



Florida at a Crossroad - The Affordability Factor

Overview of Tax Relief Plan - Voters to Decide on January 29th

Important News From Around The State
AH in the News...

Rep. Hasner will be answering Property Tax questions at a Forum at Lynn University on Monday, Nov. 12th

Florida at a Crossroad...

For the past ten months, you know that I have been fighting tirelessly in Tallahassee to provide Floridians with needed property tax relief and reform. Throughout this entire debate, I have kept one simple principle in mind - the money that government spends is your money to begin with.

I am proud that I have fought for bold and meaningful measures such as rolling back property taxes to 2003 levels, capping future growth in property taxes at reasonable levels and providing fairness and predictability for all property owners.

With the pressures continuing to build from the cost increases for insurance, gas and electricity, and property taxes - I believe that Florida has reached a crossroad. We all know stories of houses that aren't selling, increasing commercial rents and people who are leaving Florida. Our local and state economy is facing a downturn, and how we address the critical issues of making our state affordable again will determine whether we return to the path of prosperity.

Just two weeks ago, I shared with you the positive news that the Florida House, by a 108-2 vote, passed a truly bipartisan property tax relief plan that was a

CONTACT INFORMATION

State Representative Adam Hasner
P.O. Box 272669
Boca Raton FL 33432
phone: (561) 279-1616
email: adam.hasner@hasner.org
web: <http://www.hasner.org>

SIGN-UP

Not on our newsletter list?
Click here for quick and
easy sign up!

[SIGN-UP!](#)

QUICK LINKS

[More about Adam Hasner](#)
[Official Legislative Website](#)

good step forward to providing meaningful relief while holding government spending in check. While it still did not go as far as I wanted, after months of hard work, I was very proud that Democrats and Republicans joined together to do the work of the people.

Unfortunately, on the last day of the Special Session the Senate passed their property tax plan 39-0 and then packed their bags and went home, leaving the members of the House of Representatives in a "deal or no deal" situation with no other options.

The Senate plan includes many of the provisions that are popular with voters and those which the Governor campaigned for, including preserving Save Our Homes, expanding the homestead exemption and providing for portability of accumulated Save Our Homes benefits when buying a new home.

The Senate's plan that will now be on the ballot on January 29th (described in detail below) does not do as much to address Florida's unsustainable and unaffordable property tax system as the House passed. However, the reality is that the legislative process requires agreement and this was the most that the Senate and Governor were willing to offer to the people at this time.

House Republicans and House Democrats joined together and resisted the Senate plan, but as time ran out in Tallahassee, we did not want to deny Floridians the opportunity to vote for some form of property tax relief in January's election. The House ultimately passed the plan 94-17 in a bipartisan vote. One thing I know for certain is that Floridians need relief sooner rather than later, and rejecting the Senate's final offer would have meant that November 2009 would be the earliest that people would see any relief or reform.

While the amount of relief is not enough in the eyes of many, special interests are already organizing their political campaigns against the January measure

because they contend that it will cut taxes too much. Even though I agree that the Senate's plan doesn't go far enough, I am concerned that failing to get 60% majority for passage at the polls in January can have serious consequences since a statewide vote against a tax cut - no matter how small it is - will only empower those special interests that have been opposing tax relief from day one.

This has never been - and should never be - a debate pitting local governments and school boards against Tallahassee. Our entire state is facing difficult challenges and we must realize that we are all in this together. Government spending must reflect what people can afford to pay and our current property tax system has become unsustainable - trapping people in their homes, penalizing new homebuyers, and crushing our small businesses with skyrocketing taxes.

The January vote is just the next step. Additional property tax relief and reform will help stimulate our economy and still generate the tax revenues to provide the critical services we all expect and demand.

As your State Representative, I will continue to fight for a more affordable Florida. But I need your help. Some in Tallahassee have said they are done working on this issue. Together, we can not allow this to be the end.

When we return to Tallahassee, I will continue to advocate for more relief in time for the November 2008 tax bills. Additionally, the appointed Tax and Budget Reform Commission can put their own proposals on the November 2008 ballot.

Again, true reform is never final and I hope that you will join with me to make certain your voices are heard by those who are trying to thwart our efforts to provide people with relief and help get Florida moving in the right direction again.

