

Commissioner Sue Gunzburger *Broward County Commission, District 6*

On January 29, voters across Florida will cast ballots in the 2008 Presidential Primary Election and vote on an amendment to the Florida Constitution that alters the property tax structure throughout the state. The proposed Constitutional amendment replaces an earlier proposal—struck down by the courts.

The new amendment doubles the homestead exemption to \$50,000. It provides for the portability of “Save Our Homes” (SOH) benefits and creates a ten percent cap on assessment increases for non-homesteaded properties for ten years. The amendment also creates a \$25,000 exemption for tangible personal property for businesses and mobile home residents.

The new plan preserves the three percent SOH cap for property owners. In addition, an additional \$25,000 homestead exemption is created for properties valued above \$50,000. The exemption does not apply to school tax levies.

The new amendment would allow the “portability” of accumulated SOH benefits. Homeowners could transfer this benefit to a new homestead anywhere in Florida within two years of selling their property. Owners who sold homes in 2007 can transfer the SOH benefit to a new homestead by January 1, 2009.

If “upsizing” to a more expensive property, the homeowner can transfer 100% of the SOH benefit to the new property (up to a \$500,000). If “downsizing,” the owner can transfer the SOH benefit that protects the same percentage of value as the former homestead (up to a \$500,000). The transferred SOH benefit would apply to school taxes on the new homestead.

State officials estimate the tax reduction over the next four years would total \$8.746 billion, including \$1.859 billion for school levies. The average savings per household would amount to approximately \$240.

Obviously, there is another side to this proposal. While the Florida Senate estimates Broward County would have to cut \$76 million in property taxes, the cuts to our budget would be substantially more, considering inflation, cost increases and prior commitments. Last year, we cut more than \$90 million. The new cuts, unlike last year’s reductions, would likely affect education, law enforcement, health and welfare programs and other essential services, not to mention layoffs. Voters would have to weigh quality of life issues versus the savings of a few hundred dollars.

For passage, the Constitutional amendment would require approval by 60% of those voting.

Please feel free to contact me to share your concerns and priorities--954-357-7006--or e-mail sgunzburger@broward.org.