



THE FLORIDA SENATE
SENATOR KEN PRUITT
President

MEMORANDUM

To: All Senators
From: Ken Pruitt, President
Date: October 26, 2007
Subject: Reconvening of the Special Session

I would like to provide you an update on the progress that has been made on the Special Session to reform and reduce property taxes for our State. First, let me again express my appreciation for the patience that you have shown throughout this process.

On Monday, the House of Representatives sent back our bill with two significant differences: an increased homestead exemption tied to a percentage of the median home value in each county, and a 5% cap on commercial and non-homestead residential property. The latter idea is not new. In fact, there were a number of amendments filed on the Senate floor last week that contained a variation of a cap on assessments. Although the idea emerged late in the process, it quickly became of highest priority to the House of Representatives.

When the Senate received the House message, we had several choices: we could reject it because the significant changes came too late in the process; we could accept the changes hoping that there wouldn't be unintended consequences; or, we could take the necessary time to conduct fiscal and legal analyses on the proposal and then proceed with a response.

A particular challenge was to determine whether the professional staff could produce accurate numbers and legal analyses for a cap on assessments – with only a few days until the end of the Special Session. Changes to the tax structure in Florida require a more complex and thorough evaluation process than most issues we face. The professional staffs in the Senate Finance & Tax and Judiciary Committees are working, literally, around the clock to provide us with the tools that we need to make informed decisions.

Based on the progress they have made, it is my opinion that we will have the necessary information to proceed. After consultation with Majority Leader Webster and Minority Leader Geller, I am asking you to return to Tallahassee to reconvene in Special Session on Monday, October 29, 2007, at 9:00 a.m.

Page 2

Later today, we plan to have finalized numbers on the fiscal impact analysis of SJR 2 as passed by the Senate, and as it returned from the House. We will also send a document that shows a more accurate estimate of the ten year fiscal impact of a 5% cap on commercial and non-homestead residential.

It is my hope that we will have a proposed amendment and accompanying fiscal impact estimate for your review by Sunday afternoon. We will e-mail the information and then make phone calls notifying you when it is sent.

Once again, thank you for your patience and your strong willingness to continue working hard to provide a property tax relief and reform proposal that will be acceptable to Florida voters this January.