While the Board will ultimately determine funding priorities, the following examples illustrate the types of impacts that will require consideration if sufficient alternative revenues are not available.

- **Public Safety**
  Although public safety is an allowable use of property tax revenues under the proposed amendment, maintaining current service levels will require difficult funding decisions as available revenues decline and competing priorities increase. Potential impacts could include:
  - Reduced ability to remain competitive with salaries and benefits necessary to recruit and retain qualified fire rescue and law enforcement personnel.
  - Delayed replacement of critical public safety equipment and vehicles, including fire apparatus, ambulances, emergency response vehicles, and communications equipment.
  - Deferred maintenance, repair or replacement of public safety facilities, including the Brevard County Jail and countywide fire stations.
  - Reductions in staffing levels.
  - Reduced flexibility to respond to population growth and increased service demands.

- **Infrastructure**
  Infrastructure is identified in the proposed amendment as an allowable use of property tax revenues. However, reduced revenues will limit the County's ability to maintain existing infrastructure, address aging assets, and invest in future capital needs. Potential impacts could include:
  - Deferral of road resurfacing, bridge repairs, and other transportation infrastructure improvements.
  - Reduced funding available for stormwater management, flood mitigation, and drainage improvement projects.
  - Deferred maintenance, rehabilitation, or replacement of aging County facilities and other capital assets.
  - Operation and maintenance of traffic management and traffic signals.
  - Reduced investment in critical information technology infrastructure, including network equipment, servers, cybersecurity systems, and public safety technology.
  - Reduced replacement of fleet vehicles, heavy equipment, and specialized equipment necessary to support County operations.
  - Growing infrastructure maintenance backlogs, resulting in higher long-term repair and replacement costs.

- **Community Services**
  Many programs and services that contribute to the quality of life for Brevard County residents are not included among the allowable uses of property tax revenue under the proposed amendment. These services currently rely on local funding to support operations, maintain facilities, provide programs, and leverage state and federal resources. If approved, the amendment could require the County to identify alternative funding sources, reduce service levels, modify programs, or make difficult decisions regarding services that cannot be supported with property tax revenue. Potential impacts could include:

- **Parks and Recreation:** Reduced investment in the maintenance, improvement, and expansion of parks, community centers, playgrounds, athletic fields, boat ramps, boardwalks, and other recreational amenities, as well as potential reductions in recreational programming, youth activities such as summer and winter day camps, and community events. If passed, Parks and Recreation will lose $18 million in annual funding. This would require the Board to provide direction on whether to reduce services across the Parks and Recreation system, shut down parks, shut down community centers, or a combination of service reduction and closures.
- **Libraries:** Reduced funding for library operations, including staffing, facility improvements, books and digital resources, technology access, and educational and community programming. This will require the Board to provide direction on whether to reduce service hours and programs across the Library system, close Library branches, or a combination of service reductions and branch closures.
- **Mosquito Control:** Reduced funding could limit mosquito treatment, monitoring, spraying operations, and other control measures, potentially affecting public health and quality of life.
- **Housing and Human Services:** The reduction of funding, which is used as local match, will reduce capacity to administer and support state and federal programs, including Community Development Block Grants (CDBG), State Housing Initiatives Partnership (SHIP), and Low-Income Home Energy Assistance Program (LIHEAP). Reduced local support could also impact services provided through the County's Veteran Services Program, as well as programs assisting seniors and other vulnerable residents.
- **Transit Services:** General Funds are used as a local match for Federal and State grants. The loss of match will reduce the ability to maintain transit services, including routes, frequency, and operating hours, and reduce the ability to provide local matching funds needed to maximize available state and federal transportation funding.
- **UF/Agricultural Extension Services:** Reduced support for educational programs, agricultural and community initiatives, youth development, and outreach that provide residents and organizations with technical assistance and resources.

Potential Budgetary Considerations

To address the potential fiscal impact, the County may need to evaluate a combination of strategies, including:

- **Evaluate Service Levels and Priorities:** Review programs and services to determine alignment with available resources, statutory requirements, and Board priorities.
- **Evaluate Millage Rate Adjustments:** Consider increasing millage rates to offset some or all of the lost property tax revenue. This option would result in increased property tax impacts for non-homesteaded properties, including businesses, rental properties, and other properties that do not qualify for the homestead exemption.
- **Consider New Fees and Charges for Services**: Evaluate whether certain services may be supported through user fees, dedicated revenue sources, or other funding mechanisms where appropriate and legally available.

- **Identify Alternative Funding Sources:** Explore grants, partnerships, assessments, and other legally available funding sources where appropriate.

Conclusion

If Amendment 3 passes, it will drastically reduce County revenues and limit remaining property tax revenues to a State-mandated list of core services. The County will also need to evaluate available funding options, establish funding priorities, and make painstaking decisions regarding service levels and programs to ensure compliance with the constitutional limitations while continuing to meet the needs of the community.