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OPINION: THE DEBATE STARTS HERE

POINT OF VIEW HOMESTEAD EXEMPTION PROPOSAL

Another confusing, misleading property tax ballot question

In 2007, the Florida Legislature proposed a constitutional amendment that would have provided homesteaded property owners with a “super exemption.”

The ballot question was confusing and failed to mention that the “super exemption” would replace Save Our Homes protection against rapid tax increases.



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Now, 10 years later, the Legislature has passed HJR 7105, proposing the following ballot question:

“Increased homestead property tax exemption – Proposing an amendment to the State Constitution to increase the homestead exemption by exempting the assessed valuation of homestead property greater than \$100,000 and up to \$125,000 for all levies other than school district levies. The amendment shall take effect January 1, 2019.”

Advocates label this proposal as a tax cut and are predicting easy passage. But once again, the ballot question is confusing and misleading.

First, the reference in the ballot title and summary to an “increase(d)” homestead exemption is simply inaccurate, implying that there is currently one homestead exemption and that this proposal would “increase” that exemption. In fact, there are two distinct \$25,000 homestead exemptions (one from \$0-\$25,000, and one from \$50,000-\$75,000) that are treated as separate exemptions. The proposed amendment will not “increase” either. Rather, it would create a third \$25,000 homestead exemption for the assessed value from \$100,000 to \$125,000, which may or may not be available to a voter who currently qualifies for one or both of the existing exemptions.

Second, the ballot language is ambiguous and could be misconstrued to

provide a 100 percent non-school tax exemption (“exempting the assessed valuation ... for all levies other than school district levies”) for all homesteaded properties within the applicable valuation range (applying to “homestead property greater than \$100,000 and up to \$125,000”). That reading would be consistent with the voter-approved exemption provided to low-income senior citizens under Article VII, Section 6(d)(2) of the Florida Constitution (providing “[a]n exemption equal to the assessed value of the property”).

Third, the ballot summary does not disclose that the dollar thresholds are applied after reducing the value by the Save Our Homes and portability limitations. A voter may believe that this would provide him or her the additional exemption, when in fact it would not. For example, a property may be given a market value of \$150,000, but because it has been owned by the same person

for many years, it may have an assessed value of \$100,000 as a result of the Save Our Homes protection.

Finally, the proposal would reduce the tax base for local governments, requiring them to either reduce expenditures on services, increase the tax rate or a combination of both. Although the proposal is promoted as a tax reduction, for renters and owners of lower-valued residences and nonresidential property, it would actually result in higher taxes.

The misleading 2007 “super tax exemption” ballot question was properly removed from the ballot. Today, voters are confronted with another confusing and misleading proposed ballot question, and must be educated so that they can make an informed decision.

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