



NEBA News

www.NEbusiness.org

November- December 2007

What's In YOUR Property Tax Bill?

by: **Rich Blankenship**
NEBA President

At one of our last meetings, Bert Hartsfield (Leon County Property Appraiser and a NEBA member) covered many different property tax issues and questions. Assisted by his Chief Deputy Doug Willis, Bert covered topics including historical perspectives, recent/pending changes (legislative and constitutional) and policy considerations.

Coincidentally, Mr. Hartsfield's office had just completed the process of preparing annual Leon County property tax notices. He also had just returned from a state-wide conference with other property appraisers.

Bert began his comments to a packed room at Lucy Ho's restaurant by giving a brief history of Florida property taxation developments, including:

* the genesis of Florida's homestead exemption, first adopted in the 1930's.

* the early 1990's "Save Our Homes" constitutional amendment capping annual increases in assessed property values ... but only until owner-

ship changes, when so-called "tax shock" hits in many cases as value is brought current.

* the phenomenon fueling local government surpluses from property taxes: property value growth without any millage rate reduction (until recently).

Interestingly, Bert observed that the budget impacts from recent millage rate rollbacks actually may be relatively small in comparison to the total budgets of Leon County and the City of Tallahassee – despite many folks' impressions to the contrary. What is more, Bert reminded the audience that none of the relief provisions mentioned below benefit owners of second homes (non-homestead), commercial property or investment property.

A current hot topic - the proposed, so-called "Super Exemption" constitutional amendment - absorbed much of Bert's presentation time. To be enacted, the constitutional amendment (on/off/on?) the January 2008 ballot would require at least a 60% vote in favor of the amendment. The solution the amendment would offer would give each homeowner a choice between the Save Our Homes (SOH) amendment's approach and a larger, "super" exemption amount. The SOH approach caps annual assessed value increases at 3%

annually, while the Super Exemption approach would not put any cap on assessed values, just provide a greater exemption than the SOH exemption.

Conceptually, a property's assessed value after subtracting the Super Exemption amount initially would be less than the value under the SOH approach with its lower exemption amount. Long-term property appreciation, however, ultimately would create more tax under the Super Exemption approach due to no cap on assessed value increases. The homeowner's key question, then, would be how long will they own the home?

The Leon County Property Appraiser's home page (www.leonpa.org) provides links to

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Farewell Message From The President

Best wishes to each of you for a happy and prosperous 2008! Where/how does a year go by so fast? It's been an interesting trip from my vantage point. I see NEBA finishing 2007 as it began - committed to continuing as an active voice for small businesses regarding issues affecting our community.

This has been another busy NEBA year. Many thanks to the board and other members who have done so much to keep NEBA vibrant and on top of current issues affecting small business in this community. I have been honored to serve as President of this great organization as it continues to make a real difference.

Maureen Thompson has done a great job heading our monthly speakers program. Thanks to everyone who ensured well-attended meetings, made our speakers feel welcome and posed challenging questions. By way of review, following is a very brief recap of this past year's programs. Robin Safley discussed various aspects of our local political process with a challenge to get beyond partisan politics. Chamber of Commerce President Randy Hanna gave us an overview of the Chamber's agenda for the year. Barney Bishop of Associated Industries and Bill Herrle of the National

Federation of Independent Businesses covered several hot topics facing Florida's business community. Other programs included the I-10 Leon County expansion project (Tommy Speights, FL DOT); Vision 2020 business-accelerator program (Christopher Campbell); Florida and Leon County tax issues (Dominic Calabro and NEBA's Stephen); and local gang activity concerns and opportunities related to area businesses. Leon County Property Appraiser Bert Hartsfield addressed many property tax issues and questions, and other speakers addressed the Welaunee mixed use real estate development and the proposed bio-mass plant. Maureen puts the proverbial icing on the cake by hosting the annual NEBA holiday party on December 11, and we look forward to seeing you then.

