

2008 Legislative Program



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PRIORITIES PROGRAM

FINANCE, TRANSPORTATION & ADMINISTRATION

Property Taxes: Florida's property tax structure should be fair and equitable to all taxpayers as well as at all levels of government. The Florida Association of Counties (FAC) believes that the impacts from top-down property tax relief measures, plus the January 29, 2008 proposed amendment and potential future legislative actions will significantly limit local control and the ability of local governments to provide critical, necessary and quality of life services.

In 2007 as a result of HB1B, local governments reduced property tax revenues by \$2.3 billion this fiscal year. Counties contributed \$1.53 billion or 66.5% of the first year tax relief. Beginning in 2008 and thereafter, counties and other local governments will operate under even more dramatic fiscal constraints. Additionally, counties will be required to utilize higher approval standards when additional property tax revenue is needed in excess of the new rollback criteria.

On January 29, 2008, the electors of Florida will decide on several of the major changes proposed by the Legislature. The proposed constitutional revisions include: doubling the homestead exemption; allowing for the portability of the Save Our Homes assessment differential; providing an exemption of \$25,000 for tangible personal property and providing an assessment cap of 10% for non-homestead property. If adopted, counties will potentially be budgeting for additional reductions or adjustments making it difficult to implement current or future projects.

FAC has adopted the following position statements regarding existing, proposed and potential changes to Florida's property tax structure:

- FAC is **CONCERNED** that statutory changes made in 2007 instituted a fundamental shift in Florida's taxing structure, and the long-term impacts are yet undetermined.
- FAC is **CONCERNED** that those changes, along with the potential adoption of the 2008 constitutional amendment, leaves the long term stability of Florida's primary taxing structure uncertain.
- FAC is **CONCERNED** that unintended consequences are inevitable when any changes are made to a complex and critical piece of Florida's financial infrastructure.

- **FAC SUPPORTS** future legislation that preserves the financial capacity of fiscally constrained counties in a manner that does not replace or reduce existing programs and revenues for small rural counties and that does not divert funds from other counties or from cities.
- **FAC SUPPORTS** future legislation that provides alternative funding as a method to provide tax relief, preferably funding that reduces property taxes generated from the state controlled required local effort (RLE) for K-12 education.
- **FAC OPPOSES** any future legislation or constitutional changes that would further limit the authority of counties to raise revenue or lower revenue.
- **FAC OPPOSES** any preemption of the ability of counties to implement changes within their communities.

If the constitutional amendment is approved, the property tax reforms of 2007 and the then-approved constitutional changes should be studied and evaluated. Any additional legislative or constitutional changes should not be placed on the backs of local governments and the services they provide to Florida's citizens.

Unfunded Mandates: SUPPORT an amendment to Florida's constitution that provides meaningful enhancements to the existing unfunded mandates provision including, but not limited to:

- Eliminates exemptions from unfunded mandate scrutiny;
- provides greater public notice, legislative scrutiny and fiscal information;
- enhances accountability and transparency;
- preserves self-determination and local fiscal stewardship;
- provides a process to resolve conflicts and disputes; and
- requires legislative support through the development of implementing legislation.