All my best,

Overview of Tax Relief Plan - Voters to Decide on January 29th

EXPANDING THE HOMESTEAD EXEMPTION

Expands the Homestead Exemption to be worth up to \$50,000, providing every homestead owner with tax savings in 2008.

- Creates an additional homestead exemption worth up to \$25,000 in addition to the existing \$25,000 exemption - effectively for a total of \$50,000. However, there are two key differences between this new exemption and the existing exemption:

***Difference #1: The new exemption applies to the value of the homestead between \$50,000 and \$75,000. Placing the additional exemption on the "third" \$25,000 of value will alleviate the impact for jurisdictions with relatively low property values by ensuring that most homesteads will continue to pay some amount of property tax.

***Difference #2: The additional \$25,000 exemption does *not* apply to school tax levies. By contrast, the existing Homestead Exemption *does* apply to school tax levies. Thus, the new exemption offers fewer savings than the original exemption, because it doesn't shield homeowners from school taxes. The new exemption saves the average homeowner who receives the full benefit an average of \$240 a year, while the existing homestead exemption provides about \$450 per year.

PORTABILITY

Allows "*portability*" of accumulated Save Our Homes (SOH) benefits from one homestead to another.

- Allows homestead owners with an accumulated SOH benefit to transfer 100% of the benefit (up to a \$500,000 benefit) to a new homestead if they "upsized" to a home with a greater or equal just value.
- If "downsizing" to a home with a lower just value, the homestead owner can transfer a SOH benefit that protects the same percentage of value as it did the former homestead, up to a \$500,000 benefit.

*** In other words, if the SOH benefit equaled 25% of the just value of the former home, the new SOH benefit will equal to 25% of the just value of the new home.

- The new homestead must be established within two years of the sale of the former homestead in order to transfer the SOH benefit.
- This provision is retroactive to 2007, so those who sold a homestead in 2007 will be eligible to transfer their benefit from the former home if they establish a new homestead by January 1, 2009.
- A homestead owner may transfer the SOH benefit to a new homestead anywhere in the state. Portability is not limited within a county or any other jurisdiction.
- The transferred SOH benefit on the new homestead will apply to school tax levies.
- Sets forth additional rules for portability when more than one person has established the homestead:

***If two or more people own multiple homesteads and are moving into only one new homestead, they can only transfer a benefit from one of the former homesteads. So if a newly married couple is selling two former homesteads to move into one new homestead, they will choose to transfer whichever of their SOH benefits is largest. The size of the transferable benefit is capped at \$500,000.

***If two or more people jointly own a homestead and are moving into more than one new homestead, they must divide the value of their SOH benefit among the new homesteads based on the number of owners of the prior homestead. The total amount of transferable benefits is capped at \$500,000, So, if a couple is moving out of their jointly owned homestead

with \$100,000 SOH benefit into two new homesteads, they will divide the benefit in half and apply a \$50,000 benefit to each of their new homesteads.

PREDICTABILITY FOR NON-HOMESTEAD AND BUSINESS PROPERTY

Creates a 10% annual assessment cap for ALL non-homestead and commercial properties.

- Limits the annual growth of assessed value to 10% for non-homestead residential and business properties.
- This assessment limitation does not apply to school tax levies.
- The assessment limitation will expire in 10 years. At that time, voters will decide whether to reauthorize it.
- Residential properties of nine units or less will surrender accumulated protections at change of ownership or control, as defined by general law.
- For all other properties (i.e., residential properties of ten or more units and business properties), the Legislature:
 - *** *Must* define by general law how the property will surrender protections when there is a "qualifying improvement" to the property, and
 - *** *May* define by general law how the property will surrender accumulated protections at a change of ownership or control.
- The cap will use a base year of 2008, which means the cap will begin shielding properties from taxation in 2009.

- Those benefiting from the new 10% cap include small business owners, second home owners, and renters - ensuring that those taxpayers who have borne the brunt of the property tax crisis receive protections into the future.

TAX RELIEF FOR FLORIDA BUSINESSES

Creates a new Tangible Personal Property Exemption of \$25,000 for business properties.

