

# POSITION PAPER

## ASSESSMENT CAPS. NOT THE SOLUTION.

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### BOMA'S POSITION

BOMA Florida opposes Amendment 2, the constitutional amendment to make permanent appraisal caps. Voters will be asked to decide whether to retain the caps beyond the scheduled expiration date with a ballot question presented during the 2018 general election in the form of Amendment 2. While assessment caps may seem beneficial, they cause more harm than good.

### OPPOSITION TO THIS BILL

#### *Assessment Caps*

BOMA Florida opposes [Amendment 2](#). **Voting NO** on [Amendment 2](#) because caps create a tax shift. Property Taxes are calculated based on three components: Assessed Value, Tax Rates, and Budgets of local tax jurisdiction.

Each time a benefit such as an assessment cap or tax exemption is awarded to a certain class of property, the remainder of the tax burden is then shifted to other property owners to make up the difference. This creates major cost inequities among taxpayers receiving the same governmental services.

- Caps Create Inequities
- Caps Do Not Limit Hikes

Current law does not limit market value increases of real property, only assessed value increases. Tax rates that have been applied to assessed values have gone up or stayed at the same level since the law was enacted in 2008. The law gave taxing jurisdictions the ability to receive automatic 10% annual budget increases without touching the tax rate. This is significant, as current law mandates automatic 10% annual increases up to, and equal to, market value.



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### BACKGROUND

The real solution to true property tax reform is not to cap assessments but rather place a limit on the annual percentage revenue increase that can be generated by taxing authorities.

Capping annual budgets effectively guarantees lower tax rates when the market is rising while still allowing for reasonable growth. The taxing authorities could still have control to override the capped percentage increase. This approach would provide much needed transparency and put the fiscal responsibility back on the shoulders of the elected officials to prove why the additional revenue is needed. Furthermore, this solution would bring back fairness and equity and ultimately benefit all tax payers due to lower tax rates. A vote against the constitutional amendment to make permanent appraisal caps would go a long way to fixing this taxing problem.

### ACTION REQUESTED

BOMA Florida members should aggressively oppose these bills.

### ABOUT BOMA FLORIDA

The Building Owners and Managers Association of Florida (BOMA Florida) consists over 1,500 members representing most office space and buildings in the state of Florida. This organization not only includes Owners/Property Managers, but various types of associate members servicing the commercial industry such as HVAC, engineer, carpet suppliers, roofing contractors, appraisers, painters, lawyers, and more.

**Members of BOMA Florida Represent the third largest sales tax-paying base in the State of Florida.**