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**FLC “Frequently Asked Legal Questions”  
Articles from around the State on Amendment 4**

Reviewed by Town Attorney  
 Yes     No

Town Manager Initials CA

# The Facts About **AMENDMENT 4**

**Amendment 4** takes a complicated property tax system and makes it worse! It shifts Florida's property tax burden onto new and growing businesses and Florida residents while providing special benefits to out-of-state and non-homestead property owners.

## **Hurts new jobs and growing businesses.**

**Amendment 4** puts new and growing businesses at a disadvantage by making them pay higher taxes than paid by established businesses. This measure will stymie business expansion of Florida-based businesses and discourage new businesses from locating to Florida.

## **Makes our complicated property tax system even worse.**

Florida's property tax system is already complex. Numerous changes have been made over the years, which makes it difficult to understand. **Amendment 4** just adds to the confusion.

## **Is unfair to Florida (homestead) residents.**

**Amendment 4** favors out-of-state, second home property owners and owners of large tracts of vacant land and shifts the cost of paying for public services to long-time Florida residents. This measure creates an unfair "us-versus-them" tax system that hurts those who live and work here.

## **Is unbalanced because identical properties will pay different taxes.**

**Amendment 4** takes an already unfair and unbalanced tax system and makes it even worse by providing special benefits for out-of-state and second home property owners. Amendment 4 will allow identical properties to be taxed differently. It allows this inequity to be in place until 2023.

## **It will impact cities' major revenue source.**

By providing special tax benefits to out-of-state and second property owners, local governments will see its major source of revenue negatively impacted again. Property taxes are used to fund basic services such as police protection, fire protection, parks and recreation, and other public services citizens depend on.

# **AMENDMENT 4**

## **Unfair. Unbalanced. Unworkable.**

**AMENDMENT 4 RESOLUTION**  
*SAMPLE*

A RESOLUTION OF THE CITY/TOWN/VILLAGE OF \_\_\_\_\_  
CONCERNING AMENDMENT 4 TO THE FLORIDA CONSTITUTION  
WHICH, IF ADOPTED, WOULD CREATE ADDITIONAL INEQUITIES IN  
FLORIDA’S TAX SYSTEM BY GRANTING CERTAIN TAX BREAKS TO  
SOME TAXPAYERS AT THE EXPENSE OF OTHER TAXPAYERS.

WHEREAS, a proposed constitutional amendment sponsored by the Florida Legislature will be placed on the 2012 general election ballot as “Amendment 4”; and

WHEREAS, this proposed constitutional change reduces the current assessment limitation on non-homestead real property from 10 percent to 5 percent; and

WHEREAS, the proposed amendment grants first-time homesteaders an additional homestead exemption equal to 50 percent of the just value of the property up to the county median home value; and

WHEREAS, the proposed amendment creates a provision that allows the Legislature by general law to prohibit increases in the assessed value of homestead property if the just value of the property decreases; and

WHEREAS, Amendment 4 creates inequities for non-homestead properties by allowing identical properties to be taxed differently, and Amendment 4 extends the sunset provision already in the Florida Constitution from 2019 to 2023, which allows these inequities to be in place longer; and

WHEREAS, Amendment 4 shifts the tax burden to new or growing businesses, creating an unfair disadvantage for new businesses that would have to pay higher property taxes than their more established counterparts; and

WHEREAS, the non-homestead assessment cap reduction and the first-time homesteader provision apply to city and county taxes and not to school property taxes; and

WHEREAS, over the last few years, several property tax initiatives, including additional homestead exemptions, Save Our Homes portability and statutory millage caps, have also contributed to the unequal treatment of Florida’s taxpayers.

WHEREAS, there are estimates of the total tax impact of Amendment 4 of \$1.6 billion cumulatively over a four-year period beginning in 2013-2014, with approximately \$447 million borne by cities;

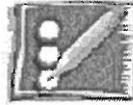
NOW, THEREFORE, BE IT RESOLVED BY THE CITY/TOWN/VILLAGE OF \_\_\_\_\_:

Section 1. That the City/Town/Village of \_\_\_\_\_ will evaluate the impact Amendment 4 may have on its property taxes.

Section 2. That the City/Town/Village of \_\_\_\_\_ urges its residents to carefully consider the potential adverse consequences of Amendment 4 before voting in the November 2012 general election.

Section 3. That a copy of this resolution be provided to the Florida League of Cities, Inc. and other interested parties.

PASSED AND ADOPTED by the City/Town/Village of \_\_\_\_\_, Florida, this \_\_\_\_\_ day of \_\_\_\_\_ 2012.



Florida Department of State  
Division of Elections

## PROPERTY TAX LIMITATIONS; PROPERTY VALUE DECLINE; REDUCTION FOR NONHOMESTEAD ASSESSMENT INCREASES; DELAY OF SCHEDULED REPEAL

### Reference:

ARTICLE VII, SECTIONS 4, 6 & ARTICLE XII, SECTIONS 27, 32, 33

### Summary: [View Full Text \(pdf\)](#)

(1) This would amend Florida Constitution Article VII, Section 4 (Taxation; assessments) and Section 6 (Homestead exemptions). It also would amend Article XII, Section 27, and add Sections 32 and 33, relating to the Schedule for the amendments. (2) In certain circumstances, the law requires the assessed value of homestead and specified nonhomestead property to increase when the just value of the property decreases. Therefore, this amendment provides that the Legislature may, by general law, provide that the assessment of homestead and specified nonhomestead property may not increase if the just value of that property is less than the just value of the property on the preceding January 1, subject to any adjustment in the assessed value due to changes, additions, reductions, or improvements to such property which are assessed as provided for by general law. This amendment takes effect upon approval by the voters. If approved at a special election held on the date of the 2012 presidential preference primary, it shall operate retroactively to January 1, 2012, or, if approved at the 2012 general election, shall take effect January 1, 2013. (3) This amendment reduces from 10 percent to 5 percent the limitation on annual changes in assessments of nonhomestead real property. This amendment takes effect upon approval of the voters. If approved at a special election held on the date of the 2012 presidential preference primary, it shall operate retroactively to January 1, 2012, or, if approved at the 2012 general election, takes effect January 1, 2013. (4) This amendment also authorizes general law to provide, subject to conditions specified in such law, an additional homestead exemption to every person who establishes the right to receive the homestead exemption provided in the Florida Constitution within 1 year after purchasing the homestead property and who has not owned property in the previous 3 calendar years to which the Florida homestead exemption applied. The additional homestead exemption shall apply to all levies except school district levies. The additional exemption is an amount equal to 50 percent of the homestead property's just value on January 1 of the year the homestead is established. The additional homestead exemption may not exceed an amount equal to the median just value of all homestead property within the county where the property at issue is located for the calendar year immediately preceding January 1 of the year the homestead is established. The additional exemption shall apply for the shorter of 5 years or the year of sale of the property. The amount of the additional exemption shall be reduced in each subsequent year by an amount equal to 20 percent of the amount of the additional exemption received in the year the homestead was established or by an amount equal to the difference between the just value of the property and the assessed value of the property determined under Article VII, Section 4(d), whichever is greater. Not more than one such exemption shall be allowed per homestead property at one time. The additional exemption applies to property purchased on or after January 1, 2011, if approved by the voters at a special election held on the date of the 2012 presidential preference primary, or to property purchased on or after January 1, 2012, if approved by the voters at the 2012 general election. The additional exemption is not available in the sixth and subsequent years after it is first received. The amendment shall take effect upon approval by the voters. If approved at a special election held on the date of the 2012 presidential preference primary, it shall operate retroactively to January 1, 2012, or, if approved at the 2012 general election, takes effect January 1, 2013. (5) This amendment also delays until 2023, the repeal, currently scheduled to take effect in 2019, of constitutional amendments adopted in 2008 which limit annual

assessment increases for specified nonhomestead real property. This amendment delays until 2022 the submission of an amendment proposing the abrogation of such repeal to the voters.

**Related Links:**

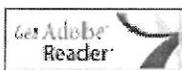
<http://www.myfloridahouse.gov/>  
Track Bill: CS/HJR 381

**Sponsor:**

The Florida Legislature

**Status: *Active***

Made Ballot:	06/21/2011
Ballot Number:	4
Election Year:	2012



## Frequently Asked Legal Questions

*This document is not designed to provide a legal opinion or analysis of any action taken by a city or city official. It is meant to provide direction and guidance. Please consult with an attorney if you have specific questions.*

### **Can a city enact a resolution that expressly advocates for or against an issue, referendum or amendment that is subject to a vote of the electors?**

Yes. A city may adopt a resolution that expressly advocates for or against an issue, referendum or amendment that is subject to a vote of the electors.

### **Can a city and city staff spend additional dollars on citizen communication devoted to the constitutional amendment?**

The answer is yes; however, the communication **cannot** be for a “political advertisement.” A political advertisement is defined in Florida law, Chapter 106.011 (17). A political advertisement “*means a paid expression in any communications media, whether radio, television, newspaper, magazine, periodical, campaign literature, direct mail, or by means other than the spoken word in direct conversation, which expressly advocates the election or defeat of a candidate or the approval or rejection of an issue.*”

As long as you do not pay a communication media and do not expressly advocate for or against a ballot issue, dollars can be spent on citizen communications.

### **What are elected officials allowed to do?**

Elected officials are allowed to talk with editorial boards, write a guest column for a local newspaper and meet with interest groups such as the Rotary, Kiwanis, Tiger Bay, League of Women Voters, community senior groups and neighborhood/homeowners associations. They may write letters to the editor and encourage others to do so. **Most importantly, they may expressly advocate for or against an issue if they choose.**

### **What if my city did not adopt a resolution taking an official position on Amendment 4? What are we allowed to do?**

Even if your city did not take a position on Amendment 4, you are allowed by law to designate someone from the city to be a primary point of contact on the issue for citizens and the media. You can ask staff to prepare a document on the potential impact the amendment may have to your city and its residents.