- Authorizes a new exemption of \$25,000 for Tangible Personal Property.
- For the average commercial property, this creates savings of \$450 (assuming an aggregate tax rate of 17 mills, which is near the statewide average).
- Those property owners with less than \$25,000 worth of tangible personal property will no longer have to file detailed returns, thereby alleviating an often cumbersome administrative burden.
- Approximately 1 million of Florida's 1.3 million businesses will receive a total exemption from the tangible personal property tax.
- This provision *does* apply to school tax levies. If this provision exempted schools, businesses would save money but still be required to file annual returns. This would undermine the purpose of completely removing the administrative burden of filing annual returns.

The total fiscal impact is \$8.746 billion over four years (\$1.859 billion for school tax levies).

For more information, please click on the 2 links below:

[Majority Whip's High Points on Property Tax Reform](#)

[Majority Whip's Policy Brief on Property Tax Reform](#)

Important News From Around The State

[11/4/07 - Should Save Our Homes be portable? Expect a fight over it. \(The Orlando Sentinel\)](#)

It could be a legal question with profound property tax consequences for Floridians.

In the build-up to last month's special tax-cutting session, Gov. Charlie Crist's office wanted to make sure its property tax plan was on solid legal footing.

In a 10-page memo to the governor's office, Florida State University law professor Nat Stern said Crist's plan to create Save Our Homes portability could hold up in court.

Two groups from Palm Beach County and Alabama have already tried to challenge Save Our Homes in court as an affront to the federal constitutional rights to travel and commerce.

[11/2/07 - Florida budget commission panel gets a shot at taxes, too \(South Florida Sun-Sentinel\)](#)

TALLAHASSEE - If you don't think the Florida Legislature did enough to lower your property tax bill, you have at least one more hope: the Florida Taxation and Budget Reform Commission.

Meeting in Tallahassee on Thursday, just three days after state legislators approved a proposed constitutional amendment on property taxes for the Jan. 29 ballot, commissioners began talking about what they might put before voters in the November 2008 general election.

Of special interest to the commission are those property owners - like recent home buyers, business owners and second-home owners - who might not think they got a fair shake from the Legislature.

"We're their last hope. Nothing has weighed more heavily on me than that," said Alan Levine, president of the North Broward Hospital District and a member of the commission.

[11/1/07 - Longtime homeowners are big winners in new tax plan \(South Florida Sun-Sentinel\)](#)

Tallahassee - They're calling it tax reform, but a plan adopted this week by the Legislature still divides Floridians into two separate, and unequal, groups when it comes to taxation. In fact, it would perpetuate that division.

Longtime homeowners, who already enjoy lower tax bills, would get an even bigger break and something many have long coveted: the ability to transfer from home to home the savings they accrue over the years from the Save Our Homes tax cap.

The other category of property owners - recent home buyers, snowbirds and businesses - would get little or no immediate relief, and will carry an ever-growing share of the tax burden.

[10/31/07 - Governor hails property tax reform plan; House leader mum \(The Sarasota Herald-Tribune\)](#)

In contrast, House Speaker Marco Rubio, R-West Miami, could barely bring himself to endorse the plan, although he voted for it along with overwhelming majorities in the House and Senate on Monday.

Rubio, who wanted broader property tax cuts, said the measure fell far short of what could have been. He said he is unlikely to campaign for its passage and will more likely push for a citizens' initiative to cut property taxes on the 2010 ballot.

"A lot of people woke up this morning and asked themselves, 'What planet do these people live on?'" Rubio said. "We just missed an opportunity to do something not just historic, but something that could not have just cut taxes but reinvigorated our economy."

Rubio said most Floridians will not notice any savings and that it was a "small solution to a big problem. I imagine a small solution is better than no solution."

[10/30/07 - Tax cut gets OK to go to voters \(Daytona Beach News-Journal\)](#)

TALLAHASSEE -- When it came to property-tax relief, the Florida Senate gave the House of Representatives an all-or-nothing choice Monday.

A reluctant House went along.

On the final day of a special legislative session, lawmakers passed a pared-back property tax plan that would boost the state's homestead exemption, give some breaks to businesses and let homeowners transfer tax savings when they move.

