

CITY OF CORAL GABLES

--MEMORANDUM--



TO: Honorable Mayor, Commissioners and City Clerk
CC: City Manager's Office
FROM: Vice Mayor Rhonda Anderson
DATE: October 21, 2025
SUBJECT: Property Taxes, Insurance Rates and Rental Rates

Attached please find a copy of a Memorandum from the Speaker of the House outlining a variety of the House proposals that all seek to help lower property insurance rates. A copy of a Miami Herald article on this issue is also attached. Absent from the current proposals is the proposal I sponsored to provide an additional property tax exemption of at least \$50,000 for low-income caregivers and individuals with Alzheimer's.

For many residents, their property insurance premium exceeds the cost of property taxes. In an effort to help reduce homeowner and commercial property insurance rates, last year I proposed that our Commission support enhancements to the windstorm ratings for new construction throughout the State so that they will approach or match the stronger construction requirements in the South Florida Building Code. In June 2025, the Citizens Board of Governors petitioned for a 15% increase for 2026, and recent advertisements indicate that private insurers may increase homeowner's insurance rates by 8%. These proposed rate increases exceed the Save Our Homes limits for property tax assessments.

It is estimated that increasing windstorm resistance can result in insurance premium reductions or discounts ranging from 15% to over 50%. The key features insurance

companies look for are the resilience of the roof to wall connections, roof deck attachments, roof underlayment/water proofing, roof shape, and window/door and opening protection – most of which are addressed in the South Florida Building Code.¹ Improving the windstorm resistance of newly constructed homes throughout Florida will help reduce catastrophic damage and rebuilding costs after major storms. Reduced costs for insurers will bring down future insurance rate increases.

In addition to property taxes and insurance impacting housing costs and rental rates, the proliferation of short-term rentals has reduced the availability of apartments for rent. The attached editorial in today's Miami Herald summarizes the problem and indicates that there may be an appetite in Tallahassee to allow local municipalities to manage short term rentals which will help increase the supply of rental apartments and reduce housing costs.

I will look forward to discussing these topics with you on October 28th.

¹ The South Florida Building Code encourages, but does not require, hip roofs on new single family homes.



The Florida House of Representatives

Office of the Speaker

MEMORANDUM

To: Members of the Florida House of Representatives
From: Daniel Perez, Speaker
Date: October 16, 2025
Re: Property Taxes

One of the constants this year has been an on-going dialogue around property taxes, in which the Florida House has actively participated. Last session, we passed a proposal to use Tourist Development Tax revenue to permanently reduce property taxes. We also formed the Select Committee on Property Taxes to continue to push the issue forward.

Today, several Members have filed House Joint Resolutions 201, 203, 205, 207, 209, 211, and 213, and House Bill 215. These proposals are based on the work of the select committee, and it is my intention to move them through the process.

What has been lost in this debate has been the fact that the ultimate decision on what should happen with property taxes belongs not with elected officials but with the people of Florida. If we have faith in the voters to elect us, we should not be afraid to let them be a part of the conversation about the taxes they pay. It is our position that the House does not need to limit itself in presenting one single plan, but instead allow the people of Florida the ability to choose some, all, or none of the proposals on the 2026 ballot.

All of our proposals have two distinct components. First, they will have language that specifically prohibits an affected government entity from reducing funding for law enforcement. Second, they exempt school taxes. Property taxes comprise 46% of school funding, or about \$21 billion.

Also, the Joint Resolutions will not have accompanying implementing legislation. Decisions should be made by the Legislature once they know which proposals have been approved by the voters and can devise an appropriate statutory framework that accounts for how the various provisions might work together.

The proposals for tax relief are as follows:

CATEGORICAL ELIMINATIONS

- **HJR 201 by Rep. Steele** eliminates non-school homestead property taxes.
- **HJR 203 by Rep. Miller** phases out non-school homestead property taxes over a ten-year period. Each year homeowners would receive an additional \$100,000 exemption. After ten years, all non-school homestead property taxes would be eliminated.
- **HJR 205 by Rep. Porras** exempts Florida residents over the age of 65 from paying non-school homestead property taxes.

ADDITIONAL EXEMPTIONS

- **HJR 207 by Rep. Abbott** creates a new homestead exemption for non-school property taxes equal to 25% of the assessed value of the house. In addition to providing relief to current homeowners, it would also benefit first-time homebuyers.
- **HJR 209 by Rep. Busatta** creates a new property insurance relief homestead tax exemption. Homestead property owners who have property insurance will be entitled to an additional \$100,000 exemption on non-school property taxes.