You may also put informational content on your city website, which could include links to various other sources. Information on the proposal can be included in regular communications with residents, i.e. the city newsletter, water insert.

*“Paid political advertisement paid for by the Florida League of Cities, Inc., Post Office Box 1757, Tallahassee, FL 32302-1757 independently of any committee.”*



**Florida League of Cities Members,**

As an added service for you, the League will provide newspaper clips about Amendment 4 every Tuesday leading up to the election on Tuesday, November 6. The newspaper clips are from various state newspapers and are intended to keep you informed.

The League is opposed to Amendment 4, which, if adopted, would create additional inequities in Florida's tax system by granting certain tax breaks to some taxpayers at the expense of other taxpayers.

To learn more about how Amendment 4 will affect your city, please sign up for the Amendment 4 webinar on October 10. To register, click here:

<http://www.floridaleagueofcities.com/News.aspx?CNID=9187>

For an electronic copy of the League's Amendment 4 toolkit, please email: [jtitcomb@flcities.com](mailto:jtitcomb@flcities.com). *The toolkit is intended to be used as an educational resource for cities and city officials. The contents should not be copied or distributed to the public.*

For more information, please contact John Thomas at 850-222-9684 or e-mail: [jthomas@flcities.com](mailto:jthomas@flcities.com).

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**Brent Batten: A few words about Amendment 4**

<http://www.naplesnews.com/news/2012/sep/23/brent-batten-a-few-words-about-amendment-4/>

Amendment 4 on the November ballot begins, "(1) This would amend Florida Constitution Article VII, Section 4 (Taxation; assessments) and Section 6 (Homestead exemptions)."

It goes on, "It also would amend Article XII, Section 27, and add Sections 32 and 33, relating to the Schedule for the amendments."

And on, "(2) In certain circumstances, the law requires the assessed value of homestead and specified nonhomestead property to increase when the just value of the property decreases."

And on, "Therefore, this amendment provides that the Legislature may, by general law, provide that the assessment of homestead and specified nonhomestead property may not increase if the just value of that property is less than the just value of the property on the preceding January 1, subject to any adjustment in the assessed value due to changes, additions, reductions, or improvements to such property which are assessed as provided for by general law."

And, well, you get the idea.

Whoever said brevity is the soul of wit hadn't read Amendment 4. At 664 words, it's so long it's funny.

The state Legislature, which is responsible for putting Amendment 4 and 10 other proposed changes to the state constitution on the ballot, conveniently exempts itself from the 75-word limit that applies to explanations of amendments placed on the ballot by other means, such as a petition drive.

The Legislature also is exempt from the requirement placed on petition gatherers that a proposed amendment deal with just one issue.

So Amendment 4 offers a series of changes to state property taxes and the ways they're calculated.

Its proponents say the measure will spur business and offer tax relief to property owners.

Its detractors say it will unnecessarily complicate the already complicated tax code and shift the tax burden more heavily toward full-time residents.

One thing it is sure to do is confuse and frustrate voters faced with a treatise masquerading as a ballot question.

The Legislature is good at exempting itself from things. In addition to the 75-word limit and the single issue provision, the Legislature also is exempt from a requirement imposed on others that a proposed amendment to the state constitution be accompanied by a financial impact statement.

One of the ironies of Amendment 4 is that while it represents an effort by the state government to provide tax relief, it isn't relief from state government tax.

Property taxes are used to fund local governments such as cities, counties and schools. If people think they are paying too much, they can vote for a new city council, county commission or school board.

The Legislature offering tax relief from local taxes is akin to the U.S. Congress passing a law reducing Florida's sales tax, which funds state government, from 6 percent to 5. You can imagine how well that would go over in Tallahassee.

You can read the reasons to vote for Amendment 4 at [taxyourassetsoff.com](http://taxyourassetsoff.com), a website set up by Taxpayers First, a year-old political action committee with \$3.5 million in donations from the real estate industry.

The Florida Association of Counties and the League of Women Voters are two of the groups opposing the measure. Their websites, [fl-counties.com](http://fl-counties.com) and [thefloridavoter.org](http://thefloridavoter.org), list reasons to vote against it.

Whatever you do, don't go into the voting booth expecting to read, understand and decide on the spot. That process will drag on, and on, and on ...

## **Realtors move another \$1.5 million into Amendment 4 pro-property tax campaign committee**

<http://www.postonpolitics.com/2012/09/realtors-move-another-1-5-million-into-amendment-4-pro-property-tax-campaign-committee/>

State and national Realtors associations pumped another \$1.5 million into a campaign pushing a constitutional amendment limiting property taxes mainly for nonhomestead property owners, bringing to \$3.5 million the groups have raised so far, according to campaign finance records.

The **Florida Association of Realtors** added another \$1 million on Aug. 31 and the **National Association of Realtors** gave \$500,000 on Sept. 5 to the “Taxpayers First” political committee, the records show. The Florida group had already dumped more than \$2 million into the campaign, which includes a slick “Tax Your Assets Off” marketing blitz, urging a “yes” vote on Amendment 4.

Amendment 4 would save money for first-time home buyers, rental property owners and snowbirds, and it could cut taxes for homestead owners who lose value on their homes.

Local governments oppose the amendment, one of 11 put on the November ballot by the GOP-dominated legislature, which state economists say could cost schools, counties and cities about \$1.7 billion over four years.

The Florida Association of Counties recently set up the “Citizens for Local Decision Making” political committee but haven’t reported any contributions yet, the campaign finance records show.

# AMENDMENT 4

Unfair. Unbalanced. Unworkable.

[www.floridaleagueofcities.com](http://www.floridaleagueofcities.com)

## Florida League of Cities Members,

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The League is opposed to Amendment 4, which, if adopted, would create additional inequities in Florida's tax system by granting certain tax breaks to some taxpayers at the expense of other taxpayers.

To learn more about how Amendment 4 will affect your city, please sign up for the Amendment 4 webinar on September 24 or October 10. To register, click here:

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## Ron Littlepage: Ignore the soundbites and just vote no

Written by Ron Littlepage, Florida Times-Union, September 12, 2012

<http://jacksonville.com/opinion/blog/400601/ron-littlepage/2012-09-12/ron-littlepage-ignore-soundbites-and-just-vote-no>

Voters working their way through the Nov. 6 ballot will need sharp-eyed stamina.

They will be selecting a president, a U.S. senator and members of Congress.

State legislative races will be decided as will contests for School Board, the clerk of court and circuit and county judgeships.

Voters will turn thumbs up or down on retaining three Supreme Court justices and four district court of appeal judges.

And don't forget the Duval Soil and Water Conservation District races.

Whew.

But breathe deep because after choosing among those candidates, voters also will have to contend with 11 constitutional amendments placed on the ballot by the Florida Legislature.

Is this any way to run a government? No. My advice is to vote no on all of them, either that or spend hours trying to decipher exactly what each one of them would do.

The way the ballot summaries and full amendments are written goes beyond gobbledygook. Besides amending the state constitution willy-nilly makes it less of a noble document. Does anyone remember the pregnant pigs amendment?

Here's what some of the amendments would do, I think.

One would cap the amount of revenue the state can collect each year based on a formula that includes changes in population and inflation. Colorado tried a similar approach with less than successful results.

Some of the amendments would follow what's become a well-worn path for the Legislature — cutting the amount of property tax revenue going to local governments.

They would do this by giving additional property tax breaks to all veterans disabled by combat, not just for those who were Florida residents at the time.

Also major property tax breaks would go to first-time home buyers, commercial property owners and those with second homes in Florida.

As for the latter, we certainly wouldn't want snowbirds and the new wave of folks from South America snatching up Florida condos to have to pay to support local governments, would we?

The League of Women Voters estimates the additional property tax breaks would cost local governments billions of dollars statewide.

If you like the deep cuts in service Jacksonville is experiencing now — reduced library hours, hundreds of layoffs, roadway rights-of-way that soon will resemble jungles, etc. — then these amendments are for you.

Of course, we couldn't make it through a political season in Florida without attempts by the Legislature to find a way to limit abortions and to give taxpayer money to private schools run by churches.

Amendments would do that as well.

I'm quite certain there will be an onslaught of television ads in the coming weeks with sound bites pushing one political agenda or another.

These amendments are too complicated to make a decision based on a sound bite.

The League of Women Voters recommends voting no on all of them.

That's sound advice.

## Florida voters to consider property tax amendments

<http://politics.heraldtribune.com/2012/09/12/florida-voters-to-consider-property-tax-amendments/>

Written by The News Service of Florida, Herald-Tribune, September 12, 2012

Florida voters in November will face a flurry of proposed amendments to reduce property tax levies for groups ranging from first-time homebuyers to disabled veterans, while preventing increases on those whose homes lose value.

Approved by the Legislature in 2011, several constitutional measures, led by Amendment 4, lump together a series of tax breaks that expand homestead exemptions for targeted groups. They also provide additional Save our Homes-like protections for commercial and non-residential property owners.

Economists say the four property tax amendments on the Nov. 6 ballot would reduce local taxes by nearly \$2 billion over the next four years.

The main proposal is Amendment 4, which would prevent property assessments from going up when the value of the property goes down. Currently, property tax assessments are governed by the Save Our Homes law – which allows for assessments to go up only by as much as 3 percent a year, but has no mechanism for preventing an increase when the actual value declines. The law never contemplated the real estate price drop that Florida has seen over the last couple years.

Though the actual values of many Florida homes have dropped in the last few years, many homes' assessed values are still well below the actual value of the property. That's because for years the real values increased by much more than 3 percent a year while assessment increases were capped.

