

Meeting Minutes
Finance and Tax Committee
Taxation and Budget Reform Commission
Broward County Government Building, Room 430
115 South Andrews Avenue
Fort Lauderdale, Florida
Thursday, October 11, 2007
1:30 p.m. – 3:30 p.m.

Committee Members: *Susan Story, Chair; Barney Barnett, Martha Barnett, Julia Johnson, Bruce Kyle, Patricia Levesque, John McKay, Randy Miller, James Scott, Kenneth Wilkinson, Brian Yablonski*

Members Present:

Susan Story, Chair
Barney Barnett
Martha Barnett
Julia Johnson
John McKay (by phone)
James Scott
Kenneth Wilkinson
Brian Yablonski (by phone)
Gwen Margolis, ex officio

Members Absent:

Bruce Kyle
Patricia Levesque
Randy Miller

Committee Chair Susan Story called the meeting to order at 1:35 p.m. Staff called the roll and announced the presence of a quorum.

Broward County Property Appraiser Lori Parrish made a presentation regarding the state of property appraisals and taxation in that county. She recommended that the proposed exemption for Tangible Personal Property be passed, that the state end taxation on spousal or family property transfers, that there be truth in co-op property transfers and truth in the tax rates reported both to the Department of Revenue by counties and cities, and by the Department to the public. She supported some form of portability (wanted to restrict it to counties by local option), a roll back to 2003 – 2004 rates, and a system that is less complex and more transparent.

Commissioner Martha Barnett asked Ms. Parrish to share any publications from other states that may provide information on how other states do property assessments. Commissioner James Scott noted that education taxes make up a large percentage of the taxes paid in each county. Commissioner Gwen Margolis reminded members that portability is the bottom-line in finding a way to get the market re-started, but that it is

important to remember that just addressing the homesteader and ignoring the non-homesteader and commercial property owner just shifts the burden. Commissioner Margolis indicated that she would like to know what doing away with property taxes for education would cost in replacement taxes. Commissioner Julia Johnson asked Ms. Parrish to explain her comments about truth in tax rate disclosure. Ms. Parrish noted that she did not think it was right when millage rates are advertised as going down while property value goes up so that governments end up with more money to spend while telling the public that rates are going down. She indicated that it would be more appropriate to tell the public what the actual dollars raised and spent would be so that the public can discern how much in new spending is going forward. Commissioner Kenneth Wilkinson noted that TRIM notices could be trimmed to require local government to show the actual budget and whether spending went up or down. A statutory change would be required to make this change.

Commissioner Brian Yablonski made a presentation on conservation taxing districts and noted that there was some consensus on several issues that he had researched to share with the committee.

He spoke about expanding the greenbelt exemption for agriculture to include wildlife management programs and watershed projects. He noted that there is a need to keep these properties in conservation programs even if they are not being used for conventional agricultural uses. He recommended creation of a new category of greenbelt exemption for these types of programs.

The concept of conservation easement exemptions, or tax reductions, is one of particular concern. Commissioner Yablonski noted that property owners in Georgia who place property in conservation easement programs get a tax assessment reduction while Florida land assessments are not adjusted down. He gave an example of a landowner who experienced a 2/3 drop in his tax bill in Georgia and none in Florida upon placing adjacent land in a conservation trust program. He recommended the formation of a special tax category, similar to a historic property exemption, for conservation easements. Commissioner Martha Barnett noted that such language was included in the 1998 CRC ballot proposals, but was paired with other issues that did not survive a vote. Staff was directed to look at the 1998 language for possible consideration of the committee.

Finally, Commissioner Yablonski noted that future planning at the local government level is crucial for proper development. He indicated that if governments would work with developers to create plans for mitigation credits that could encourage more open spaces in developments.

Commissioner Wilkinson noted that there are lots of different types of easements and assessments can vary widely at the local level. He noted that it may not require a constitutional amendment to address some of the issues brought forward by Commissioner Yablonski, but Commissioner Scott noted that it is important to be sure that future legislatures cannot change the rules on long-term easement or development programs, as the entire project could be based on future outlook and allowing for annual

adjustments could cause landowners not to participate in such programs. Commissioner Martha Barnett noted that the committee should do all that it could to preserve the environment.

Commissioner Yablonski then raised three other issues for consideration. He noted that there continues to be a lot of interest in the Florida Forever property purchase program across the state, that Tax Increment Financing is crucial to future water management district projects, and that there continues to be concern about the different millage cap for the Northwest Florida Water Management District.

Staff gave a brief overview of legislative plans for Special Session D, to commence on Friday, October 12.

The committee then discussed its Guiding Principles. Amendments were made to the principles, including changes to #4, striking of #5, and deletion of language from #6. The Guiding Principles were adopted, as amended, unanimously by voice vote.

Chair Story asked members about scheduling for meetings going forward and it was agreed that the committee would meet immediately after the November 1 Taxation and Budget Reform Commission for further planning discussions.

There being no further time available, the committee adjourned at 3:30 p.m.