

# HOMESTEAD PORTABILITY DRAWS LESS INTEREST THAN ANTICIPATED

**BYLINE:** MICHAEL C. BENDER, Palm Beach Post Capital Bureau

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The first year of "portability" -- which Gov. Charlie Crist promoted as "sweet freedom" to Florida homestead owners -- attracted only a fraction of the interest that lawmakers expected, according to a report to a Senate committee on Tuesday.

Portability, which was included in a package of property tax changes voters inserted into the state constitution in 2008, lets homestead owners transfer their accrued Save Our Homes exemption from one dwelling to another. It was expected to eliminate \$1.1 billion in taxable value from Palm Beach County last year. Instead, the reduction was about \$268 million, or less than 25 percent of the state's estimate.

Across Florida, portability wiped \$3.4 billion off the tax rolls, or about 30 percent of the \$11.5 billion in taxable value it was expected to cut.

"We haven't really solved the heart of the problem," said Senate Ways and Means Committee Chairman Thad Altman, R-Melbourne. "And that's the discrepancy and unfairness of our tax system."

The changes in property tax rolls last year reflect sales from 2007, when the state's booming real estate market was starting to slow, said John Sebree of the Florida Association of Realtors, which supported Amendment 1.

"No one predicted the market would slow as much as it did," Sebree said.

Lawmakers crafted Amendment 1 in 2007 in response to a property tax revolt from Floridians, upset that city, county and state governments were capitalizing on the historic rise of property tax values.

In addition to creating portability, the Amendment 1 package also doubled the homestead exemption to \$50,000, which eliminated \$92.5 billion from tax rolls across the state last year, or about \$2 billion more than expected.

The amendment also established a \$25,000 exemption for tangible personal property, such as business computers or farm equipment, which eliminated \$7.9 billion in taxable value. State economists expected the measure to erase \$10.6 billion in the first year.

A fourth change in the amendment -- a 10percent assessment cap for non-homestead property -- will take effect for the first time this year.

Other findings from the report:

- \* 448 homestead exemptions were transferred from Broward to Palm Beach, the largest county-to-county migration in the state. Other top county-to-county relocations were from Dade to Broward (340) and Broward to St. Lucie (189).

- \* 701 homesteads from across the state were transferred into Palm Beach County, second only to the 1,384 homesteads that relocated to Pinellas County.

- \* Broward County recorded the most total homestead transfers, which include those within the county, with 2,979. Orange County had 2,856 and Palm Beach County had 2,557.

- \* The average Save Our Homes differential transferred under portability was \$78,381 across Florida. The amendment allowed homestead owners to transfer up to \$500,000 in Save Our Homes benefits.

In Palm Beach County, the average transfer was \$104,915. The largest county average was \$131,740 in Collier.

~ mike\_bender@pbpost.com