

## **Part I: “The Will of The People”**

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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 29<sup>th</sup> 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 said... “*We decide*” for “*you to decide*.”

In our democracy “the people” are charge of their government through elected officials acting on their behalf. Only short-term elected officials act without feedback. What if there is an expressed *public need* but not all citizens want it delivered the same way? Property tax reform demands have been like that. Everyone agrees reform through reduced taxes (spending) is needed. Reduced spending, however, requires decisions on *who cuts what, how much, where and when?* Last year most reformers agreed with cutting property taxes and placing permanent spending caps on local governments. However, many wanted deeper cuts and the cry is now not just for reform, but for specific types and methodologies. Many, a short year ago, were joyous to see “tax reform” on the legislative agenda and now oppose one form of reform versus another. One could say the rubber has hit the road as individuals and tax reform groups begin to clearly see and define their own “devil in the details” as tax reform continues to evolve.

The American Revolution began in part as a revolt against England was unfair taxation. The importance of taxation is such that creation of new taxes can only be done in our state constitution. Therefore significant changes to constitutional-systems generally involve constitutional amendments, only approved by the expressed will of the people. Our own State Legislature worked diligently through two special sessions to pass meaningful tax reform.

Much is being said by many about the January 29<sup>th</sup> amendment, pro and con. The “spin” is on. Some say it doesn’t do enough, some say it does too much, others say it really isn’t needed at all. It’s getting hard to figure who is “spinning-what.” Some who were “for-it” before are “against-it” now. I think both citizens and local governments sent a lot of mixed signals to the legislature. A lot of people tell me they’re confused.

The January 29<sup>th</sup> amendment offers four tax reform solutions:

1. It creates “portability” of the Save Our Homes (SOH) benefit, up to \$500,000. You will be able to move without property tax penalty, taking your SOH benefit with you to the next home. It applies retroactively to those who had the exemption as of Jan 1, 2007 and moved into another home before 2008.

2. Everyone with a homestead exemption will receive a property tax cut of roughly \$295 as each Florida resident owner receives a second \$25,000 exemption (applying after \$50,000 in value). This does not apply to school taxes (meaning the added exemption is effectively a little over \$15,000).
3. All non-homesteaded properties (all other properties) receive a SOH-like value cap of 10% per year. This limits increases in taxable value and therefore taxes, much like SOH does on homes, just at a higher percentage.
4. All Florida businesses receive a \$25,000 exemption on their tangible personal property (business machinery, furniture, computers, equipment, mobile home attachments on rented land, etc.). This will benefit all, but have more impact on small businesses.

The Florida legislature has defined the tax reform playing field for this year. They laid out the options and have given the decision on what happens to those bearing the benefits or the pain from the consequences. As we all exercise our constitutional right to vote on January 29th, Florida's first tax reform measures will become *the will of the people*.

[623 words]

*{For more details of the Jan 29<sup>th</sup> Amendment, See 'Part II: The Devil's In The Details'}*