



MARCO ISLAND

FLORIDA

City with a Tropical Spirit

PROPERTY TAX REFORM INFORMATION SHEET

This information sheet provides factual information about a statewide proposal and its potential impact on the City of Marco Island.

THIS DOCUMENT DOES NOT ADVOCATE FOR OR AGAINST ANY PROPOSAL AND DOES NOT RECOMMEND HOW ANYONE SHOULD VOTE.

WHAT HAS BEEN PROPOSED?

The Florida Legislature has approved a proposal that would significantly increase the homestead exemption amount.



Cities throughout Florida rely on ad valorem (property tax) revenues to fund many day-to-day government operations. Local impact varies by city based on tax base, population, and service responsibilities.

MARCO ISLAND REVENUE INFORMATION



Current annual ad valorem tax revenue:

>\$20 MILLION

(Funds an ~\$33.7 million annual budget)



Estimated annual revenue loss if the homestead property exemption amount is increased:

~\$2 MILLION

(City Manager Casey Lucius estimate)



Reduction in tax base due to \$250,000 homestead exemption:

6.4%

(>\$1.18 billion reduction in taxable value)

SERVICES SUPPORTED BY AD VALOREM REVENUES

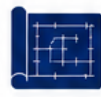


PUBLIC SAFETY

Police, Fire/Rescue



PUBLIC WORKS & ROAD MAINTENANCE



PLANNING & ZONING



PARKS & RECREATION



INFORMATION TECHNOLOGY & ADMINISTRATIVE SUPPORT



BEACHES & BEAUTIFICATION



CODE COMPLIANCE

These services contribute to the safety, health, and quality of life for Marco Island residents.

Note: The City of Marco Island does not provide senior services, veteran services, or library services.

POTENTIAL SERVICE CONSIDERATIONS

If a significant reduction in ad valorem revenue were to occur, local governments may evaluate one or more of the following:



Reductions in expenditures



Changes in service levels



Delaying infrastructure projects or maintenance



Considering alternative revenue sources authorized under Florida law



KEY POINT

Increasing the homestead exemption amount will reduce local ad valorem tax revenues. Local governments will be required to balance budgets in accordance with Florida law while continuing to provide services required by law.

EXAMPLES OF ALTERNATIVE REVENUE MECHANISMS



INCREASED FIRE ASSESSMENT

Voluntary or mandatory assessments to fund fire protection and emergency services.



MUNICIPAL SERVICE BENEFIT UNITS (MSBUs)

Assessments for enhanced or supplemental municipal services.



LOCAL OPTION SALES SURTAXES

Surtaxes on local sales, subject to voter approval.



FRANCHISE FEES (MAY INCREASE ELECTRIC UTILITY BILLS)

Fees charged to utilities for the right to use public rights-of-way.



INCREASED USER FEES & CHARGES

Higher fees for permits, recreation programs, boat ramp fees, facility rentals and other City services.



For additional information, residents are encouraged to review official state and local government information as proposals continue to be evaluated.

MARCO ISLAND IMPACT SUMMARY (OPERATING BUDGET)

Current Annual Ad Valorem Revenue	Taxable Value Removed at \$250K Exemption	Reduction in Marco Island Tax Base	Millage Rate (FY2026)	Implied Loss at 1.267 Mills	City Manager Estimate	Notes
>\$20 MILLION	>\$1.18 BILLION	6.4%	1.2670 MILLS	~\$1.46 MILLION PER YEAR	~\$2 MILLION PER YEAR	\$2M estimate includes Amendment 3 impacts beyond the \$250K homestead exemption.

Prepared for informational purposes only. Information subject to change as state proposals evolve.