



## 2018 Legislative Session Report

Mercifully, the 2018 Florida legislative session came to an end March 11th in a rare Sunday conclusion. The only remaining bills to be considered were the \$87B-2018 budget, and the tax package -- both easily passed each House. The tax package was signed by Governor Scott, as was the \$83B state budget, with very few line-item vetoes.

The horrible shootings at Parkland dominated legislative attention the last half of the annual session with almost total focus given to the "Parkland Package" of legislation. Much money was diverted to school safety and mental health,

which had a major impact on the proposed tax relief package. When the dust cleared, there was a modest tax cut in the sales tax on business rent.

The 2018 tax package again permanently lowered the sales tax charged on commercial leases. In 2017, the Legislature lowered the six percent tax on the total rent or license fee charged for renting any real property from 6 percent to 5.8 percent. As we all are painfully aware, Florida remains the only state in the country to impose this type of tax on businesses. This year House Bill 7087 further reduced the business rent tax from 5.8 percent to 5.7 percent. A modest reduction to say the least, but it shows the legislature is committed to eventually whittling away this burdensome tax.

Also important to BOMA Florida was the successful derailing of HB 299 by McClain. This mean-spirited bill would have removed a BOMA representative from the Building Commission. BOMA strongly opposed the bill and it died in committee.

BOMA Day in Tallahassee was again a huge success. Thanks to all who made the effort to come to Tallahassee and convey BOMA legislative priorities to members of the legislature. BOMA members made a difference.

BOMA's 2018 legislator of the year was Sen. Keith Perry (R-Gainesville). He was sincerely surprised to receive the award and gave an excellent session over-view to BOMA attendees in the beautiful Senate chamber of the historic Old Capitol. Also speaking to our BOMA family was Rep. Jackie Toledo (R-Tampa), the House sponsor of the bill to further reduce the sales tax on commercial leases.

Post session all elected cabinet members and legislators immediately focused on the upcoming November elections. The big races are for US Senate and Governor. Huge sums of money are being raised by Republican and Democratic candidates statewide and political TV ads are already peppering the airways – with much more to come.

There are also 13 proposed constitutional amendments on the ballot. This will surely make for slow voting at precincts across the state. Amendment 2 proposes to make permanent an assessed value cap limiting annual property tax assessment increases for non-homestead properties to 10% of the prior year's value. On the surface, this appears to be an appealing public policy, but in reality an assessed value cap causes more harm than good. Supporters of

Amendment 2 contend that it is “good for everyone”, but the data simply does not support that claim. In fact...

- Only a limited number of properties have benefited from this legislation
- Massive disparities between the property tax burdens of nearly identical properties are created when one is sold or significantly improved.
- Amendment 2 does nothing to prevent ongoing increases in the tax rate and the resulting tax liability paid by all Florida taxpayers.

The 10% assessed value cap is set to expire on January 1, 2019 and voters have the opportunity to decide whether or not to make the caps permanent. Before you vote...know the truth! This is an important election cycle that will set the tone and direction of our state for years to come.