Amendment 4 would also reduce from 10 percent to 5 percent the cap on annual assessment increases on non-homesteaded properties, such as businesses or vacation homes.

First time homebuyers would get a temporary additional break by receiving an additional homestead exemption that would phase out over five years.

**“Reducing the uncertainty of potentially large property tax increases will increase investment in both non-homestead residential and commercial property in Florida, and the econometric model bears that out,”** said Jerry Parrish, chief economist for Florida TaxWatch, in a report favorable of Amendment 4 released in July.

Backers of Amendment 4 have amassed millions for the effort. The Florida Realtors have raised more than \$2 million for their political action committee, Taxpayers First, which has paid for mailers and other advertising in support of Amendment 4.

A coalition of city and county groups, sheriffs and others is trying to muster forces to fight the proposal, arguing it will result in cuts to schools, fire protection, law enforcement and other local services funded largely through property taxes. They also say it would further skew the tax burden of owners of similar properties.

Amber Hughes, a Florida League of Cities advocate, said the organization opposes Amendment 4 and is trying to get the word out to members and their constituents that its passage will mean billions in lost revenue to already cash-strapped local governments.

The Legislative Office of Economic and Demographic Research estimates that city, county and special taxing districts would lose \$1.7 billion over the next four years if the measure were approved.

“The biggest issue is that (Amendment 4) makes our property tax system much more complicated and treats similar properties differently,” Hughes said.

While Amendment 4 has drawn most of the attention, three other tax amendments will also face voters in November. Unlike Amendment 4, the other proposed changes have not prompted much criticism, largely because they will not significantly reduce local revenues.

They are:

- Amendment 2: The proposal would provide an additional \$25,000 homestead exemption to a disabled veteran or a dependent.
- Amendment 9: The proposal would provide an additional \$25,000 homestead exemption for the surviving spouse of a deceased military veteran or first responder.
- Amendment 11: The proposal would offer an additional \$25,000 exemption for residents 65 and older whose income is less than \$25,000 a year.

## **Letter: Caution urged on Amendment 4 vote**

Written by Charles R. Hardin, Melbourne Beach, Florida today, September 14, 2012

<http://www.floridatoday.com/article/20120916/OPINION/120914014/Letter-Caution-urged-on-Amendment-4-vote?odyssey=tab|mostpopular|img|OPINION>

Last week, I received a brochure in the mail titled, “Tired of Getting Your Assets taxed Off?...Amendment 4 Can Help.” The brochure contained propaganda indicating all the “good” things Amendment 4 would do if passed.

Funny the brochure did not contain the wording of the proposed amendment so interested voters could read it for themselves and make an informed decision. Perhaps an oversight, but I think this was definitely intentional.

The brochure showed a picture of (supposedly) a taxpayer gasping at his proposed tax bill for 2012. If one looks at the tax bill he is holding, one can see his bill actually was going to go down by almost \$200 for the year, depending on whether or not proposed changes in the tax rate were made.

Amendment 4 may indeed have some tax benefits for those who can afford to own vacation homes in addition to their primary residences, but this will probably mean those of us who do not own second homes will have to make up the difference. Be careful what you vote for.

## **Letter: Amendment 4 unfriendly to current homeowners**

Written by Arthur Belefant, Melbourne Beach, Florida Today, September 17, 2012

[http://www.floridatoday.com/article/20120918/OPINION/120917012/Letter-Amendment-4-unfriendly-current-homeowners?odyssey=tab%7Ctopnews%7Ctext%7COpinion&nclick\\_check=1](http://www.floridatoday.com/article/20120918/OPINION/120917012/Letter-Amendment-4-unfriendly-current-homeowners?odyssey=tab%7Ctopnews%7Ctext%7COpinion&nclick_check=1)

State Rep. Steve Crisafulli, R-Merritt Island, said in a recent guest column that Amendment 4 creates an additional exemption for first-time homeowners. Then he said this amendment is friendly to homeowners.

He is wrong.

The amendment is friendly to new homeowners but is injurious to the much larger group of current homeowners. Any government largess in providing tax reductions on a portion of the taxpayers results in the increase of taxes on the remainder.

Governments do not pay for benefits out of their own pockets, but out of yours and mine. By reducing this tax burden on new homeowners, the burden on existing homeowners is increased. Amendment 4 is not "friendly to homeowners."

# AMENDMENT 4

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## Palm Coast Mayor Netts Says Amendment 4 Takes Taxes From "Screwy" to "Screwier"

FlaglerLive.com – September 25, 2012

<http://flaglerlive.com/44466/amendment-4-flagler/>

Politicians don't generally telegraph what they think about ballot issues for fear of alienating voters. Not in this case. Palm Coast Mayor Jon Netts this morning left no doubt about his position on Amendment 4, one of 11 proposed constitutional amendments before voters this November. Amendment 4 would create more tax breaks for property owners, including first-time home-stealers and commercial and rental properties, but it would further crimp local government tax revenue and more likely shift the tax burden to existing homeowners than lower it.

“Amendment 4 is very disturbing because,” Netts said, “at least in my mind, it takes an already screwy property taxing system and makes it screwier, if that’s possible.” He urged his fellow-council members to study the issue. The amendment is opposed by the Florida League of Cities, the advocacy organization for municipal governments.

“This is probably the most potentially damaging to local government in terms of sustainability,” Netts said. “It’s important that we understand what our good friends in Tallahassee are trying to do to us and for us.”

The amendment is heavily supported by Florida Realtors, who see in it a potential boon for home ownership because it offers an additional homestead exemption for any home-buyer who hasn’t had a homesteaded property in Florida in the previous three years. That includes anyone moving to Florida. There is an existing \$50,000 homestead exemption. The proposal would add an additional exemption equivalent to 50 percent of the property’s market value. That exemption would phase out in increments over five years.

The proposal would also lower the rate at which non-homesteaded properties’ assessed values may rise. Homesteaded values’ assessments may not rise faster than 3 percent each year. (Since 2007, values have been falling. They’re not likely to rise faster than 3 percent for several years yet.) But Commercial and non-homesteaded properties, like second homes, rental property, vacant and farmland, may see their assessments rise by 10 percent a year. The proposed amendment would cap that increase at 5 percent. Again, the proposal is largely moot, because such properties aren’t likely to see values rise that fast in the near future. But should they do, the cap would also cap tax revenue—or force governments to increase the tax rate to make up for the lost revenue.

That’s why even among Realtors, there are strong dissenting views over the proposal.

Barbara Revels, who chairs the Flagler County Commission and owns Flagler Beach’s Coquina Real Estate and Construction, has usually been an enthusiastic supporter of measures seen as benefits to the construction and real estate business. Not this time.

She said she and her partner at Coquina—Matthew Wilson, also a Realtor—are “adamantly opposed to Amendment 4. It will only exacerbate the problems for local governments to continue to keep services going.” Acknowledging that it’s a Realtor-led proposal, Revels described it as “very short sighted. If the loss of tax dollars due to the give-aways in Amendment 4 happen we will have to nearly max out the millage in the county to make up for the loss. The Realtors acknowledge it will be difficult for local governments to make up for the losses, but they try to sell it as sweeping bad inventory into home ownership and that property values will rise and make up for the loss.”

Revels doubts that would happen fast enough to keep everyone else's taxes from going up. Local Realtors, she said, see through the gambit. "The ones I have spoken to are opposed to it," Revels said.

Jay Gardner, the Flagler County Property Appraiser, is neither opposed to it nor in favor of it: he doesn't take positions for or against political issues. But he leaves no doubt as to the proposal's effects, or the underlying dishonesty of its promises: advocates of the amendment, Gardner said, never speak of its cost-shifting, and its effects on existing home-owners who have homestead exemptions. That's the majority of property tax payers. They're the ones who'll end up paying higher taxes.

"You're a homesteaded homeowner, you're not a senior, you're not someone who's going to get a benefit of a military exemption, so when we pass these, someone is going to have to pay for it," Gardner said. The principle applies to every tax exemption or tax break that benefits a particular segment of property owners. "It's not a tax limiting thing at all. I don't know why anybody thinks it is. It's a tax shift."

But Gardner doesn't have an estimate of how much the proposal could cost Flagler's local governments, should it become law. There's been estimates of between \$1 billion and \$1.6 billion in revenue drops for the state. But local figures would be purely speculative, Gardner said, because it's impossible to predict how many people would be moving in, how many would be new home-steaders, what the value of the home they're buying, and on which the tax break would be calculated, would be, and so on.

Florida Tax Watch, a conservative group that supports the amendment, estimates that it would create 19,400 jobs over 10 years and lead to an increase in home sales of between 320,000 and 384,000 over 10 years. But the analysis does not specify what population projections it used. Some of the most reliable projections—by the University of Florida's Bureau of Economic and Business Research—have been revised downward since the bursting of the housing bubble.

Netts heard no disagreement from fellow council members when he voiced opposition to Amendment 4. Even Jason DeLorenzo, a council member and the government affairs director for the Flagler County Home Builders Association, was behind the mayor. That was the case even though the president of the state Home Builders Association has endorsed Amendment 4. "The additional homestead exemption contained within Amendment 4 will benefit prospective homebuyers, current homeowners and Florida's small businesses by giving incentives to qualified homebuyers,." Dave Carter, the FHBA president, said in his President's Message to the association last week.

DeLorenzo says the local association is "not touching it. We haven't discussed it at all." He added: "From my understanding of it I think it's kind of shortsighted to restrict or handcuff local government revenues when the local governments know better what they're going to need for infrastructure and so on."

