

January 29th Constitutional Amendment Summary

Morgan B. Gilreath, Jr.
Volusia County Property Appraiser

Why Did We Need Tax Reform?

Property Taxes (government spending) ... up almost 100% in five years ...
taxpayer's incomes ... up under 20%

Many property owners felt threatened of losing property ... unable to move to a
different property as taxes skyrocketed

No business can survive spending money at 5 times its income...

Florida's governments survived...*can their taxpayers?*...

Did You Know Local Government Spending Was "Capped" By the 2007 Legislature?

A "Spending-Cap" is in place in the Florida Statutes!
...Effective for 2007 and all subsequent years
Prior year's budget + PCI % ...Per Capita Income index

January 29th

Taxpayers have their 1st opportunity for direct input when expressing....."The Will of the People"...

Morgan B. Gilreath, Jr.
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"The will of the people." What an interesting concept. The term describes a bedrock principle of every democratic society. The translation of it from concept to a reality in public policy requires individual action by participant voters. The actions of the 2007 Legislature, as expressed in the much-debated January 29th Constitutional Amendment Vote, place this simple but complex principle as the next step up the staircase of Florida's ongoing property tax reform efforts. The legislature has basically said... "*We decide*" for "*you to decide.*"

January 29th Constitutional Amendment

...*“I heard it changes Save Our Homes.”*

...*“I’m confused about the amendment, what’s being offered?”*

...*“I think the Legislature should have done more.”*

...*“I waiting to see the Budget and Tax Reform Commission’s recommendations.”*

...*“I’m going to wait on the 2008 Legislature to make this a better fix.”*

...*“I don’t like property taxes, I want to see another way of funding local government like the Fair Tax, I’m not voting for this.”*

How Do I Decide?

What Is “Right” For Me?

What is “Right” For Florida?

What Does The Amendment Do?

- Does not change SOH! It adds to SOH!
- Allows Portability of SOH ... people can move without tax penalty!
- All homesteaded properties get another \$25,000 exemption (excludes school levies) ...gives everyone with Homestead Exemption \$295
- Gives a SOH-like 10% cap on all non-homesteaded property (businesses, etc) (excludes school levies)
- Gives all businesses a new \$25,000 TPP exemption...

As you evaluate the Amendment and as you decide whether on not it “does all you wanted to see done” or if it “does it the way you think it should be done” answer this question...

“Have You ever, on any multi-faceted issue in your private or professional life, gotten “exactly what you wanted, the way you wanted it?”

Problems (business and personal) are often solved one step at a time, incrementally. This amendment is an “incremental step,” not a cure-all... it provides solutions to several critical problems and is a positive step toward future tax reform solutions. Think about that as you evaluate your vote.

How does “Portability” work?

Florida Families cannot move to a new home without severe tax penalty... because of a “lack of portability of their SOH benefit.”

“NOW”

Your <u>current home</u> Just (market) Value	=	\$300,000
Your Assessed Value (because of SOH)	=	125,000 (<u>175,000</u> SOH benefit)
<u>Less \$25,000 regular homestead exemption</u>	<u>-</u>	<u>25,000</u>
Equals Taxable Value	=	100,000
<u>Times Millage Rate of 19.2871 mills</u>	<u>x</u>	<u>.019287071</u>
Equals amount of <u>Property Taxes</u>	=	<u>\$1,928.71</u>
<i>[Your “SOH Benefit Value” is 300,000-125,000 = 175,000]</i>		

“BUYING UP” (a more expensive home)

<u>You buy another home worth more (buy “up”)</u>	<u>With “Portability”</u>
Your <u>new home</u> Just (market) Value	= \$375,000
“Portability” from old home is previous SOH benefit	= -175,000
Beginning Assessed Value on new home	= 200,000
<u>Less \$25,000 regular homestead exemption</u>	<u>-</u> <u>25,000</u>
Equals Taxable Value	= 175,000
<u>Times Millage Rate of 19.2871 mills</u>	<u>x</u> <u>.019287071</u>
Equals amount of <u>Property Taxes</u>	= <u>\$3,375.24</u>
Versus [375,000-25,000=350,000 x .019287071=] <u>\$6,750.47 Without Portability</u>	

“BUYING DOWN”(a less expensive home)

<u>You buy another home worth less (buy “down”)</u>	<u>With “Portability”</u>
Your <u>new home</u> Just (market) Value	= \$200,000
<u>Portability %” from old home</u> (175,000/300,000= <u>58.33%</u>)	- 116,660
Beginning Assessed Value, new home (200,000-116,660)	= 83,340
<u>Less \$25,000 regular homestead exemption</u>	<u>-</u> <u>25,000</u>
Equals Taxable Value	= 58,340
<u>Times Millage Rate of 19.2871 mills</u>	<u>x</u> <u>.019287071</u>
Equals amount of <u>Property Taxes</u>	= <u>\$1,125.21</u>
Versus [200,000-25,000=175,000 x .019287071=] <u>\$3,375.24 Without Portability</u>	

... from our Portability Calculator... www.volusia.org/property

“BUYING UP” (a more expensive home)