But the plan, which now will go to voters Jan. 29, drew criticism in the House for not providing more relief to businesses, first-time home buyers and low-income seniors.

Senate leaders released the plan Sunday after weeks of negotiations and refused

to budge. That angered House members, but most ended up supporting it. The House vote was 97-18 for the amendment and 112-3 to put it on the ballot.

[10/29/07 - Senate tax plan: Take it or leave it \(The Miami Herald\)](#)

TALLAHASSEE -- The Florida Senate released what will likely be its take-it-or-leave-it plan on property taxes Sunday, offering a small savings for most homeowners and businesses, incorporating tax portability into the Constitution -- and giving the House little choice but to accept it.

The plan, which will likely pass the Senate by big margins, is a stripped-down version of an original Senate proposal and borrows just one new thing from the House plan: a first-ever cap limiting increases in taxable value for businesses and owners of second homes and rental properties.

But the tax cap is a shadow of an earlier concept because the Senate doubled it to 10 percent. That's well above the 7 percent average annual increase levied on nonhomestead properties in the past five years statewide.

AH in the News...

[10/28/07 - With Deadline Near, Legislators Close in on Deal to Cut Property Taxes \(South Florida Sun-Sentinel\)](#)

Such a ceiling would be similar to the 3 percent annual assessment cap that Florida residents enjoy on their homes under the Save Our Homes amendment to the state constitution. House Republicans, including Rep. Ellyn Bogdanoff, R-Fort Lauderdale, and Majority Leader Adam Hasner, R-Boca Raton, have said their caucus considers extending similar protections against rapid tax increases to other categories of real estate to be essential to any accord with the Senate.

[10/28/07 - Summary of the House Tax Relief Plan \(The Boca Raton News\)](#)

According to House Majority Leader, Rep Adam Hasner (R-Delray Beach), "the House property tax plan would: preserve Save Our Homes, provide additional homestead exemption relief to those who need tax relief the most such as recent homebuyers, allow for the "portability" of accumulated Save Our Homes benefits; add vital protections to business and non-homesteaded properties that are currently unshielded from unexpected and substantial assessment increases."

[10/23/07 - Legislature Drags Its Feet On Tax Measure \(The Gainesville Sun\)](#)

"The people of the state of Florida don't care about the process," said House Republican Leader Adam Hasner of Delray Beach. "They want results."

[10/22/07 - House Passes Prop Tax Plan That Senate Opposes \(The Palm Beach\)](#)

[Post\)](#)

Majority Leader Adam Hasner, R-Delray Beach, called the House's proposal a "broad-based, bipartisan plan."

[10/16/07 - House panel: Save Our Homes for everyone \(The Palm Beach Post\)](#)

"This is the legislature giving the people what they want - tax relief," said House Majority Leader Adam Hasner, R-Delray Beach and a co-sponsor of the amendment to the property tax package.

[10/16/07 - Caps Proposed for Non-Homestead Property \(WMBB ABC 13\)](#)

"I am pleased that four Democrats were able to put party affiliation aside and join with Republicans in doing what is right for the taxpayers of our state," said Majority Leader Adam Hasner (R-Delray Beach). "This amendment provides the property tax predictability and protection that non-homestead and commercial property owners in Florida desperately need. The early bi-partisan support we have received for this proposal is encouraging, and we hope the momentum will continue."

Rep. Hasner will be answering Property Tax questions at a Forum at Lynn University on Monday, Nov. 12th

Date: Monday, November 12, 2007

Time: 7:00 PM - 8:30 PM

Location: Amarnick - Goldstein Concert Hall in the de Hoernle International Center
Lynn University Campus

Featuring: Rep. Adam Hasner and Sen. Ted Deutch

Co-Sponsored by The Boca Raton News & Lynn University

For more information on the American Studies Programs at Lynn University, contact Watson directly at rwatson@lynn.edu / 561-237-7432 (o) or via the media relations office at Lynn University: Laura Vann (lvann@lynn.edu / 561-237-7967) or Jason Hughes (jhughes@lynn.edu / 561-237-7761).

Political advertisement paid for and approved by Adam Hasner, Republican for State Representative - District 87.

To Unsubscribe from this newsletter, [Click Here](#).