## **Amendment 4 would create more property tax inequities**

Daytona Beach News Journal – September 26, 2012

<http://www.news-journalonline.com/article/20120926/OPINION/309259963/1027?p=all&tc=pgall>

While I am an elected official, I write this as a concerned citizen, expressing my personal opposition to Amendment 4 – another attempt to fix Florida's broken property tax system. Initially, I thought that Amendment 4 was a good idea, as its purpose was well-intended, correcting problems and inequities in our property tax system. After further analysis, I realized it is unfair to current Florida residents and businesses, and only creates more inequities, shifting tax burdens among taxpayers who live and work here.

Amendment 4 contains three distinct provisions:

- It would reduce the existing annual cap on assessments on non-homesteaded real property.
- It would eliminate the "recapture" provisions on all existing assessment caps.
- It would create an additional homestead exemption for "first-time" home buyers.

Much of this amendment's implementation requires additional action by the Florida Legislature. Sound complicated?

Understanding Amendment 4 and its impacts requires a good, working knowledge of our property tax system. I don't believe our constitution should be routinely amended, particularly with an amendment this complex (there are 11 amendments on the upcoming ballot). I agree with the saying about constitutional amendments, "When in doubt, leave it out." Maybe for those reasons alone, voters should reject Amendment 4.

The first two parts of Amendment 4 mentioned above are intended to fix the inequities and unintended consequences of prior amendments. I believe that Amendment 4 will also have unintended consequences and, in a few years, will require "fixing" as well. Continuing to correct prior attempted fixes is like a doctor treating the symptoms rather than curing the underlying cause — a broken tax system. The time is long overdue for comprehensive tax reform in Florida, not more amendments (five of the proposed amendments create additional exemptions from ad valorem taxation).

The "first-time" homebuyer provision is much broader in application than you might think. Anyone who has not owned homesteaded property in Florida for three years qualifies for this special tax break as a "first-time" homebuyer. It applies equally to a well-to-do, out-of-state retired couple who moves to Florida and purchases their first home here, and to a young couple that really is buying their first home anywhere. Under Amendment 4, both couples get an

additional five-year break on property taxes — plus they are entitled to all other homestead exemptions, the same as existing homeowners. I also believe a clever person who already owns a second home in Florida will be able to move here, "repurchase" that existing second home, and qualify as a first-time homebuyer.

Is this fair to Florida's existing homesteaded property owners or other taxpayers? In my example, do either of these couples expect or receive less city services than existing taxpayers? No. Yet for five years, both couples will pay less tax for municipal services, while their tax savings are shifted to other taxpayers. Even if local government taxes are reduced for all taxpayers, this special first-time homebuyer's exemption will reduce their taxes even more. That is not fair to other taxpayers, in my opinion.

It hinders those existing Florida businesses that have been in their current facilities for several years and want to move to a new facility to expand or grow their business. When they purchase the new facility, the new building value gets "reset" and will likely have a higher taxable value. The result will be an increase in the taxes paid, as they will lose the benefit gained from the assessment caps on their existing facility. This is unfair to those Florida business owners who have worked hard to succeed in the current economy, as it may discourage them from moving. I think Florida should have a tax policy that encourages our existing Florida-based businesses to grow and employ more people.

Over time, Florida has added many tax exemptions, resulting in a patchwork quilt property tax system. Amendment 4 will only exacerbate the problems in Florida's flawed system. It will ensure that many similar properties — those of nearly identical fair market value — can have significantly different taxable values, resulting in very different amounts of the real property taxes paid while all benefit equally from the same municipal services.

I urge all voters to educate themselves on Amendment 4, evaluate its impacts on them and think about the unfairness of this amendment.

I believe it is time to ask our state's leadership to recognize that Florida's property tax system is irreparably broken, and that true comprehensive tax reform is the only real answer. Our current system has no rational correlation to the costs and value of the municipal services provided to citizens and businesses. It is time for a fresh, new approach to taxation, one that is fair and equitable to all Floridians and respects the notion that government closest to the people governs best.

Please join me in voting "NO" on Amendment 4.

Apgar has been mayor of DeLand since 2001, and spent four terms as chairman of the Volusia Council of Governments. In 2009, he received the E. Harris Drew Lifetime Achievement Award, the Florida League of Cities' highest honor, and is a longtime member of the League's board of directors.

## **Property tax breaks, possible service cuts at center of Constitutional amendment debate**

Wptv.com – September 26, 2012

<http://www.wptv.com/dpp/news/political/property-tax-breaks-possible-service-cuts-at-center-of-constitutional-amendment-debate#ixzz28FS8cJQW>

WEST PALM BEACH, Fla. - As Florida continues to recover from a sluggish housing market, voters will decide in November whether to amend the state Constitution to extend property tax breaks to thousands of homeowners.

Of the 11 proposed Constitutional amendments, one -- Amendment 4 -- would give first-time buyers, owners of rental properties and part-time residents a tax break of roughly half the market value of their home.

"The changes in the market have provided [an] opportunity for me to step in there to buy the house that I always wanted but could never afford in the past," said Dennis MacDonald, a first-time home buyer and Royal Palm Beach resident.

Other amendments would give seniors and veterans tax breaks.

Critics said -- together -- the amendments would cut the taxes local governments collect.

"If you're not the person getting the benefit -- the lower value -- you're the person having to pay for it by virtue of a higher tax rate," said Gary Nikolits, Palm Beach County Property Appraiser. "That's exactly how exemptions work ... it transfers the benefits from one person into a cost for somebody else."

Nikolits has not taken a position on the amendments but said some local governments would have to cut services or raise taxes to absorb the impact of the property tax breaks.

Palm Beach County would lose about \$150 million in property taxes over four years, according to one estimate.

"First-time home buyers are so important to our market because they're the ones that really need to be out there buying these distressed properties," said Dionna Hall, a senior vice president at the Realtors Association of the Palm Beaches.

Hall, who supports Amendment 4, said the tax breaks would raise the values of homes across Florida.

Florida TaxWatch , a non-partisan taxpayer research institute, said amendments such as Amendment 4 would create nineteen thousand jobs and help Floridians keep billions of dollars of income.

## **TO CUT OR NOT TO CUT, THAT IS THE QUESTION**

Naplesnews.com – September 26, 2012

<http://www.naplesnews.com/blogs/residents-corner-dave-trecker/2012/sep/26/legislation/>

The question facing voters seems simple enough: Will further cuts in property taxes spur enough growth to offset losses in city and county revenues?

That's the crux of the debate over proposed Amendment 4. On November 6, voters will decide whether to make that amendment part of the Florida Constitution.

The question may be simple, but the answer isn't.

Approval of Amendment 4 would certainly give the real estate market a boost.

(1) For homesteaded property, it would keep the 3% annual cap on assessment increases. But more important, it would prevent assessments from going up when property values go down -- a problem in the recent housing bust.

(2) The amendment would also reduce from 10% to 5% the cap on assessment increases for non-homesteaded property, a plus for businesses.

(3) In addition, first-time homebuyers would get an exemption that would phase out as homestead provisions phase in.

All good stuff.

But there's no free lunch. Unless made up in additional revenues from growth, the cuts would strip money, likely a lot of it, from local government.

The Legislative Office of Economic and Demographic Research says Florida cities and counties stand to lose \$1.7 billion over the next four years if Amendment 4 is approved.

Based on numbers from the Florida Association of Counties, Leo Ochs estimates Amendment 4 would cut Collier County revenues by \$3.7 million in fiscal 2013, increasing to \$14.2 million by fiscal 2016.

School district revenues would also be affected, although school Chief Operations Officer Michelle LaBute said she didn't know how big the impact would be.

Supporters of Amendment 4 -- realtors, developers, Florida TaxWatch, Taxpayers First -- say don't worry, the net effect will be positive. They project \$2 billion in tax savings over the next four years -- savings, they say, that will translate into investment and growth.

Opponents -- Florida League of Cities, Florida Association of Counties, most local governments - - say you'll never make up the lost revenues. They see resulting cuts in education, law enforcement and other county services -- all funded largely by property taxes.

### **Counties, cities launch anti-Amend 4 campaign**

Post on Politics – September 27, 2012

<http://www.postonpolitics.com/2012/09/counties-cities-launch-anti-amend-4-campaign/>

Florida cities and counties have launched a “Tax Breaks 4 Snowbirds” campaign in opposition to Amendment 4, a proposed constitutional amendment with a smorgasbord of property tax breaks pushed by Realtors.

The Florida League of Cities and the Florida Association of Counties are fighting back against the Realtors, who’ve dumped more than \$3.5 million into a campaign pushing the amendment that includes a cheeky “Tax Your Assets Off” marketing blitz.

“Amendment 4 is a wolf in sheep’s clothing,” Leon County Commissioner Bryan Desloge, president of the FAC, said in a press release announcing the new campaign.

State economists predict the measure will cost more than \$1.7 billion over four years. The loss in tax revenue will be shifted to local governments and long-time property owners, who already benefit from the state’s Save Our Homes cap but won’t gain from the new proposal, the counties and cities say.

But Realtors and other supporters of the amendment put on the ballot by the legislature say it will boost Florida’s real estate market. They say the state economists didn’t take into consideration the potential positive impact real estate sales the measure could bring.

## **Fla. Assoc. of Counties, Florida League of Cities organizing campaign against Amendment 4**

SaintPetersBlog – September 27, 2012

<http://saintpetersblog.com/2012/09/fla-assoc-of-counties-florida-league-of-cities-organizing-campaign-against-amendment-4/>

Officials at the Florida League of Cities (FLC) and the Florida Association of Counties (FAC) today announced the formation of a grassroots campaign aimed at alerting voters to the hidden costs of Amendment 4 — a proposed change to Florida’s constitution, which will appear on ballots this November.

