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Florida Votes on Property Tax Amendments

By John Heatley, Orlando

A dozen proposed constitutional amendments are on the November 6 ballot in Florida this year. They deal with everything from casino gambling to the rights of crime victims. Amendments 1 and 2 pertain to property taxes.

Amendment 1 – Grants an additional \$25,000 homestead exemption for homes valued over \$125,000 beginning January 1, 2019. The exemption would not apply to property taxes for school.

Background: Florida's homestead exemption, originally passed to help people after the Great Depression, allows homeowners to reduce their tax bills by shaving some of the value off the assessment of their primary residence. For many years the exemption stood at \$25,000. In 2008, voters amended the state Constitution to exempt another \$25,000 for homes valued at more than \$50,000.

The amendment on this year's ballot would add another \$25,000 exemption, this one applying to the value of a home between \$100,000 and \$125,000. Those with homes valued at \$125,000 and more would receive the full \$25,000 exemption other than school taxes. Those homes valued between \$100,000 and \$125,000 would receive a pro-rated benefit.

Pros: Given that median home prices in many parts of Florida are well above \$125,000, it's a significant tax cut for homeowners.

Supporters include homeowners looking for a break on their property taxes.

Cons: The tax cut would not affect renters or those in homes with the lowest values, which means the poorest Floridians would not benefit. It would cost cities, counties, and other taxing districts an estimated \$687.5 million annually, according to the Florida Association of Counties.

Opponents include a long list of public interest groups such as the Florida Policy Institute, Florida League of Cities, Florida Education Association, and the Florida Association of Counties.

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Amendment 2 – Makes permanent what currently is a temporary cap of 10 percent on annual property value increases for commercial property, apartments, and vacation homes.

Background: In 2008, Florida voters amended the state Constitution to provide a 10-percent cap on annual property value increases for non-homestead property. Amendment 2 would make the 10-percent limit on property value permanent. It excludes local school district taxes from the property value limits. The limits also do not apply if the property changes hands or if it undergoes substantial improvements. In other words, if a store is built on a piece of vacant land, the property value increase would not be protected by the 10-percent limit. If approved by voters, this amendment would take away the sunset provision and make the cap permanent, effective Jan. 1, 2019.

Pros: Taxpayers would be partially protected from large, sudden value increases in the future when property values rise in boom markets.

Supporters include the Florida Association of Realtors and the Florida Chamber of Commerce.

Cons: Since only a limited number of taxpayers benefit, it creates more inequity in the system. Amendment 2 does nothing to prevent tax rates from increasing, as they have since the cap first went into effect.

Opponents include BOMA Florida, Florida AFL-CIO, Florida League of Cities, Florida Association of Counties, and the League of Women Voters.