

February 24, 2016

#### **Determination of Maximum Millage Rates**

CS/HB 1015 (Nuñez) will be considered by the House Local and Federal Affairs Committee on Thursday (tomorrow), February 24 at 10:00 a.m.

Please Contact the Members of the House Local and Federal Affairs Committee and Urge them to Oppose CS/HB 1015.

## **Background**

In 2007 the State and Local governments negotiated a deal that:

- Significantly reduced Local Property Taxes
- Placed an Ad Valorem Revenue Growth Limitation Cap on future revenues (Maximum Millage)
  - o Formula emphasized long-term growth based on Florida Personal Income
  - Allowed for flexibility in the local management of local revenues
    - Incentivized local management of further local tax reductions

#### The Recession

 Florida local governments and their ad valorem tax base (Property Values) was severely affected by the recession

#### Today in a Post-Recession Florida

- Local governments are still in various stages of the recovery process
- Local governments have honored the 2007 deal and have managed resources accordingly
- Local Governments are currently \$5 Billion + below the revenue limit trend cap set by the state in 2007

### The Proposed Amendment and Original Bill (HB 1015)

- Proposes to eliminate existing capacity and "ratchet down" the trend line or cap
  - Locking local governments in to various places in their current recovery status
- Eliminates "Original Flexibility" provided for the local management of local resources
  - o "Use it or lose it" scenario
  - Strongly disincentivizes local voluntary tax cuts
- Eliminates long-time standard provision "rolled-back rate/rolled-up rate" that provides for the maintenance of current level of revenues and services in relation to property values

 Effect would force local governments to absorb impacts of property value losses due economic downturns, natural disasters, or other events

# Message to Legislators:

#### Please OPPOSE HB 1015 because it:

- "Breaks" the deal established in 2007
  - Local governments have honored the agreement
  - o Billions of Tax Dollars were returned to local citizens
- "Disrupts" the ability to continue to locally manage the local recovery process
- "Endangers" ability of local governments to manage in severely distressed situations
- "Punishes" the good actors who have managed the recovery process the best
  - o Those that are furthest below the cap, will be punished the worst

# House Local and Federal Affairs Committee - Oppose CS/HB 1015

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You can also use the League's advocacy tool <u>Capitol Connection</u> to e-mail members of the Committee.

Should you have any questions, please contact: Amber Hughes at <a href="mailto:ahughes@flcities.com">ahughes@flcities.com</a> or 813-777-4783 (cell).

Thank you for your advocacy efforts.