



All About Florida

Fact Sheet

Florida Legislative Special Session D

October 2007

The Plan: Fiscal Impact¹

2008-09	2009-2010	2010-2011	2011-2012	Total
\$2.1 billion	\$2.5 billion	\$2.9 billion	\$3.4 billion	\$10.9 billion

The Big Four

Revenue Caps

Proposed: No revenue caps are currently proposed. However, discussions continue among legislative members who support more restrictive revenue caps.

Fiscal Impact: Indeterminate

FAC Position: The Florida Association of Counties strongly opposes any move by the Legislature to statutorily or constitutionally cap restrict the ability of local governments to provide for critical programs and services for our citizens.

FAC Discussion Points:

- Revenue caps would force counties to make deep cuts to programs and services that citizens want and expect and could harm quality of life in local communities, hindering the ability of county government to respond to discretionary needs such as increases in law enforcement or improved roads.
- Protect residents' ability to decide how their community grows. Keep their voices in the decisions that affect them and their neighbors. These decisions can range from whether a community should purchase environmentally sensitive land for future generations, build a new ballpark, pave new roads, or invest in the local economy.
- Without the ability to make local decisions, our communities will be forced to turn to Tallahassee and compete against one another for funding and authority. We should keep that authority at home and allow residents and their local leaders to make the decisions that are the best for their unique community.

\$50K - \$75K Homestead Exemption

Proposed: To double the homestead exemption by providing an additional \$25,000 exemption on the \$50,000 - \$75,000 portion of homes assessed value.

Fiscal Impact:

2008-09	2009-2010	2010-2011	2011-2012	Total
\$0.9 billion	\$0.9 billion	\$0.9 billion	\$0.9 billion	\$3.6 billion

FAC Position: While FAC has no official position, but would support implementation with a local option so that counties with special circumstances or that are fiscally constrained may opt out to protect the fiscal stability and critical services.

FAC Discussion Points:

- Current proposals to overhaul Florida's property tax structure could have dire consequences for Florida's 32 small counties, where property tax revenues are already inadequate to pay for essential services.
- With lower property values than the rest of the state, small counties already have a higher percentage of their property off the tax rolls thanks to the \$25,000 homestead exemption and agricultural land use designations. Thus, small counties have higher property tax rates—many are at or near the 10 mill cap—and lower revenue-raising abilities.
- The shortfall resulting from lower property tax revenues is not alleviated by other funding sources for small counties. State shared revenues and local option sales taxes authorized specifically for small counties do not offset deficiencies in the property tax.

¹ All fiscal numbers related to legislative proposals are based off of House numbers

Portability

Proposed: Allow homesteaded property owners to transfer their Save Our Homes savings to a newly purchased home, anywhere in the state of Florida. If the price of the new home is higher than their existing home, owner would be able to take 100% of their savings up to \$1 million. If the price of the new home is lower than their existing home, owner would take the proportionate share of their savings up to \$1 million.

Fiscal Impact:

2008-09	2009-2010	2010-2011	2011-2012	Total
\$0.3 billion	\$0.6 billion	\$0.9 billion	\$1.2 billion	\$3 billion

FAC Position: While FAC has no official position, we strongly encourage legislators considering this proposal to amend portability to be contained within each county versus a statewide portability option.

FAC Discussion Points:

- As an overriding goal of reforming Florida's Property Tax Structure, the Florida Association of Counties supports responsible solutions that improve equity and fairness among classes of taxpayers, as well as individual taxpayers.
- Fairness and equity are fundamental principles for reasonable taxation. These principles do not exist in Florida's property tax structure today. Persons in similar circumstances should face similar burdens.

Senior Exemption

Proposed: Provides that low income seniors be provided a super exemption, eliminating their property taxes.

Fiscal Impact:

2008-09	2009-2010	2010-2011	2011-2012	Total
\$0.1 billion	\$0.2 billion	\$0.3 billion	\$0.4 billion	\$1 billion

FAC Position: While FAC has no official positions, we would ask legislators considering this proposal to ensure that adequate protections are in place to protect this exemption from all types of 'creative financing' to protect the benefit for those seniors who need it the most.

Other parts of the plan

First time homebuyers: Provides a 25% exemption of the assessed value for a first time home buyers that is gradually phased out.

