Don't Be Fooled by Amendment 2!

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...

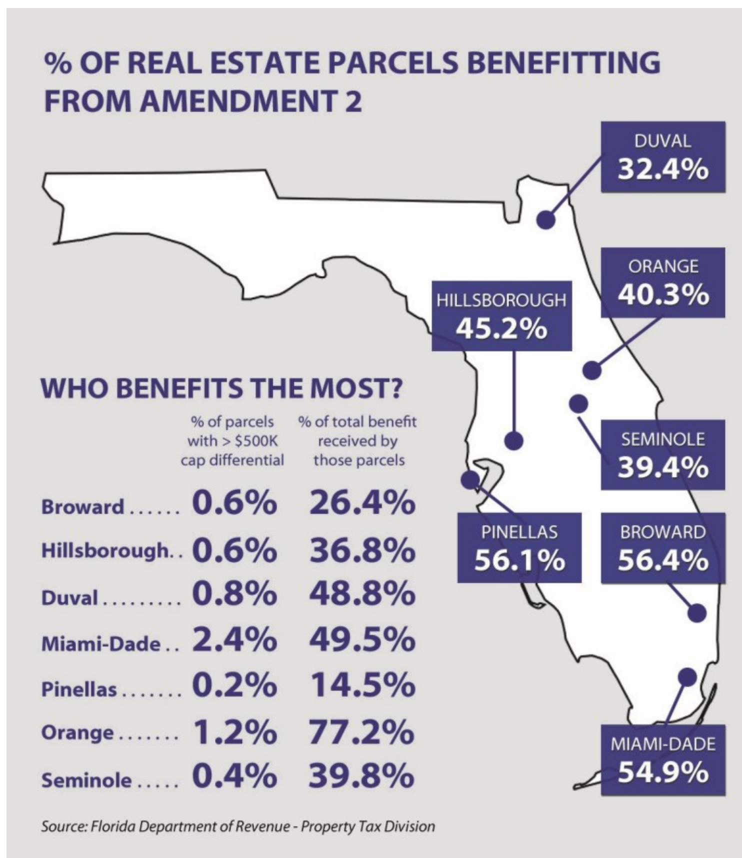
- **Only a limited number of properties have benefited** from this legislation
- **Massive disparities between the property tax burdens of nearly identical properties** are created when one is sold or significantly improved.
- **Amendment 2 does nothing to prevent ongoing increases in the tax rate**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

EVERYONE DOES NOT BENEFIT!

The cap on assessed values, which has been in place for almost a decade, has benefited a very limited number of large commercial properties. This legislation has provided a significant property tax break to these owners; while property taxes continue to increase for every other property owner.

Orange County is a prime example of this inequity. Only 40% of eligible real estate parcels in the county benefited from the limit on assessments last year, and of that, **less than 1.25% of the parcels received over 77% of the approximate $112 million total annual tax benefit**.



Even in a bedroom community like **Seminole County**, fewer than 40% of the total eligible parcels received any benefit from the assessment cap, and **less than 0.5% received nearly 40% of the total benefit**. To look at it another way, the property tax break received from the assessment cap averaged roughly $100 for more than 97% of the eligible parcels.

Florida...Don't Be Fooled by Amendment 2!

TAX RATES ARE NOT CAPPED!

Capping assessed values does nothing to prohibit taxing jurisdictions from increasing their budgets or tax rates which in turn raises taxes for everyone.

Since the 10% assessed value cap was enacted in 2008, school board tax rates (applied to the "uncapped" market value) have dropped while non-school board tax rates (applied to the "capped" assessed value) have stayed the same or increased.

Source: Florida Department of Revenue - Property Tax Division

CAPS CREATE INEQUITIES!

While current legislation limits annual assessed value increases, there are two significant exceptions. The sale or significant improvement of a property allows for the 10% cap to be lifted and the assessed value raised to equal market value.

This is significant because taxing jurisdictions now have the ability to receive automatic 10% annual budget increases under the guise of not raising taxes. Yet, by not lowering rates to offset the historic assessment increases seen since the law was enacted, they are in fact raising taxes.

This causes massive disparities between the property tax burdens of nearly identical properties. Commercial property owners will find themselves at a distinct leasing disadvantage as newly developed or recently traded assets are reassessed at higher values without the cap protection afforded to properties that have not traded.

A BETTER SOLUTION

A better solution to property tax reform is not to cap assessments but rather to place a limit on the annual percentage revenue increase that can be generated by taxing authorities.

The taxing authorities could still have ultimate control to override the capped increase, however this approach would provide much needed transparency and put the financial responsibility back on the shoulders of elected officials to prove why additional revenue is needed.

Capping annual budgets effectively guarantees lower tax rates when the market is rising while still allowing for reasonable growth, which truly benefits all taxpayers.

Bring back fairness and equity to the property tax process which will ultimately benefit ALL Florida taxpayers.

On November 6, 2018,
Vote "NO" on Amendment 2.