



June 13, 2007

An Open Letter to the Florida State Legislature: Remember All Taxpayers during Debate over Property Tax Reform

Dear Legislator:

On behalf of the more than 24,000 Florida members of the National Taxpayers Union (NTU), I'd like to commend your willingness to confront the burning issue of property tax reform. As research from the Florida Taxpayers Alliance has noted, total Florida property tax collections have increased 148 percent from 1996 to 2006, while from 2001 to 2006 total property tax growth swelled more than twice as fast as income growth. Overwhelming property tax burdens have been mounting for some time, and we're encouraged to see the Governor and the Legislature addressing this problem.

NTU has been involved with many successful property tax limitation measures around the country during our nearly 40 years in operation. With that in mind, we respectfully offer the following comments and suggestions for your consideration:

- ❑ Requiring local taxing authorities (such as cities, counties, and special districts) to cut next year's property taxes by at least 10 percent is a good move, as it is time to wean them off the housing-boom revenue binge.
- ❑ We are supportive of a cap on future property tax revenue growth. Limiting the property tax rate is important, but limiting rate growth *as well as assessment growth* is key to keeping property taxes under control.
- ❑ Most successful property tax limits impose a high "override" requirement on the local governing body (2/3 or 3/4). To protect taxpayers and to make sure the reforms you adopt are meaningful, we suggest a high override threshold that cannot be easily tossed aside by revenue-hungry local officials, and/or a voter approval safeguard for any attempts to circumvent a tax cap.
- ❑ Around the country, many property tax exemptions are offered on the basis of primary residence, but *assessment growth limits should be placed on the increase of value for all properties plus new construction* (without allowing discriminatory or punitive increases on certain "classes" of property). Extending protection to all property owners, including non-homesteaded and business property owners, would better serve Florida's unique demography. Many non-homesteaded homeowners have paid the price in the run-up of property tax bills, and they should be recipients of genuine relief as well.
- ❑ Florida's valuation challenge process has justifiably been called one the worst in the nation. To restore public confidence in the tax system, a uniform, transparent assessment appeals process is a necessity.

If you have any comments or questions, or would like to discuss the property tax reform approaches of other states, please do not hesitate to contact me at krasmussen@ntu.org.

Sincerely,

Kristina Rasmussen
Director of Government Affairs