“Amendment 4 is a wolf in sheep’s clothing,” said Bryan Desloge, President of the Florida Association of Counties and a Leon County Commissioner. “If passed, Amendment 4 will mean that property taxes for Florida homeowners who have lived in their homes for several years may go up in order to subsidize tax breaks for non-residents and real estate investors.”

Amendment 4 has already drawn warnings from some local property appraisers, who caution that Florida’s homeowners will ultimately pick up the tab should the measure pass. Leaders of the newly formed committee—Citizens for Local Decision Making—vowed a strong “grassroots” approach to get their message out.

“We won’t have the resources of the other side,” said Manny Morono, President of the Florida League of Cities and Mayor of the City of Sweetwater. “But we have the facts on our side. And the fact is that Amendment 4 is likely to lead to tax hikes for full-time Floridians in order pay for tax breaks for snowbirds. At the end of the day, I believe that our members—trusted local leaders in their communities—will get the message out at the grassroots level.”

## **Pain in the Assets? Realtors, Local Governments Debate Florida Property Tax Amendment**

Sunshine State News – September 28, 2012

<http://www.sunshinestatenews.com/story/pain-assets-realtors-local-governments-debate-florida-property-tax-amendment>

Of all the campaigns surrounding the Sunshine State’s 2012 ballot initiatives, the one promoting Amendment 4 is easily the most colorful.

"We're here to talk about Sudden Posterior Reduction Syndrome, more commonly known as 'Getting Your Assets Taxed Off,'" announces a faux talk-show host in one advertisement. The

30-second clip is an interview with a woman whose husband has had “his assets taxed off.” The segment concludes with her daughter’s plaintive sulk: “I just want my daddy to get his asset back!”

The video is a promotion for the Florida Property Tax Amendment -- Amendment 4, as it will appear to voters on the November ballot. The measure is one of 11 initiatives placed on that ballot by the state’s Republican-heavy Legislature.

But for all the proctological levity of the campaign’s unconventional website, TaxYourAssetsOff.com, supporters are dead serious in their conviction that Amendment 4 would provide much-needed fiscal relief to Florida taxpayers.

“Because we knew this year would be the most negative, most expensive campaign season in American history, we wanted to start as early as possible with a creative theme that would rise above the noise without having to resort to typical gutter politics,” pro-amendment campaign manager Ben Fairbrother tells Sunshine State News. “Above all, we believe in a campaign that stands on the benefits that Amendment 4 will bring to all Florida taxpayers, rather than dishonest, negative claims from politicians.”

If the amendment passes by the required 60 percent margin, it will change state law in at least three important respects.

First, it would authorize the Florida Legislature to give homeowners an additional tax exemption on their homestead -- i.e., the property that is their primary place of residence. Right now, under the state Constitution, homeowners are entitled to a special tax exemption: \$50,000 is deducted from the assessed value of their home, and they are taxed according to that lower value. This exemption is “portable”: When a resident moves from one homestead to another he can transfer some or all of his tax savings. If Amendment 4 passes, the Legislature will be empowered by the Constitution to implement an additional tax exemption for new Florida homebuyers: On top of the existing exemptions, they would receive another “equal to 50 percent of the homestead property’s [market] value” but not greater than “[the] amount equal to the median [market] value of all homestead property within the county where the property at issue is located.”

Second, Amendment 4 would decrease the existing constitutional cap on annual tax increases from 10 percent to 5 percent for all nonhomestead property (e.g., businesses and rental properties).

Third, the amendment would allow the Legislature to pass a law which would ensure that property taxes on homestead and certain nonhomestead properties do not increase if the market value of those properties decreased the previous year.

Supporters say the amendment is a step in the direction of greater tax equity.

“If you talk to a Realtor who is on the front lines selling property every day, or to a small-business owner or to a young couple who wants to buy their first home, what you find is our current tax system treats homestead owners in one very special way; everyone else is left to their own devices,” says John Sebree, president of Florida Realtors, in an interview with Sunshine State News. “And because of that, the property tax burden has shifted dramatically on to the nonhomestead property owner or even the non-owner like the renter who lives in nonhomestead property. So our mission over the last several years has been to bring fairness to our property tax system.”

But critics of the amendment, chief among them the Florida Association of Counties (FAC) and the Florida League of Cities (FLC), say it just compounds inequalities in the state’s tax code.

“We think Amendment 4 takes a very complex property tax system and makes it even worse,” Amber Hughes, legislative director for the FLC, tells Sunshine State News. “It could make identical property owners pay drastically different property taxes. For example, if you have a bakery that’s been around for 30 years and a new bakery opens up across the street, the new one will automatically pay higher property taxes.”

Hughes told the News the amendment might have a chilling effect on the expansion of small businesses.

“You remember the days before the 2008 ‘Save Our Homes’ Amendment was passed, when homeowners could not afford to move to a new house because their new taxes were going to be so high? It’s the same tax policy that’s now going to apply to businesses,” she says, referring to the time before the state Constitution provided for the portability of the homestead exemptions. “Portability is not in Amendment 4. If you have a business which wants to expand and hire 30 new employees and move to a larger facility, you’re going to have the same kind of chilling effect we once saw with home ownership.”

While opponents of Amendment 4 have tended to emphasize the potential loss of revenue by county and city governments as a result of the proposed new tax breaks, Hughes insists that concern is secondary.

“Loss of revenue is a factor in our opposition, but definitely not the factor,” she says. “We obviously are worried that cities and counties are going to have to face either a reduction of services or an increase in other taxes. And we don’t want either of those to occur.”

Sebree says such concerns are short-sighted.

“Unfortunately, local governments often look at everything in a vacuum,” he says. “They look at the benefit that someone is going to receive, and they say, ‘Well, that’s money we’re not going to have at the local level.’ And that’s not true. If you give a benefit that inspires people to engage in the housing market and we start to see property change hands, we’re going to be in a position that we were in five years ago, where there’s billions of dollars of extra revenue on the table to fund lots of new programs because of document stamp revenues, sales tax revenues, and increasing economic activity.”

Hughes says what her organization wishes to see is more comprehensive reform measures in the direction of simplifying the state tax system.

“Florida has probably the most difficult tax system in the country; it is riddled with different Band-Aids that pick winners and losers,” she says. “We at the League of Cities believe taxes should be fairer. Look at the ballot for November: you have five different amendments dealing with property taxes. When you go and add Band-Aid after Band-Aid after Band-Aid it just becomes very complex and it’s hard to get to a good place.”

## **NO to Amendment 4, Which Would Lead to Heavier Tax Burden on Many Florida Homeowners**

Sunshine State News – September 28, 2012

<http://www.sunshinestatenews.com/story/no-amendment-4-which-would-lead-heavier-tax-burden-many-florida-homeowners>

In November, millions of Florida voters may very well decide the next president of the United States. Amid the excitement of the race for the White House, some of the deeply impactful (and in some cases, deeply troubling) amendments to Florida’s Constitution -- which will also appear on November’s ballot -- may be overlooked.

They shouldn’t be.

Amendment 4 -- a particularly complex and confusing brand of “tax reform” -- will be on the ballot. The devil is in the details on this one. Amendment 4 would do little for Florida’s full-time homeowners but will mean tax breaks for out-of-state snowbirds at the expense of the Sunshine State’s year-round residents.

Amendment 4 would broaden the homestead exemption to investment properties and second homes. Unfortunately, that means that a greater share of the property tax bill is likely to be paid by Florida’s full-time residents. The fact that special interest groups have labeled

Amendment 4 “tax reform” just means somebody else benefits and year-round Floridians pay for it.

Amendment 4 would mean Florida’s year-round homeowners may very well end up shouldering the burden for the hefty tax breaks of out-of-state snowbirds, real estate flippers and the like. These days, too many Florida homeowners are struggling to make ends meet and shifting a greater percentage of the property tax burden onto year-round Floridians isn’t the right approach.

Florida’s local taxpayers don’t want a one-size-fits-all approach to how our communities manage their budgets. Elected officials on both sides of the aisle campaign for re-election on their record of fiscal responsibility. But too often, they pass new backdoor tax mandates onto local towns and taxpayers -- which can lead to higher property tax rates for Florida homeowners. Amendment 4 is likely to have this effect.

Too many amendments driven by focus-grouped sound bites rather than sound policymaking have left Florida’s property tax code convoluted and confusing. Unfortunately, Amendment 4 makes the problem worse while threatening to push a heavier share of the tax burden onto Florida’s year-round residents. We shouldn’t be giving tax breaks to snowbirds that lead to tax hikes for full-time Florida residents.

Voters should say “NO” to special breaks for out-of-state residents paid for by Florida’s full-time homeowners. Voters should say "NO" to Amendment 4.

*Christopher L. Holley is the executive director of the Florida Association of Counties.*

## **Amendment Four Debate Pits Realtors Against Local Government**

Wfsu.org – September 27, 2012

<http://news.wfsu.org/post/amendment-four-debate-pits-realtors-against-local-government>

A property tax amendment on the upcoming Florida ballot is drawing opposition from local government leaders in Leon County. But the Florida Realtors Association and others are touting the measure, Amendment Four, as an economy booster.

If passed, Amendment Four would change the way local governments are allowed to assess property-taxes, in several ways. And those complex changes have Tallahassee Mayor John Marks worried.

“The explanation is 17 pages long. That, in and of itself, should send a signal,” he said on Thursday.

The short version is this:

- First, people buying a home for the first time would get a property tax exemption worth half of the house's value. That would gradually phase out over five years.
- Second: for people who own commercial properties, rentals or second homes, there'd be a stricter limit on how much their assessed values could increase, from year to year.
- And, third: lawmakers would be allowed to get rid of something called "recapture," which lets taxable home values rise even while market values fall.

