

Agenda Item #: **3A-6**

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: October 16, 2012

☒ **Consent** ☐ **Regular**
☐ **Public Hearing**

Department: Legislative Affairs

Submitted By: Legislative Affairs

Submitted For: Legislative Affairs

I. EXECUTIVE BRIEF

Motion and Title: **Staff recommends motion to adopt:** A resolution of the Board of County Commissioners of Palm Beach County, Florida, opposing Amendment 4 on the November 6th general election ballot.

Summary: Amendment 4 on the November 6th general election ballot is a statewide question placed on the ballot by the Florida Legislature that, if approved by voters, would make three primary changes to the Florida Constitution. 1) This amendment would reduce the annual growth in assessment limitation on certain non-homestead property from 10% to 5%. 2) It would prohibit increases in the assessed value of homestead property and certain non-homestead property when the market value of the property decreases. 3) It also gives first time homesteaders an additional exemption equal to 50% of the median just value of the property; this exemption diminishes to zero over a five year period. Countywide (DW)

Background and Policy Issues:

One of the most significant local government policy issues surrounding this amendment is the projected fiscal impact to local governments across the state. Assuming millage rates remain the same, local governments stand to lose about \$273 million in 2013, with revenue shrinking by \$600 million by 2016 (approximately \$1 billion over three years). In the 4th year that would rise to approximately \$1.6 billion. In Palm Beach County it is projected over 4 years this would amount to an \$80 million impact; amongst all governmental entities in the county, the amount increases to \$150 million.

Attachments:

1. Resolution

Recommended by:  10/5/12
Department Director Date

Approved By:  10/11/12
County Administration Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact: N/A

Fiscal Years	20 <u>13</u>	20 <u>14</u>	20 <u>15</u>	20 <u>16</u>	2017
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No _____
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact: N/A

There is no fiscal impact associated with this item.

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:



 OFMB
 10/2/12



 Contract Dev. and Control
 10/9/12

B. Legal Sufficiency:



 Assistant County Attorney
 10/9/12

C. Other Department Review:

 Department Director

Resolution No 2012-_____

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS,
PALM BEACH COUNTY, OPPOSING AMENDMENT 4 TO THE
FLORIDA CONSTITUTION, WHICH, IF ADOPTED, WOULD CREATE
ADDITIONAL INEQUITIES IN FLORIDA'S TAX SYSTEM BY
GRANTING CERTAIN TAX BREAKS TO SOME TAXPAYERS AT THE
EXPENSE OF OTHER TAXPAYERS.**

WHEREAS, a proposed constitutional amendment sponsored by the Florida Legislature will be placed on the 2012 general election ballot as "Amendment 4"; and

WHEREAS, this proposed constitutional change reduces the current assessment limitation on non-homestead real property from 10 percent to 5 percent; and

WHEREAS, the proposed amendment grants first-time homesteaders an additional homestead exemption equal to 50 percent of the just value of the property up to the county median home value; and

WHEREAS, the proposed amendment creates a provision that allows the Legislature by general law to prohibit increases in the assessed value of homestead property if the just value of the property decreases; and

WHEREAS, Amendment 4 creates inequities for non-homestead properties by allowing identical properties to be taxed differently, and Amendment 4 extends the sunset provision already in the Florida Constitution from 2019 to 2023, which allows these inequities to be in place longer; and

WHEREAS, Amendment 4 shifts the tax burden to new or growing businesses, creating an unfair disadvantage for new businesses that would have to pay higher property taxes than their more established counterparts; and

WHEREAS, the non-homestead assessment cap reduction and the first-time homesteader provision apply to city and county taxes and not to school property taxes; and

WHEREAS, over the last few years, several property tax initiatives, including additional homestead exemptions, Save Our Homes portability and statutory millage caps, have also contributed to the unequal treatment of Florida's taxpayers; and

WHEREAS, there are estimates of the total tax impact of Amendment 4 of \$1.6 billion cumulatively over a four-year period beginning in 2013-2014; and

WHEREAS, Amendment 4 fiscal estimates project a four-year \$80 million negative impact to Palm Beach County and an overall \$150 million negative impact across all governmental entities in the County on local property taxes.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

1. The significant projected negative fiscal impact of Amendment 4 to Palm Beach County will result in either deeper cuts to existing County services or higher taxes.
2. Palm Beach County urges its residents to oppose Amendment 4 on the November 2012 general election ballot after careful consideration of the potential adverse consequences.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

Commissioner Shelley Vana, Chair	-	_____
Commissioner Steven L. Abrams, Vice Chair	-	_____
Commissioner Karen T. Marcus	-	_____
Commissioner Paulette Burdick	-	_____
Commissioner Burt Aaronson	-	_____
Commissioner Jess Santamaria	-	_____
Commissioner Priscilla Taylor	-	_____

The Chair thereupon declared the Resolution duly passed and adopted this _____ day of _____, 2012.

Approved as to Form
And Legal Sufficiency

Palm Beach County, Florida by its
Board of County Commissioners

Sharon R. Bock, Clerk & Comptroller

By:  _____
Assistant County Attorney

By: _____
Deputy Clerk