A 2007 priority for the NEBA board was increasing publicity for NEBA's monthly speaker meetings, both before and after the meetings. Many thanks to Jim Ashlock for taking charge of that with very good results. Maureen Thompson will pass her torch to Jim in 2008 to continue bringing timely, interesting and educational programs at our meetings.

Thanks also to Nancy Burns for tirelessly working to pull

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Come Join Us At The Holiday Party

NEBA President Rich Blankenship would like to invite all NEBA members to the NEBA holiday party on December 11, from 6 P.M. - 8 P.M. It will be held in lieu of our monthly meeting at Lucy Ho's, and will be held at 2978 Giverny Circle (off of Gardenview Dr..)

There is no charge except for a new unwrapped toy for the Big Brothers Big Sisters Program. The value is your decision. NEBA supports the Big Brothers Big Sisters program and we look forward to seeing you at the party.



ABOUT BIG BROTHERS AND BIG SISTERS

Big Brothers Big Sisters is the preeminent national youth-serving organization based on a one-to-one relationship between an adult volunteer and a child whose circumstances demonstrate the

need for additional adult support. Volunteers serving as mentors and role models help youth to increase their self-confidence, reach their highest potential and to see themselves as having happy and successful futures. For more information visit their website at <http://www.BigBrothers-BigSisters.org>

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information regarding these topics, including a video called “SOH and Tax Shock” and tax rate rollbacks information under “Trim Brochure” and “Tax Reform Information”. There is also, or will be, an on-line calculator allowing homeowners to compare taxes under the SOH approach and the Super Exemption approach. The calculator will require input from two assumptions the user must make: the property's holding period, plus an annual percentage increase in property value. Based on that input, the calculator will report the cross-over point in time when tax under the Super Exemption approach would begin to exceed the SOH tax.

Stepping back from the details, however, Mr. Hartsfield then addressed the higher level policy issue, the ‘elephant’ in the room

that legislators are not talking much about: Is this really the best way to address the true underlying issue (*i.e.*, local governments generating surpluses from property taxes)? Should the approach instead be to simply cap or control government spending *directly* - not indirectly, using tax revenues solutions? Bert advised that rate cuts and/exemption increases likely are not enough to offset the impact of expected continued growth in property values. That is especially true because of the following.

Bert reminded the audience that none of the relief provisions mentioned above benefit owners of second homes, commercial property or investment property.

This reporter and others no doubt left the meeting somewhat drained after a quick run through on some very important, complex and controversial topics.

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together the bi-monthly NEBA newsletters like this one, and to Ted Thomas and Peggy Munroe for distributing the newsletters.

I look forward to passing the President's gavel (well, the water glass and spoon, anyway) to Bill Moore for 2008. My understanding is that one of his priorities is continuing the effort Peggy Munroe lead during 2007 to increase NEBA's active membership to the 100-plus level. We're very close to that as of this writing, including several new members that joined recently. Please do all you can to support and encourage Bill and the other officers and directors comprising the 2008 NEBA leadership team, including efforts to increase NEBA membership.

Calendar

NEBA meetings are held on the second Tuesday of each month at Lucy Ho's- 1700 Halstead Blvd. from 1:00 p.m.- 2:00 p.m. Cost is \$9.00 per person

November 13- Glenn Farris from Biomass Gas and Electric LLC (BG&E) to discuss biomass generated electricity, pipeline gas and hydrogen to the Florida State University Research Labs.

December 11- Holiday Party for NEBA members- 2978 Giverny Circle (off Gardenvue) 6pm-8pm- admission one toy.

Officers and Directors

Don't miss the January 8th, 2008 meeting, when NEBA members will vote on the following proposed slate:

Officers:

President- Bill Moore
President Elect- Stephen Hogge
Secretary- Carolyn Pippenger
Treasurer- Mark Trafton

Directors:

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Peggy Munroe	Jim Ashlock
Jerrell Lowery	Maureen Thompson
Nancy Burns	Cora Ann Chapman
Ben Graybar	
Past President- Rich Blankenship	

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