

Meeting Minutes
Finance and Tax Committee
Taxation and Budget Reform Commission
Conference Call
August 23, 2007
4:00 p.m. – 5:00 p.m.

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

Members Present (by phone):

Susan Story, Chair
Barney Barnett
Bruce Kyle
Patricia Levesque
John McKay
Randy Miller
Ken Wilkinson

Members Absent:

Martha Barnett
Julia Johnson
James Scott
Brian Yablonski

Other Members Present:

TBRC Chair, Allan Bense

Chair Story called the meeting to order at 4:03 p.m. Due to the need to begin the conversation, the roll call was suspended until the end of the meeting.

Chair Story asked staff to give an update on staff activities based on task assignments from the August 16 and 17 committee meetings. Staff gave the following report:

Staff has located the 1997 Senate Sales Tax Report and is having it printed and bound. It will take us a few days to have that task completed.

Tom Cibula has begun drafting a bill that the committee can consider to implement the sales tax streamlining issue. It appears that we may need two bills to comply with a possible open meeting exemption, but we are still researching that one.

We have had initial contact with an E-bay lobbyist who indicates that we will be hearing from a national group which opposes the streamlining issue, but as of now, we haven't had that contact. Staff continues to research groups with opposing positions.

Staff is continuing conversations with Department of Revenue on issues raised in the Friday meeting on sales tax issues, in particular, lessons learned from the short-lived implementation of the sales tax on services in 1987.

Commissioner Miller has identified a set of Guiding Principles which was designed for the 2001 Tax Reform Study Commission appointed by the legislature. We have contacted legislative staff and they will be sending us those principles for this committee's consideration.

The Government Efficiency Task Force will be meeting on Monday in Tallahassee and we have prepared a copy of the slide from the DOR presentation per Senator Margolis' request to have the issue considered by the task force as well as this committee.

The Required Local Effort Workgroup is meeting in Tallahassee on Wednesday, August 29 and Commissioners M. Barnett, Margolis and Levesque have a full slate of speakers on the topic as they prepare for their presentation to the full committee on September 17 in Tampa.

We have confirmed that the Tampa Aviation Authority Board Room at Tampa International Airport is available for the September 17 meeting. We will be working on that agenda in the next several days.

Chair Story thanked staff for the update and asked Commissioner Barney Barnett if he wanted to address the group on follow up actions related to property tax issues.

Commissioner Barnett indicated that he would like staff to begin to prepare presentations on the top three issues on the priority list, but indicated his surprise that partial year assessments made that top list. He asked Commissioner Ken Wilkinson to address the issue and asked if there were inherent problems with implementing partial year assessments. Commissioner Wilkinson indicated that there were multiple problems with the idea and that it has been discussed for a number of years. He described a methodology which would revolve around the issuance of the Certificate of Occupancy permit, but indicated this had been tried in Collier County and they experienced difficulties in implementation.

Commissioner Barney Barnett asked about difficulties with administration of such an assessment and Commissioner Wilkinson replied that it would be very difficult, as the constitution does not recognize the concept of a "partial year homestead exemption."

Commissioner Barnett indicated that he wanted staff to focus on Priorities #1 and #3 and then the group could reassess Priority #2 (partial year) and perhaps look at the next priority down the list. Staff indicated that that would be #5 (it was later determined that items #4 and #5 received the equal number of votes). In addition, he asked staff to begin to look at scenarios using different fractional models. Staff indicated that we will need to get specific data points to design those models and will begin working with economists to determine what data points are needed.

Commissioner Miller volunteered that Property Appraiser Morgan Gilreath, Jr. from Volusia County is an expert on the subject of fractional assessment and he would ask him to provide assistance, as well as to make himself available for a presentation, if needed. He suggested that staff contact Martha Cleaver, Executive Director of the Property Appraisers Association; about having several property appraisers come before the committee to discuss partial year assessments before the group determines whether to move ahead with the issue.

TBRC Chair Allan Bense reminded the committee of the importance of weighing which issues should be addressed constitutionally and which should be addressed statutorily as ideas are moved through the process. Chair Story agreed and indicated that the committee would begin to determine topic areas for consideration and then, after establishing guiding principles and listening to debate, would decide which issues would be put forth as constitutional ballot recommendations and which would be statutory. Commissioner John McKay asked for clarification on the single subject requirement. Staff indicated that the single subject requirement did not apply to the commission's recommendations, but Chair Bense cautioned that the ballot summary requirements did apply.

Commissioner Barnett closed his discussion by indicating that he is concerned, based on what he has learned through the presentations made at the Governmental Services Committee meetings, that the revenue needs and the revenue collections are going to be very different. He indicated a need to determine what impacts the January ballot initiative may have on available revenues for local government services, with particular concern for small counties with high millage rates in place. The group then discussed the importance of coordinating with the Governmental Services Committee and receiving its final report to fully understand the needs which have been addressed in their committee work.

Chair Story asked for any other comments.

There being no further business before the committee, the meeting was adjourned at 4:29 p.m.