AGENDA
TOWN OF JUPITER
TOWN COUNCIL WORKSHOP
TOWN COUNCIL CHAMBERS
THURSDAY, JULY 23, 2026
6:00 PM

Call To Order

Roll Call:

Mayor Jim Kuretski
Vice-Mayor Phyllis Choy
Councilor Ron Delaney
Councilor Dan Guisinger
Councilor Malise Sundstrom
Town Manager Frank Kitzerow
Town Attorney Thomas J. Baird

If you would like to speak on any item, please submit a Comment Card.

CITIZEN COMMENTS

All Non-agenda items are limited to three (3) minutes. Anyone wishing to speak is asked to state his/her name and address for the record prior to addressing the Town Council. Council will not discuss these items this evening. **Any issues will be referred to Staff for investigation; a report will be forwarded to Council; and citizens will be contacted.**

1. Discussion on State Property Tax Reform.

ADJOURNMENT

Town Council Future Meetings
August 6, 2026, 7pm - Town Council Chambers
August 18, 2026, 7pm - Town Council Chambers

NOTICE
Please visit our website at www.jupiter.fl.us/ for any additions or deletions to the agenda.

Town Council and CRA Meetings are now webcasted real-time and viewable on your computer or mobile device after adjournment: www.jupiter.fl.us/Live

Back up material for the Town Council Meetings are available online one (1) week before the Regular Meetings
= no materials attached *revisions may occur*
www.jupiter.fl.us

Section 2-64; Decorum, disturbing meeting
While the Town Council is in session, the members thereof and the public present in the Council chambers shall not, by conversation

or otherwise, delay or interrupt the proceeding or the peace of the Council. It shall be unlawful for any person to disturb or disrupt a meeting of the Town Council or to refuse to obey the orders of the presiding officer in the conduct of the meeting and such person shall be subject to being summarily ejected from the meeting.

Note: Persons are advised that if they wish to appeal any decision made at this meeting, they will need a record of the proceedings and for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based, per Section 286.0105 of the Florida Statute. *Persons with disabilities requiring accommodations in order to participate in the meeting should contact the Town Clerk's office at TownClerk@jupiter.fl.us or 561-741-2530 at least 48 hours in advance to request accommodations.*

TOWN OF JUPITER
Discussion of the Potential Fiscal and Operational Impacts of Proposed State Property Tax Reform

DATE	July 23, 2026
TO	Honorable Mayor and Members of Town Council
THRU	Frank Kitzerow, Town Manager
FROM	Scott Reynolds, Chief Financial Officer
SUBJECT	Discussion on State Property Tax Reform

EXECUTIVE SUMMARY

House Joint Resolution (HJR) 1-F, Save Our Homes from Excessive Property Taxes (now referred to as Amendment 3), was passed by the Legislature on June 2, 2026. If approved by at least 60 percent of Florida voters, it would amend the Florida Constitution to significantly modify the state's property tax system beginning January 1, 2027.

The proposed constitutional amendment would increase the homestead exemption for non-school ad valorem taxes while maintaining the applicability of non-ad valorem assessments, such as fire rescue, stormwater, solid waste, and other parcel-based assessments, which would not be impacted by the proposed change. Additionally, the amendment would reduce the annual assessment limitation for non-homestead properties from 10 percent to 5 percent and establish provisions governing the use of county and municipal ad valorem tax revenues for specified governmental purposes.

Ad valorem property taxes are a primary revenue source for the Town and support the delivery of essential municipal services, including police and fire (public safety), education, infrastructure such as roads and sidewalks, recreation programs and parks, natural resource projects, retirement benefits of local government employees, operations and administration, and debt obligations. Any changes to the property tax structure have the potential to impact the Town's long-term financial sustainability, budgeting process, capital planning, and ability to maintain current levels of service.

The attached presentation provides the Town Council with an overview of House Joint Resolution 1-F (Amendment 3) and discusses the potential fiscal implications should the proposed constitutional amendment be approved by Florida voters.

ANALYSIS

The purpose of this discussion is to provide the Town Council with an overview of potential long-term fiscal and operational implications of the proposed constitutional amendment. No formal action is requested at this time; however, Council discussion and policy direction are welcomed as staff continue to monitor the evolving legislative conditions.

STRATEGIC PRIORITY

- Fiscal Responsibility
- Town Communication

ATTACHMENTS

1. Tax Reform Presentation

FUNDING SOURCE

No funding required.

TOWN OF JUPITER

Discussion on the Impacts of State Property Reform

House Joint Resolution 1-F:
Save Our Homes from Excessive Property Taxes

- **History & Status:**
  - Originated as a priority of Governor DeSantis.
  - Passed by the Legislature on June 2, 2026.
  - Will be a constitutional amendment on the November 2026 ballot; approval requires a 60%+ vote.
  - If approved by voters, would be effective January 1, 2027.
  - Will impact budget starting in FY2028.
  - Companion bill Senate Bill 4-F went into effect for this upcoming TRIM cycle.

