



Understanding the Local Impact of a \$250,000 Homestead Exemption

Alachua County Example: What is the estimated impact?

A \$250,000 homestead exemption is estimated to reduce **Alachua County General Fund property tax revenue by more than \$36,000,000.**

Because the County's budget is not one flexible pot of money. While about 23% of the total budget comes from property taxes, much of the rest is restricted by law, grants, voter approval, or dedicated purpose and not available for state required mandates and basic core services.

Of the County's **\$324.6 million FY26 General Fund**, only **\$226.4 million comes from property taxes**. This is derived from \$190.7 million in countywide property taxes and \$35.7 million from MSTU-Law, a Municipal Service Taxing Unit dedicated solely to law enforcement in the unincorporated area and several municipalities that do not maintain their own law enforcement.

What gets funded before many county-operated services?

The County Commission must fund many agencies it does not operate and state-required programs:

REQUIRED/CONSTITUTIONAL FUNDING

Sheriff General Fund	\$92,656,871
Sheriff Municipal Services Taxing Unit (MSTU)	\$43,528,502
Total Sheriff	\$136,185,373
Property Appraiser	\$7,905,479
Tax Collector	\$7,150,013
Clerk of Court	\$4,591,298
Supervisor of Elections	\$4,594,232
Courthouse New Building	\$3,617,186
Medical Examiner	\$2,800,000
Court Administration	\$1,223,546
State Attorney	\$406,788
Public Defender	\$299,759
Guardian Ad Litem	\$220,464
Medicaid State Match	\$4,700,000
Department of Juvenile Justice	\$3,400,000
State of Florida Health Department	\$1,600,000

State Mandates, Judicial & Constitutional Total **\$178,694,138**

Countywide Property Taxes **\$190,669,907**

Municipal Services Taxing Unit Law Enforcement (MSTULE) **\$35,699,839**

Total Tax Revenue **\$226,369,746**

State Mandates, Judicial & Constitutional Total **\$-178,694,138**

Net **\$47,675,608**

250K Exemption Value Loss **\$-36,035,830**

Net Available for General Government Services **\$11,639,778**

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The remaining \$11,639,778 is all that is left to fund county-operated services such as: Emergency Management and Emergency Medical Services not fully funded by fees, Community Redevelopment Agency commitments, Animal Resources, Parks, Codes Enforcement, Community Support Services such as affordable and workforce housing programs, Roads, Growth Management functions not covered by fees, Facilities and other core county operations including administrative functions.

All counties are not created equal

A one size fits all approach does not work. In Alachua County, only 67.36% is on the tax roll, while the statewide average is 84%. Why? Because Alachua County has a major state institution, the University of Florida, within its borders. This constitutes the largest portion of our value that remains off limits to taxation while still requiring services. If the University of Florida paid its share of property tax and the State paid the county's portion of Medicaid and DJJ, the county could reduce our citizens' property tax burden by over 1.8 mills.

Summary

Homeownership matters. It creates stability, opportunity, and generational wealth, and expanding access to it is a goal we all share. Property taxes are one part of housing affordability, but they are not "rent." They fund the shared services and quality of life communities expect, including public safety, roads, parks, courts, and infrastructure.

Because property taxes are the primary and most flexible local funding source for critical services, any significant change requires careful study. For many core local government functions, particularly public safety, property taxes are the only recurring local revenue source available to support ongoing operations. As a result, it is not realistic to assume services would be unaffected. The impacts will vary widely and should be evaluated county by county and city by city before taking action that will have significant local impact statewide.