



# MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # **236-2012**

LETTER TO COMMISSION

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CITY CLERK'S OFFICE

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Kathie G. Brooks, Interim City Manager

DATE: September 11, 2012

SUBJECT: **INFORMATION FROM THE FLORIDA LEAGUE OF CITIES REGARDING AMENDMENT 4**

The purpose of this LTC is to provide the Mayor and City Commission with the attached information package from the Florida League of Cities regarding Amendment 4, which will appear on the November 2012 ballot.

During the 2011 Florida Legislative Session, the Legislature approved House Joint Resolution (HJR) 381, which proposed amendments to State Constitution to allow Legislature by general law to prohibit increases in assessed value of homestead & specified nonhomestead property if just value of property decreases, reduce limitation on annual assessment increases applicable to nonhomestead real property, provide additional homestead exemption for owners of homestead property who have not owned homestead property for specified time before purchase of current homestead property, & application & limitations with respect thereto, delay future repeal of provisions limiting annual assessment increases for specified nonhomestead real property, & provide effective dates.

As a result, included in the many state constitutional amendments that will appear on the November 2012 General Election ballot is Amendment 4. Amendment 4 will:

- Reduce the current assessment limitation on commercial property, vacant property, and second homes from a cap of 10% to 5%;
- Provide an additional homestead exemption for first-time homebuyers;
- Allow the Legislature to prohibit increases in the assessed value of homestead property if the just value of the property increases, even if the assessed value is well below the just value;
- Apply the assessment cap reduction and first-time home buyer provisions to city and county taxes only, not to school taxes.

If approved, Amendment 4 will further complicate the property tax system, and will expand to the commercial property sector the problems that already exist in the residential market, where neighboring homestead properties pay vastly different taxes based on when they purchased the property. Just as new homeowners pay higher property taxes than long established homeowners, Amendment 4 will put new and expanding businesses at a competitive disadvantage by making them pay higher taxes than paid by established businesses.

*Letter to Commission  
Amendment 4  
September 11, 2012*

The current cap of 10% provides enough of a cushion to allow assessed values to remain generally consistent with just value. However, since the majority of property in Miami Beach is non-homestead, the potential impact to the City's taxable value of a 5% cap on commercial properties may be significant, depending on future growth of real estate values.

The attached information package contains much more information regarding this issue. If you have any questions or comments, please do not hesitate to contact me.

KGB/MAS/kc  


Attachment

# Know the Facts About **AMENDMENT 4**

**Amendment 4** is one of many state constitutional amendments that will appear on the November 2012 General Election ballot.

## **What the Amendment Does.**

The official ballot summary is lengthy and has several significant components that:

- ✓ Reduce the current assessment limitation on commercial property, vacant property and second homes.
- ✓ Give first-time home buyers an additional homestead exemption.
- ✓ Allow the Legislature to prohibit increases in the assessed value of homestead property if the just value of the property decreases.
- ✓ Apply the assessment cap reduction and the first-time home buyer provisions **to city and county taxes**, not to school property taxes.

# **AMENDMENT 4**

**Unfair. Unbalanced. Unworkable.**

To learn more, visit

**<http://www.floridaleagueofcities.com/News.aspx?CNID=9072>**

Paid for by the Florida League of Cities.  
301 South Bronough Street, Suite 300, Tallahassee, FL 32301

# The Facts About **AMENDMENT 4**

**Amendment 4** takes a complicated property tax system and makes it worse! It shifts Florida's property tax burden onto new and growing businesses and Florida residents while providing special benefits to out-of-state and non-homestead property owners.

## **Hurts new jobs and growing businesses.**

**Amendment 4** puts new and growing businesses at a disadvantage by making them pay higher taxes than paid by established businesses. This measure will stymie business expansion of Florida-based businesses and discourage new businesses from locating to Florida.

## **Makes our complicated property tax system even worse.**

Florida's property tax system is already complex. Numerous changes have been made over the years, which makes it difficult to understand. **Amendment 4** just adds to the confusion.

## **Is unfair to Florida (homestead) residents.**

**Amendment 4** favors out-of-state, second home property owners and owners of large tracts of vacant land and shifts the cost of paying for public services to long-time Florida residents. This measure creates an unfair "us-versus-them" tax system that hurts those who live and work here.

## **Is unbalanced because identical properties will pay different taxes.**

**Amendment 4** takes an already unfair and unbalanced tax system and makes it even worse by providing special benefits for out-of-state and second home property owners. Amendment 4 will allow identical properties to be taxed differently. It allows this inequity to be in place until 2023.

## **It will impact cities' major revenue source.**

By providing special tax benefits to out-of-state and second property owners, local governments will see its major source of revenue negatively impacted again. Property taxes are used to fund basic services such as police protection, fire protection, parks and recreation, and other public services citizens depend on.

# **AMENDMENT 4**

## **Unfair. Unbalanced. Unworkable.**