

Florida House passes property tax reform legislation

TALLAHASSEE, Fla. – Oct. 23, 2007 – The Florida House passed a bipartisan property tax reform package yesterday by a 108-2 vote that addresses many issues important to Florida Realtors. House leaders consider the almost-unanimous vote an indication of that legislative body's dedication to the plan. It now goes to the Senate for consideration.

Prior to the vote, Florida Association of Realtors® (FAR) President Nancy Riley sent a letter to House Leadership indicating the association's support for property tax reform, specifically applauding the inclusion of an assessment cap for non-homestead and commercial property owners. The 5 percent yearly assessment cap on non-homesteaded property (assessment retriggers upon sale) and commercial property (assessment only retriggers with "substantial" improvements) would apply to local government and school taxes.

"The House proposal regarding an assessment cap for non-homestead residential property and commercial property addresses many of the tax problems with non-homestead properties' high yearly assessments and an uncertain tax bill from year-to-year," Riley told House leaders, since many "non-homestead property owners are rethinking whether they want to invest in Florida."

Another provision FAR leadership finds appealing is a guaranteed property tax break of 40 percent for homesteaded property or Save Our Homes savings. Homeowners would take advantage of the tax relief plan that saves them the most money. The 40 percent break would offer substantial and immediate relief to new homebuyers or those who purchased a home within the past few years.

"We are also pleased that both the Senate and House are advocating for "Save Our Homes" portability," Riley says. "While not precisely in line with FAR's stated position (local county option or a phase-out of 'Save Our Homes'), this is mitigated by the House's proposed assessment cap on non-homestead properties." The House proposal includes statewide portability of property tax savings under Save Our Homes.

Other legislative highlights include:

- No doubling of the homestead exemption
- The Legislature will be allowed to change assessment methods for working waterfronts and affordable rental housing
- The Miami-Dade Property Appraiser must be elected, rather than appointed
- \$25,000 tangible personal property tax exemption

The House bill, while covering many FAR goals, is still not the final word, however. "FAR will continue to promote property tax reforms in the areas of 'highest and best use,' presumption of correctness, value adjustment boards and assessment issues related to affordable housing and working waterfronts," says Riley.

The Senate is slated to reconvene on Thursday. A Call-to-Action will probably be issued by FAR shortly, asking Realtors to contact senators, encouraging them to approve the House plan. The House and Senate must approve a bill by Oct. 29 to make it onto the Jan. 29 ballot.

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How would the House plan affect your property taxes?

The House created a document that makes its reform plan easier to understand by listing 15 typical Florida homeowners and showing how the plan's implementation would affect each one. Since tax savings will be based on multiple factors – length of time in a home, property value, etc. – voters can pick the homeowner most like them and see how they would benefit. The document, in PDF format, can be downloaded through floridarealtors.org. Please click [here](#).