GORDON & THALWITZER
ATTORNEYS AT LAW

299 North Orlando Avenue • Cocoa Beach, Florida 32931
Phone 321.799.4777 • Fax 321.735.0711

JASON M GORDON
Admitted in FL, NY & CT
jgordon@brevardlegal.com

AARON THALWITZER
Admitted in FL, D.C.
aaron@brevardlegal.com

MEMORANDUM

To: Orange County Value Adjustment Board

From: Aaron B. Thalwitzer, Esq., VAB Counsel

Re: Update on VAB legislation, rules, and court decisions

Date: August 7, 2026

I. Introduction

Recent legislation, rulemaking, and court decisions continue to affect how the Value Adjustment Board ("VAB") conducts hearings and administers petitions. The most significant statutory amendments arise from Chapter 2025-208, Laws of Florida (HB 7031), which amended several provisions of Chapter 194, Florida Statutes governing VAB hearings, petition procedures, filing fees, electronic hearings, and judicial review. Additional legislation enacted in 2026 further modified Florida's property tax laws and will affect VAB jurisdiction and administration beginning with the 2027 tax roll.

Effective September 1, 2025, amendments to § 194.011(4)–(5), Fla. Stat., established mandatory pre-hearing evidence-exchange requirements requiring petitioners and property appraisers to exchange specified evidence at least 15 days before the hearing and eliminating the prior written-request procedure. Other amendments increased the maximum VAB petition filing fee, revised the interest rate applicable to disputed partial tax payments, expanded procedures governing electronic hearings, and established a new deadline for filing suit following recertification of an extended tax roll.

The Florida Department of Revenue ("DOR") has continued updating Chapter 12D-9, Florida Administrative Code, and related VAB forms to implement these statutory changes, while recent appellate and trial court decisions have clarified issues involving DOR review of VAB actions, assessment limitations, just value determinations, and judicial review of property tax disputes. This memorandum summarizes the principal legislative, administrative, and judicial developments affecting VAB operations through August 2026.

II. Florida Department of Revenue Rules and Bulletins

In response to Ch. 2025-208 and related updates to its VAB rules, DOR has undertaken rulemaking affecting Rules 12D-9.001, 12D-9.013, 12D-9.014, 12D-9.015, 12D-9.019, 12D-9.020, 12D-9.025, 12D-9.026, and 12D-16.002, F.A.C. DOR continues rulemaking on several proposed amendments, some of which are further advanced than others in the adoption process.

The principal rule changes addressed in DOR's 2025–2026 rulemaking process include:

- **Rule 12D-9.001, Taxpayer Rights:** Adds to the list of taxpayer rights the availability of remote hearings using electronic equipment and the right to be notified of that right, and to update the evidence-exchange process consistent with the 2025 statutory changes.

- **Rule 12D-9.013, Organizational Meeting of the Value Adjustment Board:** Removes provisions DOR found unnecessary and requires the VAB to ensure that adequate electronic or other communication equipment is available for remote hearings. Counties with populations under 75,000 may opt out.

- **Rule 12D-9.014, Prehearing Checklist:** Proposed amendment incorporating into the prehearing checklist the statutory requirements governing remote hearings, including the VAB's obligation to ensure adequate electronic communication equipment and the opt-out provisions for qualifying small counties.

- **Rule 12D-9.015 Petition; Form:** Eliminates provisions DOR found unnecessary and relocates language concerning a petitioner's ability to timely file a circuit court action to preserve the right to proceed in circuit court.

- **Rule 12D-9.019, Scheduling and Notice of a Hearing:** Requires hearing notices to inform petitioners of the availability of remote participation and incorporating the statutory opt-out provisions applicable to qualifying counties.