All of these changes are essentially tax breaks. But Mayor Marks says, Amendment Four would cut off revenue for counties and cities that are already having trouble maintaining service levels.

"I don't think we would have a choice at the local level but to seek other sources of revenue, which would include, of course, raising taxes. And I know that our citizens are not in favor of that," he said.

An analysis by the Florida Association of Counties shows, Leon County taxing districts would lose about \$18 million in revenue over the next four years. And that's after falling property values have already led to the County Commission raise its property tax rate this year.

But Stephen Lockheim, Executive Director of the Tallahassee Board of Realtors, says Amendment Four would boost the economy. He says, the 1,100 Realtors he represents, and Realtors all over the state, support the amendment because a tax exemption for first-time buyers should encourage more people to buy homes.

"There's a lot of economic activity from that, including people buying new window dressing and, a lot of times, new furniture. And, the exponential increase in economic activity from a house sale is pretty large," he said.

Lockheim points to an analysis by the nonpartisan research group Florida TaxWatch. It projects about 320,000 more homes bought over 10 years, and an accompanying 19,000 jobs created in construction and related industries.

But another research group, the Center for Budget and Policy Priorities, says the Florida TaxWatch analysis fails to take into account the amount that local governments might raise taxes in response to the lost revenue.

## Tax amendments hurt local services

KeysNet.com – September 29, 2012

<http://www.keysnet.com/2012/09/29/482525/tax-amendments-hurt-local-services.html>

The siren song of tax relief is playing out on the November ballot in Florida, where lawmakers and interested parties have no less than three Constitutional amendments tied to tax exemptions facing voters.

The centerpiece, known as Amendment 4, is getting lots of cash and political lobbying from the real estate and development industries in the Sunshine State.

It's labeled with a catchall, sounds good, motherhood and apple pie title: Property tax limitation; property value decline, reduction for non-homestead assessment increases, delay of scheduled repeal.

Whew.

That's a whole lot to chew on.

Chew on this: If this Amendment 4 passes with a 60 percent "yes" vote, local governments throughout the state stand to lose up to \$1 billion in property tax revenues.

Florida TaxWatch loves the idea.

"Reducing the uncertainty of potentially large property tax increases will increase investment in both non-homesteaded residential and commercial property in Florida," said Jerry Parrish, chief economist for the TaxWatch lobby group.

Florida Realtors have raised more than \$2 million for their political action committee, dubbed "Taxpayers First," and has spent buckets of money on mailers and other advertising to support Amendment 4.

On the other side, opponents lined up against this property tax amendment include the Florida League of Cities, Florida Association of Counties, Florida Sheriff's Association, the League of Women Voters and others who question the timing of this push.

Ironically, with Florida property values having declined since 2005, giving away bigger exemptions for homesteaded properties and cutting in half the assessment caps on investor-owned properties strikes many as the wrong time and wrong-headed.

The Legislature's own Office of Economic/Demographic Research estimates the hit to city, county and special taxing districts at \$1.7 billion over the next four years.

This comes on top of belt-tightening already imposed by state actions that shift the burden of paying for government services from the state's sales tax revenue stream to local governments, which rely heavily on property taxes to pay for things like schools, law enforcement, fire services, jails, water and sewers. The League of Women Voters of Florida, in opposing Amendment 4, adds that it would "give out-of-state residents the benefit of (Florida's) homestead tax exemption."

Now, that's good for the real estate industry, which likes to promote investor purchases of Florida residential and commercial property. But, ask your local city councilman, or school board member, or fire district commissioner what they think about this.

The Florida Association of Counties is more blunt: Amendment 4 "offers little relief for Florida's full-time homeowners, but promises special tax breaks for out-of-state investors, real estate flippers and second homeowners."

### **Bad Florida amendment proposals would boomerang on public**

Bradenton Herald – September 30, 2012

<http://www.bradenton.com/2012/09/30/4218370/bad-florida-amendment-proposals.html#storylink=cpy#storylink=cpy>

Part four of four editorials on state constitutional amendments on the November ballot.

Bad policy creeps in on several amendments with profound repercussions on county and municipal governments and the public services they provide.

The Great Recession and stubbornly weak state economy have already deeply constrained governments. These two measures promise to weaken public services even further.

#### **Amendment 4**

This could be viewed two ways -- as an economic stimulus for developers, homebuilders and the entire real estate industry, or a revenue catastrophe for already cash-poor counties and municipalities that would force further cutbacks in government services.

Under the amendment, first-time homebuyers would only pay property taxes on about 50 percent of the home's taxable value the first year with their liability gradually rising until reaching 100 percent by the sixth year.

Snowbirds and other out-of-state residents who own homes here would be granted the homestead exemption. Commercial properties owners would also benefit.

The annual increase in taxable value on nonhomestead properties would be capped at 5 percent, down from 10 percent today.

The amendment exempts the public school property tax from some breaks, thus preserving the revenue stream that lawmakers rely on for education funding.

The measure serves to clamp down on local government revenue -- with the estimated loss at \$1 billion over the first three years, unless those entities raise millage rates to recover the revenue just to maintain public services. Longtime homeowners would then bear the brunt of this amendment's impact.

Tallahassee won't have to deal with the fallout from this measure, only local governments -- yet another state assault on home rule.

With signs aplenty that Florida's housing market is on the mend, the real estate industry does not need to be juiced. Did the housing bust teach us nothing?

The state's existing property tax inequities will only increase under this amendment, further complicating the tax code.

This would also shift the tax burden onto year-round, home-owning residents. It deserves to be rejected.

## **Are City Officials Fighting Florida Property Tax Breaks on the Taxpayers' Dime?**

Sunshine State News – September 29, 2012

<http://www.sunshinestatenews.com/story/city-officials-fighting-florida-property-tax-breaks-taxpayers-dime>

What they're doing is probably not illegal, but from now until Nov. 6 city officials across the Sunshine State are being urged to use taxpayer-funded instruments to convince their citizens to oppose the Florida Property Tax Amendment, and the amendment's supporters are not happy about it.

If passed by 60 percent of the voters the ballot measure -- [Amendment 4](#) -- would provide several property tax breaks to nonhomestead and new homestead property owners. Supporters say the measure would provide fiscal relief to millions of taxpayers and make the state's property tax system more equitable, while opponents insist it would merely shift tax burdens around, deprive local governments of much-needed revenues, and would actually compound the tax inequalities.

On Tuesday the Florida League of Cities (FLC) hosted [a Web-based seminar](#) (or "webinar") on Amendment 4 educating members on what they believe its deleterious effects will be on the state tax system and city revenues, and possible burdens on some taxpayers. The League joins the Florida

Association of Counties (FAC) in opposing the amendment, and a segment of the webinar was devoted to outlining a 10-step “action plan” for city officials to encourage citizens to cast a “No” vote against it.

Two of the steps are raising eyebrows in some quarters:

- “Step 7: Talk about this issue on your local city access channel, local public affairs television show, and in your city’s newsletter.”
- “Step 8: Communicate this information on your website or via utility [bill] stuffers.”

The action plan was presented by John Thomas, director of communications and political initiatives for the League. Describing steps 7 and 8, about 23 minutes into the webinar, Thomas urged public officials to consult their city attorneys for advice on just what activity was permissible and what wasn’t, and during a Q&A segment referred officials to a list of “legal dos and don’ts” published by the League and distributed to cities as part of an “Amendment 4 Toolkit.”

Thomas declined to provide a copy of this tool kit, or of the “dos and don’ts” list, to Sunshine State News. The News contacted four city governments – Jacksonville, Miami, Orlando, and Tallahassee – to find out what public measures, if any, their officials would be taking in opposing Amendment 4.

Jacksonville, Miami, and Orlando did not return calls by Friday evening. But on Thursday, one high-ranking Tallahassee city employee spoke to Sunshine State News on background, saying that his office’s policy is to direct constituent queries to the website and voter’s guide published by the League of Women Voters of Florida.

The League of Women Voters is nonpartisan in that it is not formally affiliated with a political party, but it certainly is not a neutral source for voter education: the League is vocally opposing every one of the 11 amendments appearing on the November ballot, including Amendment 4.

Sunshine State News consulted Tallahassee-based attorney Sarah M. Bleakley, special counsel to FAC and an expert on local government law, on what legal restrictions cities are under when it comes to promoting or opposing ballot measures. While she declined to comment on the specifics of any particular case, she did direct the News to the relevant law governing this issue: section 106.113 of the Florida statutes.

The statute provides that a “local government or a person acting on behalf of local government may not expend or authorize the expenditure of ... public funds for a political advertisement or electioneering communication concerning an ... amendment ... that is subject to a vote of the electors.”

The statute goes on to say that these restrictions “do[] not apply to an electioneering communication ... which is limited to factual information.”

Presumably, what steps 7 and 8 of the action plan envisage is the inclusion of unbiased educational materials in city newsletters or utility bills.

But the FLC includes [on its website](#) the text of a sample “Amendment 4 Resolution” which its member cities might adopt. While the sample concludes with a statement that a city simply “urges its residents to carefully consider the potential adverse consequences of Amendment 4 before voting in the November 2012 general election,” this resolve is preceded by a series of nine “Whereas” clauses, two of which are manifestly biased in their tone:

- “WHEREAS, Amendment 4 ... creat[es] an unfair disadvantage for new businesses ...”
- “WHEREAS, over the last few years, several property tax initiatives ... have also contributed to the unequal treatment of Florida’s taxpayers ...”

While she would not comment on specifics, Bleakley directed Sunshine State News to subsection 3 of section 106.113 of the Florida statutes, which says state law “does not preclude an elected official of the local government from expressing an opinion on any issue at any time.” A [June 14, 2010, formal opinion](#) of the state Division of Elections suggests that this section also applies to non-elected officials and city employees, which would seem to include referring constituents to voter guides that take a stance on ballot measures.

