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Guest column: Lowering property taxes has a penalty

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Nothing comes without a price. This certainly holds true for state mandates on Florida property taxes. It's no news that the people of Florida are struggling or that the housing market is far from recovered.

But Florida's many local governments are feeling the strain, and cuts in property tax revenues aren't helping.

According to the LeRoy Collins Institute's most recent report, "The Double Whammy Facing Florida's Counties," county governments are having a very difficult time handling state mandates coupled with the down economy.

In the past two years, county revenues have fallen on average more than $100 per resident - by far the largest reduction in over three decades.

Losses in county revenue generally translate to cuts to local services.

According to our report, the property tax is the most relied-upon source for revenues in Florida's counties, representing 55 percent of the average county's revenue in 2009. When Amendment 1 was approved in 2008, this doubled the homestead exemption. And no surprise - constrained county revenues.

Looking into the future, state legislators have put Amendment 4 on the November 2012 ballot to again lower property tax levies that make up the majority of local governments' revenue.

This amendment would extend the Save Our Homes-style caps on non-residential tax assessments and reduce property taxes for those buying a house for the first time.

While these may be appealing tax cuts for citizens, and for state legislators taking credit for taxes they don't collect, the effect on counties may be more of a fiscal piling-on.

County officials are in for a bumpy ride if the last three years haven't done enough damage.

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