- **Rule 12D-9.020, Exchange of Evidence:** Updates the evidence exchange process to reflect § 194.011, Fla. Stat., as amended, including the requirement that the petitioner provide evidence at least 15 days before the hearing and that the property appraiser provide, at least 15 days before the hearing, a list of evidence to be presented, copies of all documentation to be considered by the VAB, and a summary of the evidence to be presented by each witness. The amendment also removes the prior written-request requirement. The property appraiser's evidence list must include the property record card, and failure by the property appraiser to timely comply with the disclosure requirements requires the hearing to be rescheduled.

- **Rule 12D-9.025, Conduct of Hearing:** Updates the evidence exchange process and revising procedures governing action by the board or special magistrate when increasing or decreasing just value.

- **Rule 12D-9.026, Electronic Hearings:** Sets criteria for electronic hearings, including equipment standards, sworn testimony, and evidence formats.

- **Rule 12D-16.002, Index to Forms:** Incorporates by reference revised and new VAB forms implementing the 2025 statutory changes, including revisions to Forms DR-481, DR-486, and DR-486PORT and the creation of Form DR-481REM, among other form changes. DOR's current rulemaking materials also identify Form DR-486RMT, Request for Hearing Using Electronic or Other Communication Equipment, as part of the implementation of the electronic-hearing requirements.

The DOR has also issued PTO Bulletin 26-01 providing guidance on implementation of the 2025 amendments to § 194.013, Fla. Stat., governing VAB petition filing fees. To our knowledge, no new Attorney General opinions or administrative orders specifically addressing VABs have been issued during this period.

- **PTO Bulletin 26-01 (May 13, 2026) – Value Adjustment Board Petition Filing Fees.** DOR issued guidance regarding 2025 legislative amendments to § 194.013, Fla. Stat., increasing the maximum VAB petition filing fee from $15 to $50 per parcel effective July 1, 2025. The bulletin clarifies that VABs may impose the increased fee by resolution, clarifies that certain statutory late-filed application fees were unchanged, confirms that only a single filing fee may generally be charged per parcel or account despite multiple issues or hearings, identifies special filing fee rules for joint petitions, addresses fee waivers for certain temporary assistance recipients, and states that petitions are invalid if filing fees are not paid at the time of filing. The bulletin further explains that the statutory filing fees for the following late-filed applications remain unchanged: § 193.155(8)(j), Fla. Stat. (portability); § 193.461(3)(a), Fla. Stat. (agricultural classification); § 193.501(8), Fla. Stat. (conservation easement and related classifications); § 196.011(9), Fla. Stat. (exemptions, including homestead exemptions); and § 196.082(3)-(4), Fla. Stat. (disabled veteran and surviving spouse carryover discount applications).

III. Florida Statutes

Recent legislation enacted in 2025 and 2026 amended several statutes affecting VAB procedures and Florida property tax administration. The most significant changes concern evidence exchange, petition filing fees, electronic hearings, judicial review, VAB jurisdiction, and other property tax classifications and assessment provisions relevant to the 2027 tax cycle.

- **Chapter 2025-208, Laws of Florida (HB 7031) – Amendments to § 194.011(4) and (5), Fla. Stat. (Exchange of Evidence).** Effective September 1, 2025, the Legislature revised the evidence-exchange procedures applicable to VAB hearings. Petitioners must provide a list of evidence to be presented at the hearing at least 15 days before the hearing. The property appraiser must provide the petitioner, at least 15 days before the hearing, with a list of evidence to be presented at the hearing, copies of all documentation to be considered by the VAB, and a summary of evidence to be presented by witnesses. The amendments eliminate the prior requirement that the petitioner submit a written request to obtain the property appraiser's evidence and establish a uniform, mandatory pre-hearing disclosure process intended to ensure both parties have advance notice of the evidence that will be presented at the hearing.

- **Chapter 2025-208, Laws of Florida (HB 7031) – Amendment to § 194.013(1), Fla. Stat. (VAB Petition Filing Fees).** Effective July 1, 2025, the statute increases the maximum filing fee for a VAB petition from $15 to $50 per parcel or account. The change allows counties to recover a larger portion of the administrative costs associated with processing and hearing VAB petitions.

