

REPUBLICANS ADMIT TAX HIKES

S.V. DATE

Palm Beach Post Capital Bureau

March 31, 2007

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DATELINE: TALLAHASSEE -- When Republican lawmakers rail against those who have raised property taxes in recent years, they typically leave out some of the biggest culprits: themselves.

In the eight years since their party has had control of state government, the state-determined share of school district property taxes -- called the "required local effort" -- has risen \$3.46 billion, with only \$1.14 billion of that attributable to new construction.

The rest, \$2.32 billion, came from GOP lawmakers and former Gov. Jeb Bush requiring school districts to increase local property taxes -- without announcing they were seeking a tax hike and holding public hearings as local governments must do any time the tax increase is more than what would occur with just new construction.

This allowed the lawmakers and Bush to cut other taxes -- state taxes such as the intangibles tax -- by \$1.7 billion a year, with more than half of that benefiting the wealthiest 4.6 percent of Floridians through the elimination of a tax on stocks and bonds.

While Republican leaders said they increased money for schools without raising state taxes during those eight years, they raised the "required local effort portion" of the schools tax seven out of Bush's eight years.

"That's incredible," said Rep. Susan Bucher, D-West Palm Beach. "At a time when we're trying to tell the local governments what to do, we should be minding our own store."

The \$2.32 billion is nearly a fifth of the total increase in property taxes over that time period that is not attributable to new construction.

If lawmakers had limited their increases in the required schools tax to new construction plus inflation -- as House leaders are now proposing for local governments but not themselves -- it would have saved property-taxpayers \$1.3 billion.

"True. Yes," nodded Senate Majority Leader Daniel Webster, acknowledging that he and his fellow Republicans in Tallahassee took advantage of the run-up in the real estate market the same way local governments did.

But House Speaker Marco Rubio, R-West Miami -- who, like many Republican leaders, has recently blamed county and city officials for property taxes increases -- said, "I haven't (raised the schools tax). The legislature has. I'm one member of the legislature," when asked about his vote for last year's budget that increased property taxes by \$869 million more than what new construction generated.

"There are a lot of good things in the bill," he said. "For example, I voted in that bill for senior meals and all kinds of other things. A budget is more than one issue.

"The school districts asked for it, too," he continued. "That's the other thing that's important to point out. They've asked for that. That's largely one of the reasons that why it was done for them."

Former Senate President Jim King, during whose years as presiding officer the legislature passed budgets totaling \$372 million in local property tax increases not attributable to new construction, said he did not know he had done that.

"That's the first time I've ever heard it," he said.

Lawmakers are not bound by the standards set out in state law for local government tax increases.

Those rules say that if, after subtracting new construction, a local government wishes to raise even one dollar more than it did the previous year under that calculated "rollback" rate, then it must announce it is seeking a tax hike and hold a series of public hearings.

Legislators are not required to determine any such rollback rate, nor hold public hearings on their proposed tax increases, and they did not do so over the past eight years.

Rather, they would use the previous year's required-local-effort rate with the new year's tax roll, which is based on increased property values, to generate even more money.

The only exception was Bush's first year in office, when Bush and lawmakers cut the required local effort to collect about \$20 million less in school taxes than in the previous year.

By increasing the local property taxes for schools, the lawmakers could spend a smaller proportion of state tax money on schools.

Over Bush's eight years, the ratio of state money for schools vs. local property tax money fell from 62 percent to 54 percent.

Last year, lawmakers bragged about budgeting \$2 billion more for schools; \$1.2 billion of that was from local property taxes, and \$869 million came from required property taxes not attributable to new construction.

And, Democrats said, Republican leaders intend to continue the same pattern in the budget they are currently producing, which, at this stage, would increase the required local property tax for schools by about \$550 million, with the increase attributable to new construction totaling only about \$225 million.

"My friends are talking about how terrible local public officials are," said House Democratic Leader Dan Gelber, D-Miami Beach. "And here we are again, for the seventh consecutive year, increasing the burden on local homeowners for education dollars that should come from Tallahassee."

Sen. Mike Haridopolos, R-Melbourne, who is among the Senate's chief proponents of slashing local property taxes, said that he understands those concerns but that he and other senators want "to hold education harmless" in whatever proposal they come up in the final weeks of the spring legislative session.

"When we unveil it, we'll let you know why we put the RLE at a certain rate," he said.

Staff writer Dara Kam contributed to this story.

~ s_v_date@pbpost.com