

City of Coral Gables City Commission Meeting
Agenda Item F-7
October 28, 2025
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Vince Lago
Vice Mayor Rhonda Anderson
Commissioner Melissa Castro
Commissioner Ariel Fernandez
Commissioner Richard D. Lara

City Staff

City Attorney, Cristina Suárez
City Manager, Peter Iglesias
City Clerk, Billy Urquia
Budget Director, Paula Rodriguez

Public Speaker(s)

Agenda Item F-7 [Start: 5:02 p.m.]

Discussion regarding Florida House property tax proposals, homeowner insurance rates and rental rates impacted by short terms rentals such as Airbnb's. (Sponsored by Vice Mayor Anderson)

Mayor Lago: F-7.

Vice Mayor Anderson: Property tax proposal issue and we have a presentation. We need to get staff in here. Paula, there we go. I thought this was an important piece for us to understand from the impact to our budget and which proposal on property taxes is something that is helpful for residents and workable by the city and others that would set the city considerably on its heels. So, since I am not the Finance Director and I've asked you to do an analysis of the numbers here. I'm going to ask you to do the presentation.

City Commission Meeting

Budget Director Rodriguez: I'm logged into Zoom, so I need to share my screen. Let me know when I'm sharing my screen. Thank you, Vice Mayor, I'll bring it up in just a moment, but you asked me to prepare a couple of slides on the impact of each of the proposals from the House, and so, I have some information that I'll share with the Commission as soon as they let me know that I'm able.

Vice Mayor Anderson: So, there was a memo that I issued to the entire Commission. It is attached to the agenda on F-7, if residents want to take a look at it. It consists of a, you know, the House Speaker's memo summarizing the various proposals that the House has for decreasing property taxes in various different ways, either for total elimination over directly or over a period of time or increases in Homestead Exemption, addressing the portability issue. So, since you are the expert in the Finance Department here and not I, I'm going to ask you to take it forward here.

Budget Director Rodriguez: Thank you. I am one of various knowledgeable people in my department but thank you for that. So, I thought I would start off by sharing some information, some general information about property tax revenue. You haven't seen me in a couple of months, so I'll refresh your memory. So, our property tax, the revenue generated by property taxes in the City of Coral Gables represents 63 percent of the City's General Fund operating revenue, right. So, property tax revenue goes towards our General Fund Operating Budget, and it represents 49 percent of our total operating revenue, which would include storm water, sanitary sewer, other services. So, each of the proposals that is provided in the memo that was shared by the Vice Mayor focus only on Homesteaded property tax. So, the House says proposals are essentially only focused on eliminating, reducing, or providing additional benefits to Homesteaded property tax. And so, Homesteaded property tax is 45 percent of our property tax revenue. So just for some context of how that, how the impact really looks to our city, and so, the pie chart just breaks out for you that property tax is 63 percent, other city fees and taxes represent 33 percent of our General Fund operating budget revenue. So, what are other fees and taxes? They're like our park's fees, business tax licenses, other fees that we have control, franchise fees, things of that nature. So, fees that we set we could increase, lower, eliminate a solid waste fee, things of that nature and then 3.5 percent of our revenue of our general fund revenue is from Intergovernmental revenue, so revenues that we get from the state essentially. So, state revenue sharing, which is the city's portion based on a specific calculation, population, things of that nature, of state sales taxes and other use taxes that they share with us, and our portion of the half cent tax, sales tax. So then to focus on the House of Representatives proposals, the first proposal and it's a little bit out of order from the memo, but I'll go through them. The first proposal eliminates non-school homesteaded property taxes; the impact, the estimated impact to the city would be a reduction of 63.8 million dollars or 45 percent of our total property tax revenue, so that is a significant impact. Our property tax revenue, as you saw on the first slide, is \$137 million, this would be almost half of that. The next proposal creates a new Homesteaded exemption for non-school property taxes equal to 25 percent of the assessed value

City Commission Meeting

[Date]