- **Chapter 2025-208, Laws of Florida (HB 7031) – Amendment to § 194.014(2), Fla. Stat. (Interest on Partial Payments).** Effective July 1, 2025, the statute revises the interest rate applicable to unpaid and overpaid amounts in partial-payment disputes. The amendment sets the rate at the bank prime loan rate on July 1, or the first business day thereafter if July 1 is a Saturday, Sunday, or legal holiday. This change affects the calculation of interest owed following the resolution of a property tax dispute.

- **Chapter 2025-208, Laws of Florida (HB 7031) – Amendments to § 194.032(2)(a)–(b), Fla. Stat. (Electronic VAB Hearings).** The legislation authorizes and regulates electronic participation in VAB hearings. Hearing notices must inform petitioners that they may appear by electronic communication equipment, unless the county elects to opt out under the statutory exception. The VAB must ensure that adequate equipment is available and that electronic hearings allow participants to hear and be heard simultaneously. These provisions formally authorize remote participation in VAB proceedings and require corresponding updates to hearing procedures.

- **Chapter 2025-208, Laws of Florida (HB 7031) – Amendment to § 194.171(2), Fla. Stat. (Judicial Review of Assessments).** The legislation establishes a new 30-day window to file suit following recertification of the tax roll when the roll has been extended. This amendment clarifies the timing for filing judicial challenges in circumstances where the VAB process extends beyond the initial certification of the tax roll.

- **Chapter 2026-240, Laws of Florida (CS/SB 4-F) – Property Tax Administration (Effective June 24, 2026).** The Legislature revised the method used to determine maximum millage rates for counties, municipalities, and certain special districts, generally requiring use of the rolled-back rate associated with the TRIM process. The act also authorizes the ballot summary for the 2026 constitutional property tax amendment to exceed the otherwise applicable statutory word limit. Although the act does not directly amend VAB jurisdiction or hearing procedures, it affects local property tax administration and is directly related to the proposed constitutional amendment appearing on the November 2026 ballot.

- **Chapter 2026-239, Laws of Florida (HB 7031-E) – Taxation and VAB Jurisdiction.** The 2026 tax package makes several property-tax changes relevant to the 2027 VAB cycle. Among other changes, the act authorizes VABs to hear appeals relating to the timely filing of tangible personal property returns, revises notice timing for exemption denials, expands Save Our Homes portability to certain homesteads abandoned within the preceding three years, revises agricultural-classification provisions, and establishes, beginning January 1, 2027, a 3% annual assessment limitation for mobile home parks in which more than 75% of the lots are rented to residents under leases of at least one year and property taxes are passed through to the residents under those leases. These changes may generate additional VAB petitions involving exemptions, classifications, assessment limitations, portability, and tangible personal property filing issues.

IV. 2026 Special Session Constitutional Amendment – Save Our Homes from Excessive Property Taxes (CS/HJR 1-F)

During the 2026 Special Session, the Florida Legislature approved CS/HJR 1-F, entitled Save Our Homes from Excessive Property Taxes. CS/SJR 2-F was the identical Senate companion but was laid on the table after the Senate substituted and passed CS/HJR 1-F. The joint resolution proposes substantial amendments to Article VII of the Florida Constitution governing property taxation. Because the proposal would amend the Florida Constitution, it will not become effective unless approved by at least 60% of the voters voting on the measure at the November 2026 general election. If approved, the amendment generally would become effective January 1, 2027, although certain provisions are phased in over multiple tax years.

