



# The House Majority Office

REPRESENTATIVE MARTY BOWEN, MAJORITY LEADER



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The Florida Association of Counties (FAC) has published a 22-page playbook for local governments with the purpose of delaying or eliminating any chance of property tax relief this year.

The rhetoric and tactics suggested in the manual are telling, since there is no mention anywhere in the manual about the FAC's plan for property tax relief.

There is no mention of the FAC's plan for property tax relief because the FAC has been consistent in opposing any meaningful efforts to cut property taxes on Floridians.

Instead of producing a 22-page manual instructing FAC members on how to sell their solution to Florida's Property Tax Crisis, their single aim seems to be obstruction, hoping that their desperate public relations campaign may frighten enough citizens and legislators into inaction this year. **They are going so far as to encourage county officials to send home notes with young children threatening children's programs if property taxes are reduced.**

So if you are seeing

- emergency county commission meetings
- lists of drastic cuts to public safety officers
- letters from county workers with threats of their job being eliminated
- opinion pieces in your local paper on the dangers of property tax cuts

then you are seeing the FAC playbook being executed play-by-play by your local government.

We have provided this document which seeks to answer and rebut the central talking points being distributed by the FAC to their members.

**We give Floridians more credit than their local governments do. We believe Floridians understand that property taxes are too high, have grown too fast, and are endangering their families', small businesses' and state's economic well-being. They know that property tax relief is not only possible, it is necessary and will provide the economic growth and vitality our state needs to avoid recession.**

Remember these facts in your discussion of property tax relief:

Since fiscal year 02/03 ad valorem levies w/o schools have grown by \$8.8 Billion, an 83.8% increase.

This growth in property taxes far outpaces both inflation and personal income.

- Per capita income growth plus population growth has only been a 38.1% increase over the same time.

That's a difference next year of \$4.8 Billion above where levies would have been had they grown at the same rate as personal income during the same period.

- CPI plus population growth has only been a 30.5% increase over the same time.

That's a difference next year of \$5.6 Billion above where levies would have been had they grown at the same rate as CPI during the same period.

**Anyone who looks at the facts ought to be able to agree that local governments' property tax revenues have grown over twice as fast as the taxpayers' ability to afford to pay them.**

#### **How to Use the Key Messages Rebuttals and Their Rationale**

As part of their playbook, Florida Association of County (FAC) members received a two-page document titled "Key messages: 2007 Florida Legislative Session." What follows is a brief guide for how to rebut the messages and the rationale behind our rebuttal to their messages.

It is clear that after their inability during regular session to convince the legislature that property tax cuts were unwise, local governments have mounted a renewed public relations campaign going into June's special session. Scare tactics, like the ones being employed by the FAC and other local government lobbying groups are solely aimed to erode support for even the most popular, well thought out and reasoned policies. The FAC is encouraging all of its 67 counties to "speak with one voice in framing this debate."

Unlike local governments, we are not spending the millions of dollars trying to influence the amount of property tax cuts for Floridians, but we do have the benefit of being on the right side of reason and the issue. We are fighting for responsible and property tax relief. The FAC is fighting against property tax relief. They have the harder message to sell.

From pages 11-13 of the FAC Playbook:

## **What Are the Florida Association of Counties' Key Messages?**

The four initial key messages for Florida's counties for the 2007 legislative session are:

### **1. Theme: Relief without a second crisis**

*Message: Citizens need property tax relief, but not by creating a second crisis through forcing cuts in essential county programs and services they depend on.*

### **2. Theme: Cuts to local services are real**

*Message: Counties provide crucial everyday support for Florida's citizens and property tax dollars have been spent responsibly. Proposed cuts will impact REAL local services such as deputies, emergency management as well as social services.*

### **3. Theme: Growth demands services**

*Messages: The continued growth throughout the state puts pressure on counties and their elected officials to expand programs and services, which requires new revenue.*

### **4. Theme: Part of the solution**

*Message: Florida's counties provide support to all Florida citizens and are an important part of any solution. Our alternative solutions will help all taxpayers.*

Rebuttal to the Florida Association of Counties  
Key Messages  
2007 Florida Legislative Session

**County Theme: Relief without a second crisis**

*County Message: Citizens need property tax relief, but not by creating a second crisis through forcing cuts in essential county programs and services they depend on.*

**Supporting Points:**

- Proposals in the Florida Legislature would spark a second crisis by eliminating hundreds of millions of dollars in funding for essential county programs and services that our citizens demand and depend on.
- County governments have provided property tax relief to citizens. In 2006, two-thirds of Florida's 67 counties reduced millage rates, resulting in more than \$500 million in savings to taxpayers. In 2005, nearly half of the counties reduced millage rates, result in \$185 million in savings to taxpayers. (Insert local savings examples here.)

