



## Legislation Text

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**Resolution concerning Proposed Amendment 4 (2012) to the Florida Constitution related to limitations on ad valorem property taxation (B) This item is a City Commission request from its September 20, 2012 regular meeting directing the City Attorney to draft a Resolution opposing the proposed Amendment 4 (2012) to the Florida Constitution for consideration by the City Commission.**

*During the 2012 State of Florida Legislative Session the Florida Legislature sponsored a proposed constitutional amendment, Amendment 4, to be placed on the 2012 general election ballot. If adopted, Amendment 4 will generally make revisions to the current property tax system and affect most property owners including those with and without a homestead exemption and commercial property. Amendment 4 has several significant components that if adopted will do the following: Reduce the current assessment limitation on commercial property, vacant property, and second homes; give first-time home buyers an additional homestead exemption; and apply the assessment cap reduction and the first-time home buyer provisions to city and county taxes, not to school property taxes.*

*The Florida League of Cities (FLC) has advocated against Amendment 4 and has encouraged its membership to oppose Amendment 4 locally. FLC proposes that Amendment 4 will further complicate the Florida property tax system and create confusion within a system that has been through numerous changes over the years. Additionally, FLC has determined that Amendment 4 will create an inequity between homestead property owners and non-homestead property owners by shifting the burden of paying for public services to long-time Florida residents and that under Amendment 4 identical properties will be taxed differently. This inequity includes commercial property because, according to the FLC, new businesses will pay higher taxes than those paid by established businesses which will potentially discourage new businesses from locating to Florida. Lastly, by providing the proposed tax benefits included in Amendment 4, local governments will see their major source of revenue negatively impacted which are used to fund basic services such as police, fire, parks and recreation and other services citizen depend on and expect. On September 20, 2012, the City Commission directed the City Attorney to draft a Resolution opposing the proposed Amendment 4. The City Attorney has done so in consultation with the City's legislative coordinator and the City's Finance Department and based on published information from the Florida League of Cities.*

*If Amendment 4 is approved by voters, staff has estimated that the city's ad valorem tax base will be negatively impacted by \$290,000 in the first year. The Florida Association of Counties has estimated a 1.3% impact to the tax base in the first year, 2.3% in year two, 3% in year three, and approximately 4% in year four. Impacts to the City of Gainesville's tax base past the initial year are unclear.*

**RECOMMENDATION** *The City Commission adopt the proposed Resolution.*