2

October 28, 2025

*Agenda Item F-7 – Discussion regarding Florida House property tax proposals
Homeowner insurance rates and rental rates*

of the House that would be a \$16.8 million dollar impact to us, so not as much as the first one, but still pretty significant, represents 12 percent of our total property tax revenue. The next one would create an additional hundred-thousand-dollar exemption to the non-school property tax, that represents \$6.1 million dollars or four percent of our total property tax revenue. I had to assume that all Homesteaded property tax owners have insurance, right, I'm sorry, so this is for Homesteaded properties that have insurance. Worst case scenario, all Homesteaded properties have insurance, 6.1, whoever doesn't lower that number a little bit. The next one is actually the second on the list, but I put it out of order because the table is a little large. So this proposal eliminates Homesteaded property tax over 10 years, creating a hundred thousand dollar exemption for essentially the first nine years and then the 10th year completely wiping it out, so you can see here that each year that represents about a 7.8 million dollar, just about seven, eight to seven million dollars a year until you get to the fourth year and of course it goes down because it starts to wipe out, but the cumulative effect is the next column, you can see how that would affect us. So, by year 10 that would represent \$83 million dollars because we're assuming that property values go up by the allowable three percent. So, you can see here that those are pretty significant impacts to our ability to budget in the city, well maybe beneficial for homeowners certainly a big impact here for the city. I also listed here the other three proposals, which are the reform proposals. These are a little bit more complicated to calculate, and so, we discussed not necessarily calculating these really focusing on the proposals that were set out. I don't know if there's any questions.

Vice Mayor Anderson: So, I just wanted to have a little more discourse. Now the city would have to find revenue from another source such as fees, and the obvious, but maybe not so obvious, impact of that is to the homeowner is, there is no more Homestead exemption from fees. You're going to pay paying a fee whether it's, you know, the police vehicle fee for maintaining the police vehicles or additional parks fees for running the parks. It would have to be a fee-based system, is that correct.

Budget Director Rodriguez: I mean there's many ways to get there. There are not very many ways to make up 63-million-dollar loss in our budget. The proposals were clear in the memo that they would require cities not to reduce the funding for public safety, and so, the decision we would have to make if this happened tomorrow is, how would we budget? So, the first thing that we would have to fund would be police and fire services and then we would have to look at all of our other services and determine what we could afford and if we wanted to continue services, how we would generate revenue, and so, yes it could create a word we talked about was like, pay for play, right so if you want a service we would have to create a fee to cover the cost of that service because there would be no other additional funding to cover those things.

City Manager Iglesias: Through the Mayor.

Mayor Lago: Yes, sir.

City Commission Meeting

City Manager Iglesias: This assumes that the Homestead exemption stays at 45 percent. The fact that when you have these large discounts for her for having a Homesteaded house, I think that that Homestead exemption percentage may rise, which would mean that these deductions would rise. So, this is something that can be, that can be a vicious cycle generated for a continuous reduction in in property tax.

Vice Mayor Anderson: It could but some of the proposals have include portability, so if you have somebody that is essentially locked into their home right now, if you increase the portability so they can move into something smaller, that larger home then could be resold to a family that needs that kind of space.

City Manager Iglesias: Yes Vice Mayor, but the percentage could increase, it's probably going to increase because the incentives are there for purchasing. Yes.

Vice Mayor Anderson: For purchasing but as far as the hit to the budget and the actual impact to residents the impact could be worse for those who need the help the most, because you don't get the Homestead exemption, you know, you don't get the Homestead exemption ability on a fee-based system and you have to either pay for it somehow else with fees, or eliminate the service or reduce the service that you're they're offering. I also covered in the memo, and I didn't ask you to outline that was the fact that the property insurance rates are going up and there are things that we as a Commission can advocate for with our state leaders to try to improve, you know, and decrease windstorm coverage across the state. So, I'm hoping that you know, if you have some thoughts on that process, that we can be impactful with our legislators when we speak to them either locally or up in Tallahassee. I'm going to ask if you can take the presentation and attach it to the agenda.

Budget Director Rodriguez: Certainly.

Vice Mayor Anderson: Mr. Clerk so that the residents can you know have an opportunity to analyze these numbers, as well without having to view the tape. Okay. Any other input from my colleagues

Mayor Lago: I think it's great. Thank you for taking the time to do this, very informative.

Vice Mayor Anderson: Thank you.

Budget Director Rodriguez: Thank you.