



PROPERTY TAX REFORM 101

Miami-Dade County Public Schools
Intergovernmental Affairs and
Grants Administration



Impact of the 1/29 Constitutional Amendment – Property Tax Reform

The property tax reform plan has four components:

- **Homestead Exemption** - Homeowners would receive an additional exemption of \$25,000. School district taxes are excluded from this portion of the plan.
- **Portability** - Homeowners would be allowed to transfer to another home up to \$500,000 in tax savings accumulated under the Save Our Homes annual cap on tax assessments. **This portion of the tax plan impacts school district funding.**
- **Tangible Personal Property** - Businesses would receive an exemption of the first \$25,000 of personal property such as furniture and equipment. **This portion of the tax plan impacts school district funding.**
- **Non-homesteaded Property** - For second homes and commercial property, the plan would cap the annual increase in assessed value at 10 percent. The cap ends after 10 years, but voters can re-approve it. This provision does not apply to school district taxes.

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- The estimated loss of revenues to local governments statewide totals approximately \$12.4 billion over five years.
- Both the portability and the tangible personal property tax exemption impact school districts; statewide potential impact to school districts totals \$2.8 billion.
- The largest impact is due to portability, which is estimated to cause school districts statewide to lose approximately \$2.4 billion or 86% of the estimated loss to school districts.
- The constitutional amendment is scheduled for the January 29, 2008 election and requires a sixty percent favorable vote by the electorate.

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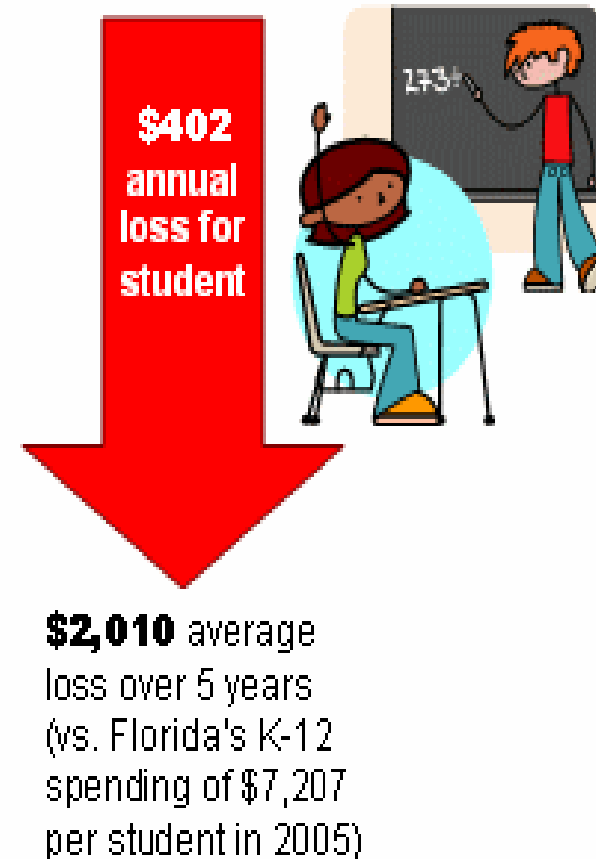
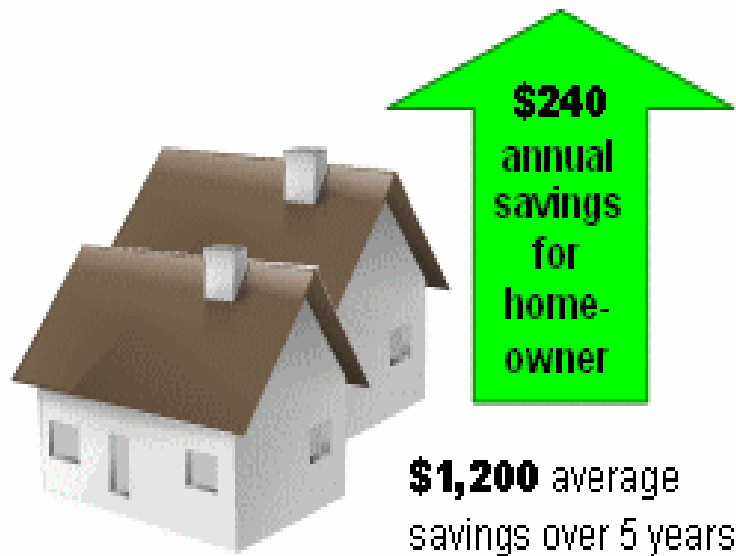
- Based on the analysis prepared by the Senate Finance and Tax Committee, M-DCPS may lose approximately \$707.7 million over the next five fiscal years as follows:

| | |
|--------------|-------------------------|
| Year 1 | \$ 44.5 |
| Year 2 | 95.8 |
| Year 3 | 140.3 |
| Year 4 | 188.9 |
| Year 5 | <u>238.2</u> |
| TOTAL | \$707.7 million* |

*Estimates beyond 5 years not available

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Cost/Benefit Analysis





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WIN, LOSE or DRAW
You Choose