



# DAILY BRIEF

From October 29, 2007  
Special Session "D"

## Legislature Adjourns "Sine Die" at 7:06 p.m.

After several hours of intense debate on the House floor, representatives voted 97-18 to pass SJR 2D. Earlier in the morning, the Senate took up SJR 2D and amended the bill to include amendments to the plan, which they had worked on over the weekend. This new language differed dramatically from what the House had passed exactly one week ago. The back and forth negotiations effectively came to a halt when the Senate sent back the amended package to the House and subsequently recessed forcing the House to either take their package or leave Tallahassee with no property tax reform (today was the last day of Special Session D).

So the House was left to either concur with the Senate and pass their version of the plan or not concur and forgo any relief for the citizens of Florida. This difficult decision was not lost on House Democrats who could have voted as a block and prevented the proposed constitutional amendment from receiving the 72 votes needed to place an amendment on the ballot. Several representatives voiced their displeasure over having to vote for the Senate's package; especially since a week ago they had overwhelmingly passed a consensus package in the House. But in the end, 97 members of the House felt it was more important to allow voters to have a say come January 29th than to get lost in procedural battles.

Florida's voters will be given the opportunity to pass, barring any legal challenges, an amendment that includes the following:

- **Doubling of the Homestead Exemption** – an additional \$25,000 homestead exemption is provided for the value of homestead property above \$50,000. AIF's President & CEO Barney Bishop proposed this idea back during the 2007 Regular Session during his testimony to the Senate Finance & Tax Committee. According to Sen. Mike Haridopolos (R-Melbourne), the resolution's sponsor, 94% of homeowners will benefit from this exemption.
- **Portability** – homestead property owners will be able to transfer their Save Our Homes Benefits up to \$500,000 to a new homestead property anywhere in the state. Approximately 99% of homestead property owners will be able to take advantage of portability when it comes time to either upsize or downsize. Like Sen. Haridopolos said, "This will let people live where they want to live and not because of a failed tax policy."
- **Tangible Personal Property Tax Exemption** – there will be a \$25,000 exemption for each tangible personal property tax return. If approved, over 1 million businesses in Florida will no longer have to pay a tax that in most cases cost more in preparing the tax than the amount the tax generates.
- **Assessment Cap for Non-Homestead Property** – commercial and non-homestead property will have a 10% assessment cap on assessment but this section will not take effect until the 2009 tax rolls; therefore property owners will not see any assessment cap changes until 2010. This provision will sunset after 10 years, when it is presented to the voters for re-approval.

In our 2007 “Session Priorities” publication AIF promoted the tangible personal property tax exemption; “Save our Homes” portability; assessment cap on non-homestead property; and changes to the “highest and best use” way of assessing property as solutions to the property tax crisis. Several of these provisions are included in the new property tax reforms, as passed by the Legislature today. The reforms are crafted in such a way that should be acceptable to the required majority of voters in the state (proposed constitutional amendments must pass by 60 percent).

Although AIF would have liked the assessment cap for non-homestead property to be lower (around 5-6%), the reforms passed today are a positive step towards achieving meaningful property tax reform for the citizens and businesses of Florida. We commend Sen. Dan Webster (R-Winter Garden) and Rep. Dean Cannon (R-Winter Park), the chief negotiators for each chamber, for their patience and leadership on this difficult issue. AIF also congratulates Senate and House leadership, as well the Governor for their dedication and passion in bringing much needed relief and savings to all Floridians.

AIF will continue to advocate and work towards additional reforms important to the business community during the upcoming 2008 regular session and before the Taxation and Budget Reform Commission. These include changes to the way commercial property is appraised – using an income based approach rather than “highest and best use” as well as reforms to the Value Adjustment Boards, working waterfront language, and additional safeguards for affordable housing property.