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## **Sarasota County tax base's growth slows to a crawl, relieving some property owners**

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For the first time in years, it looks like part-time residents and business owners will not have to worry when they open their property tax bills.

That is because Sarasota County's values climbed only 5 percent last year, with much of that owing to new construction, according to an estimate released Friday by Sarasota County Property Appraiser Jim Todora.

While the county's tax base is now estimated at \$62 billion, the latest increase could bring relief to non-homesteaded property owners who bore the brunt of five consecutive years of double-digit growth capped by a 28 percent jump in 2005.

In a twist, much of the increase came from full-time residents who are protected from large jumps in the assessed values of their homes by the Save Our Homes constitutional amendment.

Their values went up 2.5 percent, Todora said.

Even though new housing construction slowed as the year progressed, there were still about 6,000 new homes built in Sarasota County last year, accounting for much of the rest of the increase, he said.

That means, in a departure from past years, part-time residents and businesses may bear less of the local tax burden.

Sarasota County appears to have taken a harder hit from the real estate downturn than its neighbors, particularly Manatee County, where new construction was still surging in 2006 and tax values on homes and businesses rose 13 percent.

New construction has practically come to a halt, said Sarasota County Administrator Jim Ley, who expects the county's taxable value will drop next year.

Major new subdivisions and commercial projects are reviewed by a committee of county planners -- but that committee has not met for the last four weeks because there are no projects in the pipeline, Ley said. Last year, the committee usually reviewed two or three projects a week.

County property appraisers are required to make an estimate of property values on June 1 of each year.

The numbers are used by local governments to determine their spending plans.

The property estimates show that growth continued, but at a much slower pace up and down the coast last year.

Even in North Port, where values soared a record 40 percent in 2005, taxable values grew a modest 8 percent.

In the Sarasota County portion of Longboat Key, values fell by 0.5 percent -- a decline for the first time this decade.

And, perhaps in the most telling statistic, the Gulf side of Longboat Key in Manatee County reported no new construction in 2006, compared with \$6 million in 2005.

Of coastal cities in the region, Punta Gorda's 9 percent was the fastest-paced growth.

Property taxes are a big part of local government budgets. School districts get about half the money; while the rest goes to counties, cities and hospital and other taxing districts.

With state lawmakers expected to reform the local property tax system during a special session that begins June 12, local governments are scurrying to make budget cuts.

Sarasota County is expected to start with a "flat" budget -- which means it would collect the same amount of property taxes next year as this year -- when it starts budget deliberations June 19.

That means the county would have to cut property tax rates by 5 percent because of the increase in assessments.

Even if counties turn all of the increased values into tax cuts, residents likely will see tax hikes in their next property tax bills, which go out in November, county officials say.

That is because the state's education budget calls for local property tax rates for schools to stay the same.

"They chose to keep the millage rate for schools the same statewide, which means they're going to get 11 percent more taxes from Manatee County," said Jim Seuffert, Manatee County's finance director.

While real estate values rose 13 percent in Manatee County, other property that is taxed, such as business equipment, climbed at a slower pace.

So, the total rise in taxable value of all property was 11 percent.

As a result, "people could still see an increase in their taxes," even if cities and counties cut their rates, Seuffert said.