

3% Cap Rule: Save Our Homes

Effective January 1, 1995, the annual increase in value for residential property with a homestead exemption is limited by constitutional amendment. This amendment is commonly known as the Save Our Homes Amendment or Amendment 10. Section 193.155 (1), Florida Statutes, was enacted to implement the amendment.

In the first year that a homestead exemption is approved on a property, the property will be assessed at full market value. In subsequent years, as long as the homestead remains in effect, any change from the prior year's value will not exceed 3% or the percentage change in the Florida Consumer Price Index, whichever is lower. The assessed value cannot exceed market value.

Any additions or significant improvements (other than normal maintenance, i.e. repainting, re-roofing) made to the property are not included in the limitation the first year of inclusion. After the limitation has been calculated for the other portions of the property, the market value of the addition or improvement will be added to the assessed value. In subsequent years the value of the addition or improvement will be included in the limitation.

When the property is sold or changes ownership, it reverts back to market value. At that time the new owner can apply for a homestead exemption (see homestead exemption filing times and qualifications in the Exemption section of this website). Property owners can track the market value, assessed value, and homestead exemption of their property when they receive their annual "Notice of Proposed Taxes" in August. This and other important information is clearly listed on the form.

Reference Florida State Statute 193.155 (1):

http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=C0193/SEC155.HTM&Title=->2009->Ch0193->Section%20155#0193.155

Information provided on this page is a synopsis and should serve as a guideline offered to assist the general public. For detailed information please refer to the Florida Constitution (applicable Amendments) and the Florida State Statutes.