



**EDITORIALS**

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## Higher homestead exemption will pit voters against the cities where they live

**MIAMI HERALD EDITORIAL BOARD**

Besides electing a new governor in November 2018, Floridians likely will make a critical financial decision that could save them hundreds of dollars each year, while doing great harm to the cities and counties where they live.

It's quite the dilemma: Should I personally profit or should I think of the greater good? That, in a nutshell, is the question voters will have to wrestle with at the ballot box.

That's because state lawmakers threw Floridians a hot potato. The Legislature agreed to allow voters to decide whether to increase the homestead exemption for about 4.3 million homeowners who take advantage of program that currently lowers by \$50,000 the taxable value on a primary residence.

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Now, voters will be the ones to decide whether to give homeowners an additional, and hefty, break on property taxes in the form of a larger homestead exemption.

The measure calls for the average homestead exemption to jump to \$75,000 from \$50,000 on the first \$100,000 of a home's taxable value. In effect, tax a \$100,000 home as if it were worth \$25,000, or a \$200,000 home as if it were worth \$125,000.

That's a nice break — about \$200 for the average homeowner.

The measure has been a priority for House Speaker Richard Corcoran, who sees it as an opportunity to force local governments to scale back in the face of rising revenues from a rebounding economy. "I've had numerous conversations with tons of senators about making sure that we fight for the people," Corcoran told the Herald/Times Tallahassee Bureau, "and not wasteful, unaccountable, lazy governments."

Of course, cities and counties would counter that they're not raking in the dough, especially when so many, including Miami-Dade, have been wary of raising taxes on this side of the Great Recession.

This most far-reaching change to Florida tax policy in years is a double-edged sword that could have a lasting impact on local government revenues for decades to come.

Lawmakers view it as an easy way to seek favor with the electorate and keep the promise of helping the middle class.

But there is a dark side to this potential giant tax break. For counties and cities, it spells a huge financial loss that amounts to between \$600 million and \$700 million for the entire state. And they want taxpayers to know that approving such a steep cut in property taxes will come with collateral damage — although schools are exempt, it likely will result in cuts in basic services, such as police and fire. It also likely will require higher taxes on businesses and snowbirds to make up the deficit.

Miami-Dade would lose \$76 million a year in property tax revenue, according to the Florida Association of Counties, and Broward has predicted it will lose \$40 million a year.

A legal challenge could arise between now and next year with the potential loss of so much revenue. And municipalities are likely to launch an aggressive campaign to rally public opinion to their side.

The measure must be approved by at least 60 percent of voters to take effect. As a proposed amendment to Florida's Constitution, it can't be vetoed by Gov. Rick Scott. So it's up to the voters to decide this financial dilemma. After all, if the higher tax break is approved, Floridians will pay — one way or another.



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