The proposal would constitute one of the most significant constitutional revisions to Florida's property tax system since adoption of the original Save Our Homes amendment. Among other things, the proposal would:

- increase the homestead exemption applicable to non-school ad valorem taxes to the first $150,000 of assessed value beginning January 1, 2027, and to the first $250,000 of assessed value beginning January 1, 2028, with the $250,000 amount adjusted annually for inflation beginning January 1, 2029;

- create a separate exemption structure for persons who establish permanent Florida residence on or after January 1, 2027, under which the first $50,000 of assessed value is exempt from non-school ad valorem taxes beginning in 2027, with that amount adjusted annually for positive inflation beginning in 2028; beginning with the fifth year of the exemption, such persons may receive the increased exemption available to persons who maintained permanent Florida residence as of December 31, 2026. Beginning January 1, 2030, a county or municipality may, by a two-thirds vote of its governing body, reduce the five-year requirement upon a determination of critical local need;

- require the Legislature, by general law, to prescribe a uniform procedure for counties and municipalities, for their respective levies, to increase the amount of assessed value exempt from taxation up to all remaining assessed value, and allow special districts to do so by referendum;

- retain the existing Save Our Homes limitation on annual increases in assessed value for homestead property while reducing the constitutional assessment limitation applicable to non-homestead residential real property and other non-homestead real property from 10% to 5% annually for all levies other than school district levies;

- limit county and municipal ad valorem tax revenues to enumerated uses, including public safety; education and public schools; infrastructure, including roads, bridges, and stormwater control; natural resource projects, including flood control; local bonds and debt service; retirement obligations for local government employees; and operations, administration, and approved expenditures of county officers, county commissioners, and municipalities, except expenditures prohibited by general law; and

- establish transition provisions providing that the amendments generally take effect January 1, 2027.

If approved, the amendment is expected to substantially reduce ad valorem tax revenues available to many counties and municipalities by significantly expanding homestead tax benefits while also restricting the governmental purposes for which county and municipal ad valorem revenues may be expended. The Revenue Estimating Conference estimated that, if approved, the proposal would reduce local non-school property tax revenues by $4.95 billion in FY 2027-28, with the $150,000 exemption in place, and by $8.78 billion in FY 2028-29, with the $250,000 exemption in place. The recurring impact is estimated at $11.86 billion annually, beginning in FY 2031-32. The precise fiscal impact will vary among jurisdictions depending upon local tax bases, the proportion of homesteaded property, future millage decisions, economic growth, and implementing legislation. As a result, affected local governments may be required to adjust budgets, reduce expenditures or services, identify alternative revenue sources, defer capital projects, or implement other fiscal measures to offset reduced property tax revenues.

Because the proposal is constitutional rather than statutory, it would not immediately alter VAB jurisdiction or procedures. Instead, its principal effects would concern property valuation, taxable value, homestead exemptions, assessment limitations, and local government property tax administration beginning with future tax rolls after implementation. Additional implementing legislation, DOR rulemaking, revised forms, and appraisal guidance will likely be necessary before the constitutional amendments can be fully administered. Consequently, the precise impact on VAB proceedings cannot yet be determined.

If approved by the voters, the amendment is expected to generate additional VAB petitions involving homestead exemption eligibility, application of the five-year limitation on eligibility for the increased exemption for persons establishing permanent Florida residence on or after January 1, 2027, calculation of taxable value, application of the Save Our Homes assessment limitation, application of the revised 5% assessment limitation for non-homestead property, portability and other constitutional property tax benefits, and the implementation of future legislation and DOR rules adopted to carry out the constitutional amendments.

Ballot-Language Litigation

The ballot title and summary for Amendment 3 were challenged in Save Our Voters from Misleading Ballot Language, Inc., et al. v. Byrd, et al., Case No. 2026 CA 1254 (Fla. 2d Cir. Ct. Aug. 3, 2026) (Final Order Granting Summary Judgment and Declaratory and Injunctive Relief. The circuit court held that the proposed ballot title and summary "fail both prerequisites and must be rewritten" because they do not "fairly inform[] the voter of the chief purpose of the amendment" and are misleading. The court concluded that the ballot title and summary are "clearly and conclusively defective", enjoined the Secretary of State from placing the ballot statement "in its current form" on the general election ballot, and ordered the Attorney General, within 10 days, to prepare and submit revised ballot language correcting the deficiencies identified by the court pursuant to § 101.161(3)(c), Fla. Stat. The court expressly declined to address the merits of the proposed amendment itself, emphasizing that its review was limited to the legal sufficiency of the ballot language. Accordingly, the litigation affects only the wording presented to voters and does not alter the substance of the proposed constitutional amendment.