Leading supporters of Amendment 4 insist it is inappropriate for city officials or employees to promote Yes or No votes on ballot measures while they are working on the taxpayer dime, even if such activities are not technically illegal.

“It is outrageous for the Florida League of Cities to instruct local officeholders to inappropriately campaign against the interests of Florida’s taxpayers,” state Rep. Matt Gaetz, R-Fort Walton Beach, told Sunshine State News after viewing the League’s webinar. “Any politician who misuses their position to advance the pro-tax agenda of the Florida League of Cities should be ashamed.”

“Taxpayers First is deeply disturbed that city and county politicians would use their taxpayer-funded positions to intentionally distort the benefits that Amendment 4 would bring to all Floridians,” pro-Amendment 4 campaign manager Ben Fairbrother told the News. “They are advocating the use of public dollars to oppose a taxpayer-friendly amendment and they are doing it without shame. The Florida League of Cities should call on all their members and retract this recommendation for the inappropriate use of taxpayer dollars. For our part, we cannot stand idly by while this occurs. We will continue to tell the truth about local governments’ stewardship of taxpayer dollars.”

## **Amendment 4 foes: Tax breaks mean unintended consequences**

Tampa Bay Online – October 1, 2012

<http://www2.tbo.com/news/breaking-news/2012/oct/01/namaino1-opponents-of-amendment-4-say-tax-breaks-w-ar-518238/>

Voters will revisit one of the Florida Legislature's pet pocketbook issues in November, with nearly half of the proposed constitutional amendments on the ballot addressing property tax breaks.

Five of the 11 amendments going before voters on Nov. 6 call for property tax exemptions that would give new breaks to first-time buyers, second-home owners, those whose homes' market values have dropped, certain individuals and small businesses.

In Florida, lowering their own taxes has been a no-brainer for voters. But cities and counties that have to provide services with dwindling revenues are urging voters to consider the consequences.

The most ambitious of the proposals, Amendment 4, would cut about \$1.7 billion from local revenues statewide over the next four years. Counties alone already have cut spending by \$3 billion since 2007, according to the Florida Association of Counties.

"The biggest issue is that it (Amendment 4) takes a very complex property tax system and makes it even more complicated," said Amber Hughes, a legislative advocate for the Florida League of Cities. "It picks winners and losers. We need a fair system, and this is not that."

Amendment 4 has the muscle of the Florida Association of Realtors behind it. The group has poured \$3 million into a humorous "Tax Your Assets Off" ad campaign.

Current law caps annual assessment increases on non-homestead property — typically Floridians' second homes or those used by winter visitors from out of state — at 10 percent. The amendment would reduce that to 5 percent.

Amendment 4 also provides first-time homebuyers who now receive a \$50,000 homestead exemption an additional exemption of half the appraised value of the new home, up to \$150,000. That benefit is phased out over five years.

And it eliminates the "recapture rule" that has allowed taxes to rise on homes whose market value decreased.

Sen. Mike Fasano, a Republican from New Port Richey who was one of the sponsors of Amendment 4, said the proposal goes beyond a one-off property tax break.

"I'm a big believer in that the success of turning our economy around here in Florida will have a lot to do with our housing and real estate markets," Fasano said. "The building industry just contributes so much to our economy."

Florida TaxWatch, a Tallahassee watchdog group, estimated that Amendment 4 would create more than 19,000 jobs, increase gross domestic product by \$1.1 billion, and boost personal income by \$5.3 billion in 10 years.

But Florida Association of Counties spokeswoman Cragin Mosteller said her group is particularly troubled by the break for second-home owners, which makes up the biggest chunk of the amendment's budgetary impact. She called the amendment a cost-shift to year-round residents.

"We're being sold a tax cut, but it's just a tax shift," she said. "Year-round residents have a lower tax burden, so if you lower the tax burden of our snowbirds, think about that seesaw. Year-round residents' taxes have nowhere to go but up."

The Center on Budget and Policy Priorities in Washington, D.C., concluded that the "deeply flawed set of property tax changes" included in Amendment 4 would lead to tax increases for large numbers of Floridians, a competitive disadvantage for new and emerging businesses, and significant cuts in local services "while producing little if any economic benefit."

Amendment 4 would likely cut \$6.8 million to \$8.8 million from Hillsborough County coffers next year, according to a county estimate.

That might not necessarily mean a tax increase — an unpalatable move for elected officials — but it would most likely bring another round of cutbacks. The county faced a \$15 million shortfall this year, and \$65 million last year. It has laid off 1,600 employees since 2007.

"We would look at other potential reductions," said Tom Fesler, the county's budget director, noting that the county's parks and social service agencies have been particularly hard-hit.

Also appearing on the Nov. 6 ballot are Amendment 2, which would provide property tax relief to disabled veterans; Amendment 9, offering a break for surviving spouses of veterans or first responders killed in the line of duty; Amendment 10, which boosts the exemption on tangible personal property from \$25,000 to \$50,000; and Amendment 11, providing property tax relief for low-income senior citizens.

There were two amendments calling for homestead or other property tax exemptions in 2006, one in 2008, three more by a state budget commission that same year, and one more in 2010 — and voters passed every one.

"For the last few election cycles, voters have voted in favor of their pockets," said Tony Carvajal, chief operations officer at the Collins Center for Public Policy, a neutral group that is educating voters about the amendments. "I think voters look at homestead exemptions as something that is about reducing their taxes. I don't think they fully consider the consequences to local government."

## **Greenacres opposes ballot question that would create additional property tax breaks**

Palm Beach Post – October 1, 2012

<http://www.palmbeachpost.com/news/news/local/greenacres-opposes-ballot-question-that-would-crea/nSRBm/>

Fearing more reductions in property tax revenue following the housing bust, the city council passed a resolution Monday opposing Amendment 4, the statewide constitutional amendment that would create additional property tax breaks.

One of 11 state constitutional amendments on the Nov. 6 ballot, Amendment 4 would reduce revenue to Florida cities by an estimated \$447 million over four years beginning in the 2013-14 budget year, according to the Florida League of Cities.

The amendment would create property tax exemptions for first-time home buyers, further limit assessment increases on nonhomesteaded property such as second homes and give state legislators the power to prohibit increases in assessed value if the market value of a property falls.

The Realtors Association of the Palm Beaches supports the amendment, saying it will boost sales of vacant properties and create jobs.

For Greenacres, Amendment 4 would further aggravate budget woes created by low property values that accompanied the real estate bust, City Manager Wadie Atallah said.

"Any additional property tax reduction will necessitate a discussion of what services we provide," Atallah said.

The total taxable value of property in the city has fallen 47 percent since 2008, to \$1.14 billion this year.

The amount the city collects from Greenacres property owners has fallen 37 percent, to \$6.2 million, since 2008.

Atallah said it's impossible to estimate the impact of Amendment 4 on the city's budget because it's impossible to tell, for instance, how many people would take advantage of first-time home buyer tax breaks.

Deputy Mayor Peter Noble said property tax breaks created by Amendment 4 could force the city to raise its tax rate, increasing the tax burden on property owners who don't benefit from the exemptions.

"It could affect us all," Noble said.

Other Palm Beach County cities plan to adopt similar resolutions opposing Amendment 4, said Richard Radcliffe, executive director of the Palm Beach County League of Cities.

Passage of Amendment 4 could force cities to cut back on essential services such as law enforcement, Radcliffe said.

"It could really set cities back," he said.

### **Amendment 4: Realtors For, Counties Against**

Wmbb.com – October 1, 2012

<http://www.wmbb.com/story/19689739/amendment-4-realtors-for-counties-against>

The most hotly-contested items on Florida's General Election ballot might not have anything to do with candidates. The fate of eleven constitutional amendments will be decided, and one of them – Amendment 4 – has stirred passions on both sides of the issue.

The proposal addresses items that hit close to home: property values, property taxes and homestead exemptions.

The Florida Association of Counties and Florida League of Cities oppose the measure. According to one study, Amendment 4 will reduce property tax revenue by nearly \$2 billion over four years.

Bay County stands to lose up to \$4 million, said Ed Smith, County Manager. "I think it's one of those things where it was a good idea to start and then has kind of gone into this area where we're creating a new tax class for certain citizens," said Smith. "I don't think it's a good idea."

The Bay County Association of Realtors has joined the state association in support of the amendment. "I believe that it will be a positive impact on Florida and will spur economic growth that we need," said Katie Patronis, the local association president.

Amendment 4 creates an additional homestead exemption for first time homebuyers, lowers the maximum yearly assessment increase on non-homestead properties from 10% to 5%, and gives state lawmakers authority to prevent assessment increases when property values decline.

Patronis said the cap on assessments will give owners of small businesses, commercial property, rental homes and non-homesteaded properties predictability. "They will be able to plan and budget because they will have the assurance that their property taxes will not go up more than five percent," she said.

Counties argue that the non-resident owner provision will shift the tax burden to the state's homeowners. "People who live here and own property here won't have this exemption, but snowbirds and people from out of state that own property will be eligible," said Smith.

Patronis said she's okay with that. "We welcome those people to Bay County and the surrounding counties... and if they don't have any predictability, it's hard for them to make that decision to invest in a second home," Patronis said.

Bay County commissioners chose not to increase property taxes in 2013 and instead reduced the county budget by nearly \$800,000 and eliminated 17 positions. Smith said state legislators who suggest increasing property taxes to offset Amendment 4's impact are out of touch. "That's easy for a state lawmaker to say, but it's a little more difficult at home when you're telling the folks that we're going to have to raise millage rates," he said. "There hasn't been an appetite for that for our board, so we'll probably have to look for additional cuts."

