

## **Save the Non-Homestead Property Assessment Cap**

**Background:** In 2007, the Florida Legislature proposed constitutional Amendment 1, also known as the "Portability of Save Our Homes" Amendment to protect both homeowners and business owners from increasing property taxes. The amendment, which was approved by voters in 2008, included a provision to protect businesses from sky-high taxes during boom times. The amendment put a 10% cap on yearly assessment increases on most non-homestead property in Florida. This property tax cap has helped businesses thrive during positive economic cycles by providing a protection against rapidly rising property taxes. The amendment will sunset in 2018 and the Florida legislature needs to create a joint resolution to place the 10% assessment cap language back on the ballot.

**How This Impacts the Apartment Industry:** Apartment communities are considered non-homesteaded properties and benefit from a cap on how much taxable assessments on can be raised each year. If the tax cap is not reauthorized, then yearly assessments can increase by any amount for non-homestead property. This may force apartment owners to see a jump in their property taxes in 2019. Florida could see a repeat of what was witnessed during the positive economic times of 2002-2006, in which some business owners were forced to sell their properties or raise rents because of tax increases largely due to huge assessment increases. Drastic property tax increases could also result in a loss of apartment industry jobs.

**Economic Impact:** According to the latest edition of the Florida Tax Handbook, the 10% assessment cap is estimated to save \$778.4 million to property taxpayers for the 2016-17 fiscal year. This tax savings helps to create apartment industry jobs and keeps consumer rents lower.

**The Florida Apartment Association urges the Florida Legislature to pass Senate Joint Resolution 76 to protect apartments and small businesses from increased taxation.**

### **Bill Sponsors**

SJR 76

Sen. Tom Lee  
(R- Bradenton, SD 20)