REFORMS

- **HJR 211 by Rep. Overdorf** eliminates the cap on portability, allowing a homeowner to transfer their entire accumulated Save Our Homes benefit to their new home, even if that home has a lesser value.
- **HJR 213 by Rep. Griffiths** limits the growth in assessed value of non-school homestead property taxes to 3% over three years for homestead property (currently it is 3% per year) and 15% over three years for non-homestead property (currently it is 10% per year).
- **HB 215 by Rep. Albert** makes various statutory changes including requiring a 2/3 vote for any increase in the millage rate and allowing newly married couples to combine their accumulated Save Our Homes benefits.

Florida House proposes options to cut property taxes

BY JIM TURNER

The Florida House on Thursday rolled out a series of proposed constitutional amendments to cut property taxes, while looking to shield funding for schools and law enforcement.

House Speaker Daniel Perez, R-Kendall, outlined the menu of proposals, which came as Gov. Ron DeSantis has made a top priority of asking voters in the 2026 elections to slash homestead property taxes.

“If we have faith in the voters to elect us, we should not be afraid to let them be a part of the conversation about the taxes they pay,” Perez wrote in a memorandum to House members. “It is our position that the House does not need to limit itself in presenting one single plan, but instead allow the people of Florida the ability to choose some, all, or none of the proposals on the 2026 ballot.”

As examples, Rep. Kevin Steele, R-Dade City, is sponsoring a proposal (HJR 201) that would eliminate non-school homestead taxes. Meanwhile, Rep. Monique Miller, R-Palm Bay, is sponsoring a proposal (HJR 203) that would phase out non-school homestead property taxes over 10 years. Under Miller’s proposal, the



Florida House Speaker Daniel Perez, R-Miami, speaks with the media during the first day of the legislative session at the Florida State Capitol on March 4 in Tallahassee.

homestead tax exemption would increase by \$100,000 annually.

Currently, homeowners can qualify for a homestead exemption from local-government and school-district taxes on the first \$25,000 of the taxable values of their properties and from local-government taxes on the values between \$50,000 and \$75,000.

Another proposal (HJR 205), sponsored by Rep. Juan Carlos Porras, R-Miami, would exempt people ages 65 and older from paying non-school taxes on their homes.

Perez this spring created a

select committee to study property taxes. The issue is being closely watched by cities and counties, which rely heavily on property taxes to pay for services and say they could need other sources of money to make up for tax cuts. The House proposals include sections aimed at preventing reductions in law-enforcement funding.

Asked Wednesday while in West Palm Beach about alternative revenue sources to replace property taxes, DeSantis reiterated a position that the “vast, vast majority of property tax revenue is not from homestead Floridians’ properties. It’s

second homes, investment properties, commercial properties.”

“Nobody asks, ‘Why can’t government spend less money?’” DeSantis added.

DeSantis has proposed the state cover lost property-tax revenues for rural “fiscally constrained” counties, which have limited tax bases.

While the Senate doesn’t have a committee to focus exclusively on property taxes, Majority Leader Jim Boyd, a Bradenton Republican who will become Senate president after the 2026 elections, said Tuesday he’s interested in property tax reform.

“I do believe there’s ways we can make our property tax system more fair and more economical, if you will, to taxpayers,” Boyd said.

Almost all of the House proposals released Thursday would require voter approval because they would be constitutional amendments. Lawmakers will consider the proposals during the legislative session that will start in January.

Other proposals include:

- Rep. Shane Abbott, R-DeFuniak Springs, is sponsoring a proposal (HJR 207) that would create a new non-school homestead exemption equal to 25 percent of the assessed value of homes after other exemptions are applied. Perez’s memo said the proposal, in part, could help first-time homebuyers.
- Rep. Demi Busatta, R-Coral Gables, is sponsoring a

proposal (HJR 209) that would create an additional \$100,000 homestead exemption for people with property insurance.

- Rep. Toby Overdorf, a Palm City Republican who co-chaired the House select committee, is sponsoring a proposal (HJR 211) that would allow people to transfer the full value of accumulated “Save Our Homes” benefits to new homes. That would add to what is known as “portability” of Save Our Homes benefits. The Save Our Homes law limits annual increases in the assessed value of homesteaded properties to 3 percent or the Consumer Price Index, whichever is lower.