According to Florida TaxWatch, Amendment 4 would create more than 19,000 jobs, increase personal income by more than \$5.3 billion, and lead to as many as 383,000 additional home sales during the ten year period following passage and implementation.

Patronis said concerns over higher taxes are overblown. "They do not have to raise taxes... if they choose to do that, that will be their decision," she said. "Will they have to adjust their budgets? Possibly, but each county and city will be able to look at that and do it on an as needed basis."

Amendment 4, like all eleven amendments on the November ballot, requires 60% voter approval for adoption.

## **Palm Beach County Commission takes stand against Amendment 4 tax breaks**

Palm Beach Post – October 2, 2012

<http://www.palmbeachpost.com/news/news/palm-beach-county-commission-takes-stand-against-a/nSRdj/>

Palm Beach County commissioners on Tuesday spoke out against a proposed constitutional amendment that they say would result in higher taxes or reduced services for year-round homeowners, while providing property tax breaks for investors and snowbirds.

The commissioners unanimously approved a resolution opposing Amendment 4, which would give property tax breaks to first-time home buyers, rental property owners and snowbirds. If approved, it could also cut taxes for homestead owners who lose value on their homes.

Amendment 4 is one of 11 statewide referendum questions on the Nov. 6 ballot.

Tuesday's move came at the request of County Commissioner Karen Marcus, a Republican who said the constitutional amendment would cost the county \$85 million over a four-year period.

"If Amendment 4 passes it really restricts our ability to do a lot of things that we want to do," Marcus said.

Commissioner Steven Abrams, also a Republican, said that the public needs to understand the consequences of the ballot question.

"In addition to the impact to the county and municipal budgets...it is a tax break for second homeowners that would result in service cuts to full-time residents, or possibly tax increases for full-time residents," Abrams said. "That would seem to be just as objectionable."

Democrat Paulette Burdick said she wouldn't be supporting any of the 11 proposed amendments, which she said would all be "disastrous" for Florida.

### **No to these amendments**

Miami Herald – October 2, 2012

<http://www.miamiherald.com/2012/10/02/3031341/no-to-these-amendments.html>

Unaware Floridians may be in for a shock on election day when they discover what's in store for them in the voting booth.

With 11 amendments on the ballot, voters in the Sunshine State will face a lengthy series of proposed changes to the state Constitution, some of them downright confusing and nearly unintelligible.

All of the proposals were cooked up in Tallahassee by lawmakers, who often seemed intent on political grandstanding rather than legislating to achieve narrow, often partisan objectives at the cost of fiddling around with the state's basic document.

This is neither good lawmaking nor good policy. The essential criterion for constitutional change should be urgent, demonstrated need, which is not the case for measures on the 2012 ballot.

This is particularly relevant for proposals aimed at tightening budget and tax restrictions, which we will address today, along with a measure on healthcare services. Our recommendations on Amendments 5, 6, 8 and 12 (No. 7 was struck down) will be published later this week.

The League of Women Voters estimates that the five amendments on the ballot that deal with local property taxes would result in a loss of more than \$1 billion to local governments over the first three years after adoption.

In a state with (1) relatively low taxes; (2) chronic budget shortfalls, and (3) glaring service needs for the sick, elderly and children, restricting future revenues makes little sense.

Amendment 1: This would essentially forbid the Affordable Care Act — already certified by the Supreme Court as the law of the land — from taking effect in Florida. That's about as blatantly political as it gets — and just about as pointless. Approval would lead to a U.S. constitutional challenge, an expensive legal fight, and ultimate rejection by the courts. Save your money. Vote No.

Amendment 2: This extends the homestead exemption to disabled veterans who were not residents of Florida when they entered military service. Widening the homestead exemption for another category of citizens, however deserving, is generally a bad idea. This one would cost local governments \$15 million over three years, according to some estimates. If it succeeds, other efforts to widen exemptions would follow. Vote No.

Amendment 3: Voters may find this one especially tough to decipher, which may well be what legislators intended. Essentially, it alters the state formula for determining state revenue in a way that would severely limit the amount of money on hand to address basic needs such as infrastructure, healthcare and other services. In Colorado, where a similar amendment known as the "Taxpayer Bill of Rights" (TABOR) was approved, cuts proved so unpopular that voters eventually reversed themselves and suspended the new formula. If it didn't work there, why should it work here, where the needs are probably greater? Vote No.

Amendment 4: This is the big-ticket item insofar as lost revenue for local governments — an estimated \$1 billion after three years. Among other things, it would reduce the cap on property tax assessments for non-homesteaded properties from 10 percent to 5 percent per year. Call it the Save-Our-Second-Homes Amendment. There are other relevant provisions, including a property-tax exemption that would act as an incentive for first-time home buyers. The severe impact on local governments is enough to recommend a thumbs-down. Property taxes in Florida may be in need of an overhaul, but piecemeal attempts to widen exemptions is not the way to go about it. Vote No.

Amendment 9: This also involves property taxes, but allows the Legislature to “totally exempt or partially exempt” the surviving spouses of military veterans and first responders who died in the line of duty. Again, the issue is creating a new category of exemptions — in this case, possibly a full exemption from ad valorem homestead property taxes — that would reduce funds available to strapped local governments. The cumulative impact of these actions would impair local services. Vote No.

Amendment 10: This raises the exemption involving tangible personal property taxes, applied to businesses, from \$25,000 to \$50,000, subject to city and county approval. Of all the proposals, this may be the most worthwhile, but it’s another piecemeal attempt to eat into revenues via an unnecessary amendment to the Constitution. Vote No.

Amendment 11: One more effort to allow counties and cities to exempt homesteaded properties from taxation if seniors meet certain conditions: their home’s “just value” of less than \$250,000; permanent residency on the site for at least 25 years; taxpayer is at least 65 years of age; and has “low” household income as defined by law. Vote No.

#### **Battle over Amendment 4**

Hernando Today – October 3, 2012

<http://www2.hernandotoday.com/news/hernando-news/2012/oct/03/hanewso1-battle-over-amendment-4-ar-520163/>

Hernando County could see a \$113 million decline in taxable value if voters pass Amendment 4 in November’s general election referendum.

The property appraiser has released a report showing the impact of the various constitutional amendments on the county’s ad valorem tax roll. Should Amendment 4 pass, county commissioners would also be looking at a \$638,000 reduction in ad valorem tax revenue, based on 2011 millage.

But supporters say the amendment has the potential of creating more jobs and jumpstarting the real estate market.

For the amendment to pass, 60 percent of the voters would have to approve the referendum. Critics and supporters are lining up to present their sides to the public before the election.

Budget Manager George Zoettlein said Hernando County is in the same shape as other counties in the state dealing with the potential loss of revenue.

Should the referendums pass, it could mean county commissioners will be considering another millage rollback next year.

"It's more of a tax break for the citizens but it would mean less tax money for us," Zoettlein said. "Basically, we'll have to deal with it once we see the ramifications of it if it passes."

Florida TaxWatch, a nonpartisan, nonprofit public policy research institute, said in an economic analysis report that Amendment 4 would create jobs, grow Florida's gross domestic product and increase the personal income of Floridians.

Five of the 11 amendments going before voters on Nov. 6 call for property tax exemptions that would give new breaks to first-time buyers, second-home owners, those whose homes' market values have dropped, certain individuals and small businesses.

In Florida, lowering their own taxes has been a no-brainer for voters. But cities and counties that have to provide services with dwindling revenues are urging voters to consider the consequences.

The most ambitious of the proposals, Amendment 4, would cut about \$1.7 billion from local revenues statewide over the next four years. Counties alone already have cut spending by \$3 billion since 2007, according to the Florida Association of Counties.

Officials at the Florida League of Cities (FLC) and the Florida Association of Counties (FAC) have formed a grass-roots campaign asking voters not to support the ballot referendum.

"Amendment 4 is a wolf in sheep's clothing," said Bryan Desloge, president of the Florida Association of Counties, in a press release.

"If passed, Amendment 4 will mean that property taxes for Florida homeowners who have lived in their homes for several years may go up in order to subsidize tax breaks for non-residents and real estate investors."

Amendment 4 will likely lead to tax hikes, according to Manny Morono, president of the Florida League of Cities.

Realtors' groups are supporting the measure.

Marilyn Pearson-Adams, 2012 District 7 vice president for Florida Realtors, said she is for the amendment, and not only because it will stimulate the real estate market.

"It affects everybody across all spectrums," she said. "It is a nonpartisan issue. It means more jobs, more home sales and more economic stimulus."

Pearson-Adams cited research that shows Amendment 4 would create more than 20,000 jobs statewide in the next 10 years, and that's over and above existing forecasts.

It would also create an additional \$310,000-\$383,000 in home sales, add \$1.1 billion to the state's gross domestic product and increase personal income by \$5.3 million in the next decade, she said.

Amendment 4 would also make it more attractive for investors and snowbirds to purchase homes in Hernando County, she said.

County Commissioner Wayne Dukes said Amendment 4 may provide tax breaks for some, especially first-time homebuyers. But other taxpayers will end up subsidizing those breaks.

"I know it is going to have a negative impact on the revenue that comes into the county to run government," Dukes said.

Dukes said the definition of "first-time homebuyer" in the referendum is too broad. It applies to people, he said, who already bought a home in another state and then come here expecting the tax break.

"If it causes a shortfall of significant amount then we have to find it somewhere else," Duke said. "How do we find it? We raise taxes."

Gary Schraut, chairman of the government affairs committee of the Hernando County Association of Realtors, said he believes the 5 percent cap on non-homesteaded property is "a better number" to help homeowners.

"I know governments are tight for money and yet ... the people who own property, they're in the marketplace and they're tight for money too," Schraut said.

Schraut said there has to be "a happy medium."