

Florida Realtors® and the Florida Legislature:

Working together to build strong communities

Florida's 125,000 REALTORS® applaud lawmakers' efforts to revitalize the Florida real estate market. There's much at stake. Real property – building it, buying it, leasing it, and selling it – contributes billions to the Florida economy every year.

- The real estate sector (including leasing services) accounted for 17.1 percent of the state's Gross State Product in 2006, or \$122.2 billion.
- In 2006, when the real estate market was strong, property taxes contributed \$30.5 billion to local governments, school boards and other taxing districts.
- Real estate activity creates jobs. In 2007, 598,100 workers were employed in the construction sector and 173,200 were employed in the real estate sector, representing 9.6 percent of all Florida's workers.

But what Florida Realtors® value more is that we've helped millions of Floridians achieve the American Dream of homeownership. And when our residents own a part of the Dream, they contribute greatly to their communities.

Studies consistently show that children who live in owned homes are well adjusted and score high on academic tests. What's more, their parents are more likely to be involved in civic activities and to vote in local and national elections. They purchase goods and services from local merchants, contributing to the retail sector of their communities. And they take pride in their homes, their neighborhoods and their communities.

We're working to keep Florida's economic engine running strong!

The Realtors® of Florida encourage our elected officials to take the following actions to revitalize the Florida real estate market and, in turn, the Florida economy:

PROPERTY TAXES

1. **Create incentives for first –time buyers.** Despite low mortgage interest rates, attractive pricing and ample housing choices, many aspiring fir-time homeowners are reluctant to invest in their first home. **HJR 97** and **SB 532** would provide first-time Florida buyers an additional property tax exemption – up to \$250,000 – that would phase out over a five-year period. This would allow new homeowners who cannot take advantage of “portability” to receive tax savings while their “Save Our Homes” benefit builds over time.
2. **Lower taxes on non-homestead property.** **HB 7057** and **SB532** limit growth in the assessed value of businesses, second homes and other non-homestead property to 5 percent annually. This cap will make our property tax system fairer and put tax responsibility squarely on the shoulders of the elected city and county commissioners and city council members – and the millage rates they set.
3. **Restore balance and fairness to the process of valuing property and challenging unfair assessments.** Property appraisers establish the value of property annually and that value is presumed correct unless taxpayers provide “clear and convincing evidence” to the contrary. **SB 1006** and **HB 521** support a lower threshold for challenging assessments called “preponderance of the evidence”. These bills ensure fairness for both the taxpayer and the property appraiser.

Property Insurance

A robust insurance market is vital to Florida's economic recovery and to the state's continued success. Bold steps are needed to attract private capital to the insurance market. This will stimulate competition, stabilize rates and create a sustainable residential and commercial property insurance market. Florida Realtors ask for supporting continuation and expansion of My Safe Florida Home Program. **SB 1950** and **HB 1495** provide for these important provisions.

Economic Recovery

As real estate goes, so goes the economy! Difficult times produce a unique opportunity for lawmakers to advance new ideas as well as rescind burdensome laws that have outlived their purpose. Economic recovery won't happen without housing recovery.

1. **Impact Fee Relief.** **HB 227** and **SB 580** require local governments to prove by a preponderance of the evidence that the amount of an impact fee is valid.
2. **Reduction of Eviction Fees.** **SB 1718**, **SB 2250** and **HB 809** support lowering fees from the current \$265 to a more reasonable amount.
3. **Automatic Extension of Development Rights.** **SB 2026** supports the automatic extension of permits issued for residential, commercial and single-family homes to 2012.
4. **Community Land Trusts.** **HB 267** and **SB 1042** would minimize property taxed for homeowners whose dwellings sit on land owned by a community land trust.
5. **Onsite Wastewater Treatment: The Wekiva Issue.** There are increased nitrogen levels in the Wekiva River Basin, an issue that has statewide implications. Florida Realtors recommend the Legislature delay rulemaking and commission a multi-year study to determine if new wastewater treatment systems are effective at reducing nitrogen levels.
6. **Revenue Cap on Local Governments.** **SJR 1906** and **HJR 1263** impose a reasonable revenue cap on local governments equal to population growth plus inflation.
7. **"Short Sale" documentary stamp taxes.** **HB 55** and **SB 728** would codify in Florida law a Department of Revenue recommendation that doc stamps on property involved in a short sale be based on the lower amount.

Affordable Housing

There's no place like home. For thousands of Florida families, monies from state housing trust funds are their only way to realize the American dream of homeownership.

The Sadowski Act, enacted in 1992 created a dedicated revenue source for affordable housing by increasing the documentary stamp tax paid on all real estate transactions. The money generated from these taxes goes into the Sadowski Housing Trust Fund to be used to fund housing programs.

When the Florida real estate market was on the rise, the collection of doc stamps also rose. But instead of using the increase in trust fund dollars to fill the housing gap, not all monies were appropriated and the trust funds were "capped" at approximately \$243 million annually beginning in 2007. **HB 25** and **SB 1434** along with **HB 161** and **SB 1040** have the provision to "scrap the cap"! Repealing the cap will restore the "trust" in the state and local housing trust funds.