

TOWN OF DAVIE

TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Thomas J. Willi, Town Administrator (954-797-1035)

PREPARED BY: Barbara McDaniel, MMC, Assistant Town Clerk

SUBJECT: Resolution

AFFECTED DISTRICT: Townwide

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN OF DAVIE OPPOSING AN AMENDMENT TO THE FLORIDA CONSTITUTION THAT WOULD RAISE FLORIDA'S HOMESTEAD EXEMPTION TO \$50,000.

REPORT IN BRIEF: Florida currently has a homestead exemption in which \$25,000 can be deducted from the assessed value of a primary residence, for the purposes of paying property tax. In 1992, voters approved the Save Our Homes amendment, which limits the increase in the assessed value of a primary residence to no more than 3 percent a year or the amount of the consumer price index (CPI), whichever is less.

Families for Lower Property Taxes has been petitioning Florida voters to add a question to the November 4th ballot to increase the \$25,000 homestead exemption. Should this increase be passed, the value of this increase would be a \$160,528,419 loss to Broward County which is the fourth highest in the State of Florida.

The Town of Davie would suffer an approximate loss of \$2,485,000 and would be forced to respond to this loss by reducing vital city services to its citizens, or by raising other fees and taxes to continue these vital services. This amendment negatively impacts non-homesteaded residential properties and commercial properties that do not receive any homestead exemption, because they would face higher property taxes if the millage rate were to increase.

PREVIOUS ACTIONS: n/a

CONCURRENCES: The Executive Committee of the Florida League of Cities recently voted to oppose the effort to raise Florida's homestead exemption from \$25,000 to \$50,000 because of its impact on city revenues.

FISCAL IMPACT: Approximately \$2,485,000 - loss to the Town beginning in the fiscal year 2005-2006

RECOMMENDATION(S): Motion to approve the resolution

Attachment(s): Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF DAVIE OPPOSING AN AMENDMENT TO THE FLORIDA CONSTITUTION THAT WOULD RAISE FLORIDA'S HOMESTEAD EXEMPTION TO \$50,000.

WHEREAS, Florida's property tax continues to be a strong source of revenue for most local governments; and

WHEREAS, Florida currently has a homestead exemption in which \$25,000 can be deducted from the assessed value of a primary residence, for the purposes of paying property tax; and

WHEREAS, in 1992, Florida's voters approved the Save Our Homes amendment, which limits the increase in the assessed value of a primary residence to no more than 3 percent a year or the amount of the consumer price index (CPI), whichever is less; and

WHEREAS, in 1998, Florida voters approved an additional constitutional amendment that allows cities and counties to give an additional \$25,000 homestead exemption to low income senior citizens; and

WHEREAS, efforts are currently underway, by a group called Families for Lower Property Taxes, to place an amendment on the November 2004 general election ballot that would increase Florida's current \$25,000 homestead exemption to \$50,000; and

WHEREAS, if this amendment is approved, the Town of Davie would suffer an approximate loss of \$2,485,000 and would be forced to respond to this loss by reducing vital city services to its citizens, or by raising other fees and taxes to continue these vital services; and

WHEREAS, this amendment would have a greater impact on local governments who are at or near the 10 mill cap for ad valorem taxes and would not be able to raise their property taxes to make up for this loss in revenue; and

WHEREAS, this amendment negatively impacts non-homesteaded residential properties and commercial properties that do not receive any homestead exemption, because they would face higher property taxes if the millage rate were to increase.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. That the Town of Davie opposes the Homestead Exemption amendment and urges its citizens not to sign petitions supporting its placement on the November ballot.

SECTION 2. That the Town of Davie urges voters to oppose this initiative on the November general election ballot.

SECTION 3. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2004.

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 2004

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