House Joint Resolution 1-F:
Save Our Homes from Excessive Property Taxes

Tax Roll - Jupiter						
Total Number of Parcels	Total Residental Parcels	Total Number of Homesteaded Parcels	Percent of Residential Parcels Homesteaded	Number of Parcels with Assessed Value Less Than $150K	Number of Parcels with Assessed Value Less Than $250K	Percent of Parcels Less Than $250K
30,752	27,192	17,438	64.13%	1,740	5,490	31%

- **Changes to Homestead Exemptions:**
  - Replaces the existing $50,000 homestead exemption structure with:
    - $150,000 homestead exemption impacting the FY2028 budget;
    - Increasing to $250,000 the following year impacting the FY2029 budget;
    - **Increases annually from CPI FY2029 on;**
    - An unspecified requirement for a possible full elimination of tax base.
    - Imposes a 5-year waiting period for new residents to get the full benefit.

House Joint Resolution 1-F: Save Our Homes from Excessive Property Taxes

- **Changes to Homestead Exemptions:**
  - Exemption applies to all non-school taxing ad valorem taxes (Cities, Counties, Special Districts, etc.)
  - Does not impact non-ad valorem assessments (fire rescue, stormwater, solid waste, street lighting, other parcel-based assessments, etc.)
- **Changes to Non-Homesteaded Taxes:**
  - Reduces the cap on the increase in taxable values for non-homesteaded properties from 10% to 5% per year.

House Joint Resolution 1-F:
Save Our Homes from Excessive Property Taxes

- **Limits what property taxes can be used for:**
    - Public Safety
    - Education
    - Infrastructure
    - Natural resources projects
    - Local bonds
    - Retirement benefits of local government employees
    - Operations and administration

Senate Bill 4-F (the HJR 1-F Companion Bill)

- **What is it?**
  - Takes effect this FY2027 TRIM cycle.
  - Administration of millage.
  - Further restrictions on millage rates: Modifies the maximum millage rate calculation to **remove the per capita personal income growth factor**, further limiting future millage rate growth.
  - **New maximum millage** rate would be the annual rollback rate.
  - Up to 110% of rollback rate would require 2/3 vote of governing body; anything above that would require a unanimous vote or referendum.

Example of FY2027 year rollback impact:

FY2027 Millage Options	Millage	Funding	Reductions over Proposed Rate
Rolled Back Rate - Majority Vote	2.2705	44,573,578	25,876,429
Two-Thirds Vote Millage 110% of Rollback	2.4976	47,225,808	23,224,198
Proposed Millage Rate Unanimous Vote	3.5886	70,450,007	-

Estimated Impact of HJR 1-F – FY2028 & FY2029

- **Taxable Value Impact:**
  - The Town is estimated to lose $4.4 billion or **24.13%** of its taxable value by FY2029.

- **Est. Revenue Impacts:**
  - **Town Total = $16 million**.
  - Reduction of Non-Homestead Cap from 10% to 5% = TBD
  - No backstop from the State on lost revenue for the most in need.

Increase in Exemption Impact Town Wide 3.5886					
Fiscal Year	Exemption Amount	2025 Taxable Value	Additional Taxable Value Lost	Percent Taxable Value Lost	Estimated Revenue Loss
FY2028	**$150,000**	$18.4 Billion	$1.5 Billion	8.39%	$5.6 Million
FY2029	**$250,000**	$18.4 Billion	$2.9 Billion	15.74%	$10.4 Million
	TOTAL		**$4.4 Billion**		**$16.0 Million**

Initial estimates are based on FY2026 final taxable values.

Thank you to the PBC Property Appraiser and her staff for providing impact data so quickly.

Possible Funding Sources:

Potential Fee & Assessment Options - <u>Under Town Control</u>

- New non-ad valorem fees.
- Increase Town fees for service and user fees to full cost recovery.
    - **Example** – Recreation fees, facility use fees, false alarm fees, engineering review fees, Planning and Zoning fees, etc.
- Establish property-based assessment program for neighborhood sidewalks, road paving and infrastructure projects.
- Reduce annual CIP contribution from 85/15 to something less. 90/10 split would yield $2.2 million less for CIP projects and more for operating costs.
- Reinstate business license fee.
- (Referendum) Borrow funds for CIP projects – Free up other capital funding resources.
- Increase the operating millage rate to replace lost revenues. Millage would still be significantly under the 10-mill legal maximum. Increase <u>incrementally over two-year period.</u>

Possible Funding Sources (Cont.):

Options <u>Under Town Control</u>:

- Rebate of CRA Tax Increment - Rebate unused Tax Increment funds to Town and County each year. Would reduce available revenues in the CRA.
- Use existing reserves as stopgap measure. Onetime use.
- Free up escrow funding currently being reserved; (onetime use) $3 million in unrestricted escrow funding exists.

- **Cost reduction measures:**
  - Reduce ad valorem funded activities, such as - reductions in capital funding.

Future Items to Consider <u>Cooperative Effort</u>:

- Work with other municipalities and county to reinstate infrastructure surtax; estimated $6 million annually could replace CIP funding.
- Lobby legislature to allow municipalities to collect their own “Tourist Development Tax” (Surfside is the only municipality in the state allowed to collect via statute).

Council Direction:

- **Consider policy direction on addressing potential lost revenue:**
  - What items would you like staff to pursue and bring back or take-action on?

- **Other Council ideas?**

- **Prepare FY2027-28 budget early in the upcoming fiscal year and take other action to implement Town Council direction.**