



# DAILY BRIEF

From October 24, 2007  
Special Session "D"

## Special Session "D" slows down

The House and Senate were scheduled to return to Tallahassee today to continue their work on property tax reform. However, early Wednesday morning, **Senate President Ken Pruitt (R-Port St. Lucie)** sent a memorandum to his members informing them they would not be returning this week. The memorandum even hinted that the Senate may not be coming back at all; but if they did it would not be any earlier than Monday, October 29.

**Speaker Marco Rubio (R-Miami)** followed later in the day with a similar letter to all state representatives. He also told his members that they would not return until Monday.

The Senate has already approved its plan for property tax relief. **SJR 2D** provides for a constitutional amendment that would add an additional homestead exemption for most homeowners, provides an additional homestead exemption for certain low-income seniors, provides an additional homestead exemption for first-time Florida homebuyers, and provides for the transfer of the Save Our Homes (SOH) benefits also known as portability. Additional areas addressed in the constitutional amendment allow the Legislature to provide by law for the assessment of affordable housing and certain working waterfront properties and requires the Legislature to limit the authority of local governments other than school districts to increase property taxes. Finally, it requires all county property appraisers to be elected. The bill passed on a vote of 26 to 11 and was sent to the House for their consideration.

When the House considered the bill on Monday, they made two major changes to the Senate joint resolution: a guaranteed SOH benefit and an assessment cap for all non-homestead properties. The House also changed the language to the working waterfront property section of the joint resolution.

Instead of doubling the homestead exemption as in the Senate bill, a guaranteed SOH benefit was included. This exemption is tied to the county's median home value and will target relief to those homesteaded property owners who bought homes in the last few years and new homestead property owners who need it most.

A 5% cap on property tax assessments for non-homestead properties was also included in the new House plan. This SOH-like cap on non-homestead and commercial property will help restore fairness, equity and predictability to Florida's property tax system by capping any increase at 5%. This will help businesses who have faced outrageous tax increases and those who own second homes. However, this cap will not take place until January 1, 2009.

Finally another difference between the House and Senate proposed legislation was the section on working waterfront property. The new language is broader and now reads "as defined by general law, land that is used as working waterfront property may be assessed as provided by general law, subject to conditions or limitations specified therein. Assessments under this subsection shall apply to all levies other than school district levies."

The Senate found the changes to be outside the original call of the Special Session. Therefore they believe they can not consider the new plan without expanding the scope of the call and they are not eager to do so. Senate leaders spent Tuesday studying the impact of the 5% business property cap and released estimates from legislative economists that the plan would lead to \$13.4 billion in lost revenue to cities and counties over 10 years, with \$5.8 billion of it coming from schools. The Senate wants to hold the impact to education at a minimum.

Even some of the House members who voted in favor of the cap are now reconsidering their positions, especially now that they have seen what the impact on education would be under this proposal.

In a press conference today, Governor Charlie Crist (R) stated that a deal needs to be made by October 29 if the proposed constitutional amendment is to make its way onto the January 29, 2008 ballot. The Governor is still optimistic that the House and Senate will meet the deadline.

AIF encourages the Legislature to continue their discussion on how to reduce property taxes for all Floridians. We are hopeful the House and Senate will return to Tallahassee on Monday ready to pass property tax relief that will be understood and embraced by the voters in our state, especially since they must approve this constitutional amendment by 60%.