Affordable Housing: Allows property utilized for affordable housing to be assessed at less than just value.

Working Waterfronts: Allows property located on the water and used for commercial activities to be assessed at less than just value instead of the "highest and best" use.

Business exemption: Provides businesses with a \$25,000 exemption on tangible personal property.

Preponderance of Evidence/Burden of Proof: Removes the presumption of correctness given to property appraisers for challenges to assessments involving properties whose just value increases more than the county average for their class.

Appraisers: Requires local property appraiser to be elected, rather than appointed.

Fiscal Impacts on 'other':

	2008-09	2009-2010	2010-2011	2011-2012	Total
1 st time buyer	\$0.1 billion	\$0.2 billion	\$0.3 billion	\$0.3 billion	\$0.9 billion
Affordable housing	\$0.04 billion	\$0.04 billion	\$0.05 billion	\$0.05 billion	\$0.18 billion
Working waterfronts	\$0.04 billion	\$0.04 billion	\$0.05 billion	\$0.05 billion	\$0.18 billion
Business (TPP)	\$0.2 billion	\$0.2 billion	\$0.2 billion	\$0.2 billion	\$0.8 billion
Burden of proof	\$0.1 billion	\$0.1 billion	\$0.1 billion	\$0.1 billion	\$0.4 billion
SUB TOTAL	\$0.48 billion	\$0.58 billion	\$0.7 billion	\$0.7 billion	\$2.46 billion

Share the Burden

- Property Tax reform should be fair, equitable, and across the board. Every citizen should feel relief from property tax reform, and state and local government should share the burden.
- The FAC and its members support property tax reform. We recognize the imbalances of the system and the importance of providing fairness and equity to all property tax payers. However, Florida's 67 counties do not believe it is right - or honest - for state government to place the burden of property tax relief on local governments, while state funding responsibilities totaling more than \$1 billion annually are assessed to local governments.

County Services

- Counties provide services that add to the quality of life in Florida's communities. For example, counties provide their citizens with public transportation, parks, libraries, community health care, affordable housing, animal services, and economic development.
- The needs for these services are as unique as the 67 counties in Florida. A one-size-fits-all mandate from Tallahassee may work for one community while hindering the success of another.

Other Useful Numbers

\$50k - \$75k Homestead Exemption

- Taxable Value Loss: \$89.8 billion
 - Homestead Exemption Increase: 81%
- *county by county estimates are available

Rollbacks (HB1B)

- 53 of Florida's 67 counties -79% adopted the mandated rollback rate
- 2 counties - 3% adopted the standard rollback rate without the cut
- 12 counties - 18% adopted a rate higher than the rollback rate up to their current millage.
- 11 of 14 counties that decided to override the mandated rollback rate are considered small and rural and are classified by the state as fiscally constrained. The override option was put in place specifically to allow flexibility for these fiscally constrained counties.
- \$1.53 billion – 12.5% property tax revenue reductions from baseline
- \$1.3 billion -91% rolled back by counties of the state mandated \$1.4 billion
- 71.8% - Percent counties contributed to the total 2007/2008 property tax reduction

Impacts on Services

Statewide ad valorem revenue loss:

Year 1 = \$2.1 billion loss of revenue (13.6%)

Year 2 = \$4.6 billion loss of revenue (28.4%)

Estimated average cuts in services resulting from a 20% cut, holding public safety harmless:

- 65% reduction in administrative expenses such as technology, CRAs, and pensions
- 63% reduction to transportation / roads
- 61% reduction in parks/library/culture
- 60% reduction in health and human services
- 53% reduction in economic and industry development

Where did the money go?

\$11.4 Billion: Increase in total ad valorem revenue increases since 2001.

- \$4.2 Billion or 40%: Increase to RLE and discretionary schools
- \$3.9 Billion or 30%: Increase to Florida's counties
- \$1.7 Billion or 15%: Increase to Florida's cities
- \$1.6 Billion or 15%: Increase to all others – special districts, etc.

68%: Amount county property tax revenues increased from 1999-2005

- 17%: Florida's population increase
- 58%: Cost increases to counties (more than three times the CPI)

Where county expenditures increased the most since 1999:

- \$672.6 million: Law Enforcement
- \$521.8 million: Other general government
- \$234.5 million: Corrections
- \$157.8 million: Parks
- \$126.7 million: Health and Human Services