Because the proposal has not yet been approved by the electorate, no immediate changes to VAB procedures are required. The proposal remains designated as Amendment 3 for the November 2026 general election, but the ballot title and summary are presently subject to court-ordered revision. The amendment should therefore be monitored both for further appellate proceedings concerning the ballot language and for the November election results and any subsequent implementing legislation.

V. Recent Court Decisions

- *Mercado v. Department of Revenue*, 2026 Fla. App. LEXIS 4430 (Fla. 1st DCA 2026). First District Court of Appeal held that DOR has been applying the wrong legal standard when evaluating assertions filed by a property appraiser under § 194.036(1)(c), Fla. Stat. The court concluded that the statute does not authorize DOR to conduct a mere "probable cause" review. Instead, the statute requires DOR to investigate the assertion, determine which asserted facts are supported by the evidence, and decide, under a preponderance of the evidence standard, whether the VAB has engaged in a "consistent and continuous violation of the intent of the law or administrative rules by the board". The court reasoned that the statute's requirement that DOR "find upon investigation" that a violation "has occurred" requires an actual factual determination rather than a threshold screening for probable cause. The court further held that the Legislature's omission of the phrase "probable cause" from § 194.036(1)(c), while using that standard throughout other Florida statutes, demonstrates that a more demanding standard applies. The court therefore set aside DOR's order and remanded the matter for reconsideration under the proper standard. The court also certified conflict with prior Second and Third District decisions that had characterized DOR's role as making only a probable-cause determination. If the decision becomes final, assertions under § 194.036(1)(c), Fla. Stat., will become more significant because DOR will be required to make substantive factual findings under a preponderance-of-the-evidence standard before determining whether a property appraiser may pursue injunctive relief against a VAB in circuit court. The First DCA certified conflict with decisions of the Second and Third Districts, and the opinion states that it is not final until disposition of any timely authorized rehearing or en banc motion.

- *Garcia v. Piper Industrial Complex, LLC*, 419 So. 3d 700 (Fla. 3d DCA 2025). Third District held that a transfer of a 50% interest in non-residential property by quitclaim deed constitutes a "change of ownership or control" under § 193.1555(5)(b), Fla. Stat., because any transfer of legal title to any person independently triggers a reset of the 10% assessment cap; the statute's separate "more than 50%" requirement applies only to cumulative ownership changes of the entity owning the property. The court reversed summary judgment for the taxpayer and required reassessment at just value.

- *Bar Satsuma, LLC v. Parker*, 2025 Fla. Cir. LEXIS 299 (Fla. 7th Cir. Ct. Feb. 20, 2025). Circuit court held that the property appraiser's 2023 assessment of a mobile home park was initially entitled to a presumption of correctness because it complied with § 193.011, Fla. Stat., and accepted appraisal practices, but the taxpayer rebutted that presumption by showing the assessment exceeded just value. The court rejected the taxpayer's leased-fee valuation and confirmed that ad valorem assessments must reflect the fee simple unencumbered value using market—not contract—rents, and adjusted the valuation using the property appraiser's methodology, including application of a higher capitalization rate reflected in the VAB analysis, resulting in a reduced just value.

- *Williams v. Duval Cnty. Prop. Appraiser*, 2025 Fla. Cir. LEXIS 2459 (Fla. 4th Cir. Ct. 2025). Trial court held that (1) courts lack jurisdiction to challenge a prior tax year's assessment or retroactively apply a homestead exemption when the taxpayer fails to file within the 60-day nonclaim period under § 194.171, Fla. Stat.; and (2) when property changes classification, it must be reassessed at just value in the first year of the new classification (including first-time homestead), with assessment caps (10% for non-homestead, 3% for homestead) applying only in subsequent years.