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Property values keep rising

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Residents who thought their property taxes would drop because of declining home values could be in for a shock when they open their tax bills in November.

The taxable value of existing property rose 6 percent last year in Manatee County and 4 percent in Charlotte County, according to estimates released Thursday by property appraisers in those counties.

The estimate for Sarasota County will be released today, the last day for all of Florida's 67 counties to file the new numbers.

Those figures do not include new construction, which pushes the increase in Manatee's tax base to 11 percent and Charlotte's to 6 percent.

The continued rise in the taxable value of property will only add fuel to the public revolt that has lawmakers in Tallahassee looking at plans to slash property taxes, said Don Schroder, president of the Coalition Against Runaway Taxes, a Holmes Beach-based group.

Part-time residents and businesses will not understand how the taxable value of their property could go up even as real estate prices tumble, he said.

"But it's because there were so few sales during the period," Schroder said.

State lawmakers say they believe Florida is in the throes of a full-fledged taxpayer revolt because local governments have increased property tax revenues faster than inflation and growth.

From 2002 to 2006, property taxes collected by Florida counties soared 66 percent, triple the rate of inflation and growth.

That happened because home values went through the roof while counties made only minor cuts in their tax rates.

Tax collections by cities and special taxing districts rose even more.

Since full-time residents are protected by the Save Our Homes amendment to the constitution, which holds increases in their taxable home values to 3 percent or inflation, whichever is less, the brunt of tax increases has been borne by part-time residents, businesses and full-time residents who moved into new homes.

Considering the early figures from Manatee and Charlotte counties, along with a news report that Broward County's taxable value rose 11 percent, local governments will once again have the opportunity to collect more taxes without raising rates.



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Sarasota County expects its tax base to increase as much as Manatee's. Construction included SuperTarget on University.

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But the budgets of local governments are under intense public scrutiny and local elected officials will feel pressure to resist increasing tax revenues again, said Rep. Ron Reagan, R-Bradenton.

When Floridians see that the tax base of their local governments are rising even in a down real estate market it will be the "icing on the cake" in the call for reform, he said.

"I will give the Legislature credit, they have gotten everybody's attention," said Sarasota County Commissioner Paul Mercier. Sarasota County has already come up with a "flat" budget for next year; the county will not spend more money despite \$19 million in cost increases due to union contracts, soaring energy costs and other cost increases.

Mercier said he expects Sarasota County's tax base to increase at least as much as Manatee County's. Despite the decline of the real estate market, there was a lot of new construction in the pipeline, such as the new SuperTarget on University Parkway, he said.

New construction accounted for much of the increase in Charlotte and Manatee counties.

In Manatee County, the taxable value of existing homes and businesses rose 6 percent, but new construction accounted for another 5 percent of growth, said Manatee County Property Appraiser Charles Hackney.

In all, the taxable value of property in Manatee County grew \$3.5 billion and now stands at more than \$30 billion.

In Charlotte County, the value of existing homes and businesses grew 4 percent, while new construction added another 2 percent to growth, said Charlotte County Property Appraiser Frank Desguin. Charlotte's property is valued at \$24.8 billion.

Even 5 percent growth would push Sarasota County's tax base beyond \$60 billion.

While that kind of growth would delight any Midwestern mayor, it marks a sharp decline for area counties. During the height of the real estate boom in 2005, Charlotte's tax base grew 52 percent in a single year and Manatee's grew 22 percent.

Tax critic Schroder blames the "triple whammy" of declining real estate prices, high property taxes and high insurance costs for the continued increase in assessed values in Manatee County.

People have a hard time selling their homes, even at lower prices, and buyers are turned off by the high insurance rates and taxes.

Appraisers base their numbers on recent sales, but if people are not selling, the declining values of their homes do not show up in the appraisals.

"They couldn't sell," Schroder said. "It's not a question of they wouldn't sell."