

Leasehold Homesteads Clarified: Long-Term Residential Lessees Confirmed Eligible for Property Tax Exemption

SB 110 – Sen. Kristen Arrington (HB 227 Rep. Patt Maney)

General Bill Summary

CS/SB 110 revises Florida law governing eligibility for the homestead property tax exemption. Specifically, the bill clarifies when a person holding a long-term residential lease may be considered to have “legal or beneficial and equitable title” to property for purposes of qualifying for the homestead exemption.

Under current law, individuals who possess certain ownership interests—such as purchasers under a recorded contract or lessees holding a long-term leasehold interest—may qualify for the homestead exemption if they permanently reside on the property. The bill amends s. 196.041, F.S. to clarify that a lessee with a bona fide lease of 98 years or more for a residential parcel or condominium parcel is considered to hold sufficient equitable title to qualify for the homestead exemption even if the lease contains a provision terminating the lease upon the death of the lessee.

The legislation states that the change is remedial and clarifying in nature, reinforcing existing policy that long-term leaseholders who effectively bear the benefits and burdens of ownership should be eligible for homestead tax treatment.

The Senate passed the committee substitute for SB 110 unanimously on February 19, 2026, and the bill was transmitted to the House for consideration.

Potential County Impact

The bill has minimal operational impact on county governments but may affect how county property appraisers interpret homestead eligibility for certain leasehold interests.

By clarifying that a residential lessee with a lease term of 98 years or longer qualifies for homestead exemption even if the lease terminates upon death, the bill provides additional statutory clarity for property appraisers responsible for administering the exemption. Counties may see more consistent application of the exemption for these lease arrangements.

According to the Revenue Estimating Conference, the bill is not expected to materially affect local government revenues, suggesting that any increase in homestead eligibility would likely be minimal or already reflected in existing practice.

For counties, implementation would primarily involve:

- Property appraisers ensuring homestead determinations align with the clarified statutory language.

- Potential updates to internal guidance or training for staff reviewing homestead applications involving long-term leaseholds.
- Continued coordination with tax collectors and the Department of Revenue regarding homestead eligibility rules.

Because the bill is characterized as clarifying existing law, counties are not expected to experience significant administrative or fiscal changes.

Effective Date

Upon becoming law.

Primary Statutory References

- **s. 196.041, F.S.** – Extent of homestead exemptions (amended)