

Meeting Minutes
Portability Workgroup Conference Call
August 6, 2007
2:00 p.m. – 4:00 p.m.

Workgroup: *Barney Barnett, Carlos Lacasa, Randy Miller, Darryl Rouson, James Scott, Ken Wilkinson, Susan Story (facilitator)*

Members present:

Barney Barnett
Carlos Lacasa
Randy Miller
Ken Wilkinson
Susan Story

Other Members present:

Martha Barnett
Allan Bense

Finance and Tax Committee Chair Susan Story called the workgroup meeting to order at 2:00 p.m.

Staff called roll and announced that a quorum of the workgroup was present.

Chair Story outlined the goals of the call, which included a discussion of how the group would make a presentation to the full Finance and Tax Committee. She emphasized that the purpose of the call was not to put forward recommendations, but to determine how best to educate the full committee on issues related to portability. She reminded members that it will be important to discuss all sides of the issue and to provide alternative ideas to the group.

Chair Lacasa indicated that he had some specific ideas that he would like to discuss, but that he needed a further understanding of the constitutional amendment being put forward by a group working with Commissioner Wilkinson. Commissioner Wilkinson provided an overview of his group's ideas and indicated that the group is ready to make a presentation to the Finance and Tax Committee at any time. Chair Lacasa raised a concern about a potential unintended effect of the proposal and Commissioner Wilkinson indicated that he was open to any "improvements" to his original idea.

Chair Bense reminded the group that the impacts of portability must be reviewed objectively, both to the taxpayers and to the local governments where property is bought and sold. The reviews must compare objective data from all perspectives.

Commissioner Miller expressed grave concern about the impact of Save Our Homes on equity in the state's tax rolls. He noted that SOH has accomplished its primary goal, but the effect of that is to shift taxes to non-exempt property. Chair Lacasa then raised the

idea of extending a tax growth cap to all properties, commercial and residential. The group then discussed the equity issues raised by in-state v. out-of-state ownership.

Commissioner Martha Barnett noted that one of the unintended consequences of SOH has been the effect that the lack of portability has had on the real estate market.

Commissioner Wilkinson added that the escalation in market values was unexpected and has exacerbated the local government spending problem. Commissioner Barnett then noted a concern that placing such regulative language in the Constitution does not provide flexibility to address unintended consequences.

Chair Story indicated that it appears that in order to discuss portability, it must be done in context with all other issues related to property tax. She asked Commissioner Barney Barnett, the Property Tax Workgroup facilitator, if he believed the issues were better discussed in the larger context. He agreed and indicated that the equity issue was key to the discussion. Members agreed that the issues should be discussed together and decided to call an additional meeting of the Property Tax Workgroup for August 16 in Tallahassee.

Chair Lacasa then raised the issue of whether each issue should be a separate proposal, or if the issues should be combined. Chair Bense then asked if it would be feasible to simplify the process and give the legislature flexibility to adjust property taxes. The group discussed the legislature's current authority.

The group determined that issues for discussion should include caps on all property taxes, caps on local and state government spending, and issues related to homestead exemptions, Save Our Homes and portability. Commissioner Barney Barnett added that highest and best use valuation issues should be reviewed, as well. Commissioner Miller asked that fractional assessment be added to the list of issues for discussion.

Staff was directed to review the Bush Property Tax Task Force recommendations and documents related to the 2007 – Special Session on Property Taxes for information to be provided to the workgroup. In addition, staff will provide an Executive Summary of the Hellerstein report to the legislature on portability.

There being no further business, the workgroup was adjourned at 3:05 p.m.