**The Truth: Florida is in Crisis now.**

*Message: Our state is facing an economic crisis, citizens need immediate property tax relief, and no one really believes that trimming the fat at the local government level will have the impact that local governments threaten.*

**Supporting Points:**

- To suggest that "County governments have provided property tax relief to citizens" is extremely misleading.
- **It's as if some local governments, after having helped themselves to the tax revenue buffet for six servings, stopped themselves, didn't go back for serving number seven and then declared themselves proud of responsibly sticking to their diet.**
- While some counties have reduced millage they have also continued to increase their revenues based on rising property values. The net result has been massive property tax increases. Since In just the past five years, local governments have increased their property tax revenues almost 84%. Since 2000 that increase is almost 100%. And since 1996, local government property tax revenue increased 148%.
- A simple review of local newspaper headlines in the past year turns up hundreds of millions of dollars of local government waste in cities and counties throughout Florida. Local government can afford to trim costs and return excess property tax revenue to Florida's taxpayers.

### **County Theme: Cuts to local services are real**

**County Message:** Counties provide crucial everyday support for Florida's citizens and property tax dollars have been spent responsibly. Proposed cuts will impact REAL local services such as deputies, emergency management as well as social services.

### **County Supporting Points:**

- County governments play an increasingly important role in the lives of citizens as our population grows, citizens seek a higher quality of life, and federal and state governments push more responsibility for paying for programs onto counties.
- Proposed cuts in Tallahassee would impact urban and rural counties in vastly different ways but one thing is clear – many proposals offer cuts deep enough to dramatically affect law enforcement and other public safety programs.
- Beyond basic services and mandates, citizens also look to counties to provide a range of other services that add to quality of life in Florida's communities. For example, counties provide their citizens with basic utilities, public transportation, parks, libraries, and other infrastructure.

**The Truth:** Responsible cuts are necessary, and no one believes the scare tactics coming from the counties.

*Message: When families trim their budgets at home, they don't start with baby formula, utilities and other necessities, they start with luxuries. They don't stop buying diapers for the baby and cut off the power to the house, but then buy new cars and go on a long vacation. But that's just what local government is telling citizens they will do first.*

### **Supporting Points:**

- **No responsible local government will begin trimming their budget by cutting essential services first, but if counties admitted that then they would not be able to scare Florida's seniors, disabled citizens, and families into believing they don't really need property tax reform.**
- Again, Floridians do not believe local government excuses when it comes to government largesse. Floridians see government waste firsthand, day after day, and they know efficiencies can be made.
- Remember that property taxes make up only a portion of local governments' revenues.
- Despite the claims of "mandates" that are passed along to local governments, the truth is that the State and Federal Government also provide billions of dollars in funding for local programs, including healthcare, courts, criminal justice, homeland security, and education.
- This 22-page playbook is just another example of a missed opportunity from local governments. Instead of investing the time and energy into finding efficiencies that can be made at the local level, they are using taxpayer dollars to create a manual to obstruct and oppose tax relief.

### County Theme: Growth demands services

*Message: The continued growth experienced throughout the state puts pressure on counties and their elected officials to expand programs and services which require new revenue.*

#### Supporting Points:

- Between 2001 and 2006, Florida's counties saw a 68 percent growth statewide in property tax revenues. What happened to this money? About 34 percent of county spending was directly attributable to population growth and inflation (both rose 17 percent), and included required infrastructure improvements. The rest of the spending was concentrated in five large budget categories: law enforcement, corrections, general government, parks, and health and human services.
- Like many private businesses, counties are also seeing expenses in areas such as employee health insurance, pension obligations, fuel costs, construction and property insurance that are rising faster than the Consumer Price Index.