- Rep. Griff Griffitts, R-Panama City Beach, is sponsoring a proposal (HJR 213) that would change the Save Our Homes caps. It would limit increases in taxable values for homestead property to 3 percent over three years. The limit is currently 3 percent a year. Also, increases in the assessed values of non-homesteaded property would be limited to 15 percent over three years, rather than the current 10 percent a year.

- Rep. Jon Albert, R-Frostproof, is sponsoring a proposal (HB 215) that would require two-thirds votes by local governments to increase tax rates. The bill would also allow newly mar-

ried couples to combine accumulated Save Our Homes benefits.

COMMENTARY

By the Miami Herald Editorial Board

That Airbnb next door might not just be a nuisance. It might raise your rent.

The Instagram video promoting a new luxury condo tower called Palma Miami Beach Residences, with units starting at \$600,000, promises that “126 fully approved short-term rentals are available... no rental restrictions.” Another new tower nearby, called 72 Park Miami Beach, brands itself as the “one of the few Miami Beach condominiums allowing for short-term rentals.”

On the north side of Miami Beach, 1,000 residential units were approved by the city's Design Review Board since 2019, but city officials have no control over whether they will become true residences or short-term/vacation rentals that tourists rent on sites like Airbnb, Commissioner Alex Fernandez told the Herald Editorial Board.

That's because more than a decade ago, Florida lawmakers preempted most regulations by cities and counties on the industry. That has driven an explosion of these rentals across South Florida.

This is not only a challenge for the neighbors who have to live next to what are essentially mini hotels clustered in residential areas. Many Miami Beach officials also say short-term rentals are removing housing units from the market and driving rents up. That pushes middle-and-working-class residents to move away from the barrier island, which, in turn, creates more traffic as workers have to commute to jobs in the city.

A 2023 study commissioned by the city found there were about 5,800 vacation rentals on Miami Beach, with as many as 10,000 during high season, Fernandez said. With 50,725 total housing units in the city that year, vacation rentals could represent anywhere from about 11% to 20% of Miami Beach homes.

Fernandez's concern is that many of these rentals are located in residential areas like South of Fifth, West Avenue and the more affordable North Beach. In most cases, he said, these aren't your mom-and-pop operations — a homeowner making extra money by renting out their home or a room. The Beach's short-term rental industry is driven by investors who are buying up properties in bulk, he added.

If this is happening in Miami Beach, it's probably happening across South Florida and the rest of the state in areas that are hot spots for tourism. In fact, residents in Europe's most popular destinations are starting to protest the impact that tourism has had on housing costs. That drove the government in Barcelona, Spain, to ban all short-term rentals starting in 2029.

We cannot only blame Airbnb, Booking.com or Vrbo for Florida's shortage of housing and rising home values. A big reason the U.S. doesn't have enough housing is that construction has not returned to pre-Great Recession levels, said Cicely Hodges, housing and community development policy analyst at the Florida Policy Institute. So, yes, more development might be needed, but when investors buy new units to convert them into short-term rentals, that raises prices for everyone else, she said.

It's hard to put exact numbers on the impact vacation rentals have had on the housing market in Florida but studies done elsewhere offer a clue. Research published in the Harvard Business Review in 2019 found that the growth of Airbnb listings “contributes to about one-fifth of the average annual increase in U.S. rents and about one-seventh of the average annual increase in U.S. housing prices.”

This is a piece of the housing crisis that's been largely ignored in Tallahassee, where lawmakers in 2011 tied the hands of local governments to regulate short-term rentals in the name of property rights.

Fernandez said he believes there's momentum to convince the Florida Legislature to allow cities to regulate the industry again. Under state law, local governments have the ability to control things like noise and parking, but they cannot prohibit vacation rentals or regulate the duration or frequency of rentals, unless those rules were in place before June 2011. Gov. Ron DeSantis vetoed a bill last year that would have prevented “local governments from enforcing existing ordinances,” he wrote in his veto message.

With Republicans controlling Tallahassee, it's hard to see how they would allow vacation rentals to be completely banned and kill an entire industry. That's understandable. But the problem with state preemptions has always been that they offer a one-size-fits-all solution for a large and diverse state. Lawmakers must now look at individual communities, such as Miami Beach, where vacation rentals are a specific threat to affordability and residential neighborhoods, and give them more flexibility.



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In Miami Beach, officials say the large number of vacation rentals is one cause of a lack of housing for residents.