Portability & Exemption Property Tax Calculator for Your Current, Prior or Newly-Purchased Homestead (HX) Property <i>(Complies with 2007 Special Session #2 New Legislation)</i>		
	Column 1	Column 2
Instructions: (1) Only input values into the yellow fields; (2) If you are <u>not</u> purchasing a new property, only enter values under Column 1; (3) If you are purchasing a property which will be your new homestead, enter the new Just Value under Column 2.	<i>Current Or Prior Owned Hx Property</i>	<i>Newly-Purchased Hx Property</i>
Enter the Just Value(s)	300,000	375,000
Enter the Assessed Value	125,000	200,000
"CAPPED" value (up to 500,000)	175,000	175,000
Exempt Value <i>(defaulted to 25,000)</i>	25,000	25,000
Taxable Value	100,000	175,000
Estimated Amount of Property Tax - PRE LEGISLATIVE session	\$ 1,928.71	\$ 6,750.47
"Additional Exemption" - <i>after 1st 50,000 of Assessed Value (excludes school levies)</i>	25,000	25,000
Estimated Savings from "Additional Exemption"	\$ 295.50	\$ 295.50
Estimated Amount of Property Tax - POST LEGISLATIVE session	\$ 1,633.21	\$ 3,079.74
Total Estimated Tax Savings from New Legislation:	\$ 295.50	\$ 3,670.74

“BUYING DOWN”(a less expensive home)

Portability & Exemption Property Tax Calculator for Your Current, Prior or Newly-Purchased Homestead (HX) Property <i>(Complies with 2007 Special Session #2 New Legislation)</i>		
	Column 1	Column 2
Instructions: (1) Only input values into the yellow fields; (2) If you are <u>not</u> purchasing a new property, only enter values under Column 1; (3) If you are purchasing a property which will be your new homestead, enter the new Just Value under Column 2.	<i>Current Or Prior Owned Hx Property</i>	<i>Newly-Purchased Hx Property</i>
Enter the Just Value(s)	300,000	200,000
Enter the Assessed Value	125,000	83,333
"CAPPED" value (up to 500,000)	175,000	116,667
Exempt Value <i>(defaulted to 25,000)</i>	25,000	25,000
Taxable Value	100,000	58,333
Estimated Amount of Property Tax - PRE LEGISLATIVE session	\$ 1,928.71	\$ 3,375.24
"Additional Exemption" - <i>after 1st 50,000 of Assessed Value (excludes school levies)</i>	25,000	25,000
Estimated Savings from "Additional Exemption"	\$ 295.50	\$ 295.50
Estimated Amount of Property Tax - POST LEGISLATIVE session	\$ 1,633.21	\$ 829.58
Total Estimated Tax Savings from New Legislation:	\$ 295.50	\$ 2,545.66

The January 29th Constitutional Amendment

A “Yes” Vote will...

- Immediately provide portability back to Jan 1, 2007...
 - You should be able to keep the Save Our Homes benefit that you earned
- “Restart” our economy, which is dependent on real estate and related industries...
 - Start up new construction for new occupants
 - Allow existing residents to purchase and move
 - Immediately create employment in real estate oriented businesses
- Allow the TBRC and 2008 Legislature to begin developing solutions for the next reform issues instead of having to re-do these again ...

A “No Vote will...

- Do nothing toward solving the problems
- Make the TBRC and 2008 Legislature “re-do” these issues for a November ballot
- Insure that any relief is stalled for as much as 2 years
- Add to the unemployment problem in all real estate industries

Check out "Tax Reform Articles" & "Portability Calculator" on Website



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volusia county
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****NEW** Download the Portability & Exemption Calculator**

[Link to Property Tax Laws and Legislative Information for 2007 Special Session D](#)

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www.volusia.org/property

TAX REFORM FILES & ARTICLES

- [1/2/2008 Editorial Articles about the January 29th Constitutional Amendment](#)
 - [Part I – "The Will of the People"](#)
 - [Part II – "What is Portability Really About ?"](#)
 - [Part III – "There's no 'Devil in the Details' of the January 29th Amendment !"](#)
- [12/17/07 Summary of Tax Reductions from January 29th Amendment](#)
 - [Tax Reductions From New \\$25K HX Exemption](#)
 - [Tax Reductions by Taxing Authority](#)
 - [Tax Reductions From New \\$25K TPP Exemption](#)
- [12/5/07 Town Hall Meeting with Dorothy Hukill \(Power Point Presentation\)](#)
- [2007 Request for Attorney General's Opinion Regarding Efforts to Subvert Legislative Intent of F.S. 200.065](#)
 - [11/27/07 Letter to Attorney General](#)
 - [11/29/07 Response from Attorney General](#)
 - [12/01/07 News-Journal Article](#)
- [2007-D Special Session, Summary of Legislation Passed](#)
- [August 27, 2007 Town Hall Meeting with Dorothy Hukill \(Power Point Presentation\)](#)
- [Graphs Comparing Tax Spending to PCI + Growth 2001-2007](#)
- ["Look before you leap away from legislative tax reform"](#)
- ["How To Implement A Renters Homestead Exemption"](#)
- ["Roll-Backs Are About Boom-Market Budgeting"](#)
- ["Can Local Government Survive A Property Tax Rollback"](#)
- ["Government Spending-What we Got Here Is A Failure To Communicate"](#)
- ["Discussion & Recommendations For Legislature"](#)

Website: www.volusia.org/property