**The Truth: Property taxes have far exceeded growth and the taxpayers' ability to pay, and are now stopping job creation and economic growth.**

*Message: County property taxes have grown by \$8.8 billion- an 84% increase- since 2002/2003. The amount that families' incomes and the state's population have gone up during that same period is only 38.1%. That means local governments' are now taxing families about \$4.8 billion more than they can afford to pay. And that's what tax bills should be based on: the ability of taxpayers to afford the bill.*

#### Supporting points:

- **Earlier this month Goldman Sachs predicted that Florida is headed into a recession because of the condition of our real estate market. We have to cut property taxes and jumpstart our state's economy if we want to keep Florida's future strong.**
- The Florida Association of Counties spent \$40,000 to hire a private economist to come up with an explanation for where taxpayer dollars go each year – the economist admitted during a committee meeting that he failed to examine local government waste as one of the contributing factors for increased property tax revenues.
- Local government is not a "private business." Local government is not accountable to shareholders, it is accountable to taxpayers, and the taxpayers can no longer afford the largesse of local government.
- The growth in local government has far outpaced growth in local communities. One of the advantages of growth is that it should permit local government to achieve economies of scale. Government that is growing at more than twice the rate of personal income and population is not operating efficiently.

### County Theme: Part of the solution

*County Message: Florida's counties support all of our citizens and play an important part of any solution. Our alternative solutions will help all taxpayers.*

### Supporting points:

- Florida's counties support all citizens across our state every day and must have a seat at the table in resolving the current property tax dilemma.
- We support reasonable limits on property tax assessment increases, but oppose any state-mandated caps on county revenue or spending. Florida's citizens want tax and spending decisions made locally—they don't want a "one size fits all" solution on property taxes handed down from Tallahassee that will make things worse.
- We support relief for businesses by providing a \$25,000 exemption per taxpayer on Tangible Personal Property Taxes.
- We support an annual assessment limit of 10 percent on all non-homestead properties with revaluation upon change of ownership or use of the property. A 10 percent cap will even-out assessments and taxes over time. A lower cap would be inequitable to newcomers to Florida, including new businesses.
- We also support and encourage decisions made by individual County Commissions— such as the recent actions in Hillsborough, Sarasota, Broward and Miami-Dade Counties— to debate and implement self-imposed revenue or spending caps. This is the essence of "home rule"— local government, not Tallahassee, knows best what local citizens want and is in the best position to make such decisions.
- While recognizing our citizens need property tax relief, we believe any major statewide changes to the property tax system should be considered by the Taxation and Budget Reform Commission— not rushed to voters as a special election ballot. The Tax and Budget Reform Commission was approved by Florida voters and created in the state constitution to do a comprehensive review of our state's tax and budget policies. A special election would preempt the work of this commission.

**The Truth: Local government isn't just the biggest part of the problem; they're trying to prevent a solution.**

*Message: Many legislators began their careers in local government. We have invited local government officials to meet with us to discuss property tax solutions. We have traveled to meet with local government officials. The Florida Association of Counties' leadership has spent the last three months fighting any solution that would result in lower taxes. We are continuing to work with the best interest of Florida's taxpayers in mind for a responsible property tax solution and we will pass real property tax relief before June 22<sup>nd</sup>.*

### Supporting points:

- Susan Latvala, the current President of the Florida Association of Counties authored several opinion pieces for Florida's newspapers which included the statement, "we cannot accept tens of billions of dollars in state-mandated [property tax] cuts." Even the most modest property tax cut plan proposed by the Senate, which offered a modest 5-year, \$10 billion dollar cut, was unacceptable to Ms. Latvala and the Florida Association of Counties.

- The Palm Beach Post, in an editorial supporting Senate legislation which would require anyone speaking before a committee or council of the legislature to be sworn under oath, even went so far as to use Florida Association of Counties' testimony as a reason for the legislation, writing: "Florida Association of Counties President Susan Latvala, will your members really be in such bad shape with a modest rollback of tax revenues? By the way, what did the counties do with all that extra tax revenue from the housing boom? How in the world were they getting by just three years ago?"
- The Florida House of Representatives is committed to working with local government officials who are sincerely working toward a solution which will significantly reduce property taxes throughout Florida this year. Unfortunately for the Floridians they represent, local governments' voices in Tallahassee have spent the last three months completely opposed to any real, substantive tax relief.
- The Florida House and the Florida Association of Counties have competing and opposed interests in mind. The Florida House wants to cut property taxes as much as possible; the Florida Association of Counties wants to oppose property tax cuts as much as possible.