

Gulf Coast Tax Breaks Another Special Session

[John Kennedy - The News Service of Florida](#)

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The Captial, TALLAHASSEE - Tax breaks for Gulf coast property owners could be part of the mix in a proposed special session sparked by the Deepwater Horizon oil spill which Gov. Charlie Crist is looking to call as early as next month.

Chief Financial Officer Alex Sink pushed Crist to embrace the tax reduction plan Tuesday as the governor and Cabinet heard presentations from BP along with state environmental, wildlife and revenue officials about the effects of the massive spill.

The economic effect – which a University of Central Florida economist estimates as potentially ranging from \$2.2 billion to as much as \$10 billion – is proving more difficult to gauge.

“This is going to be an incredibly complex legal tangle to untangle and to ensure that everybody is compensated fairly,” said Sink, who said she’s been advising businesses, individuals and city and county governments to carefully document losses stemming from the encroaching oil.

The tax-break proposal emerged in a joint letter to Crist from property appraisers in the Panhandle’s Santa Rosa and Escambia counties.

They said that property owners are likely to endure a loss in value this year because of the spill but will face tax payments this fall based on assessments in place at the start of 2010.

“We are concerned for the taxpayers of our respective counties who are already struggling with the economic downturn and the resulting declining property values,” Gregory Brown, of Santa Rosa, and Chris Jones, of Escambia, told Crist. “When property values decline along the coast due to BP’s negligence, the affected citizens should be allowed some adjustment to their tax burden.”

Property tax relief has been distributed five times since 1985 following hurricanes, wildfires and tornadoes in Florida, said Lisa Echeverri, executive director of the state’s Revenue Department.

The most recent property-tax break was issued to Central Florida counties battered by tornadoes in 2007.

But those relief efforts may have proved easier to implement.

The 2007 legislation offered as much as \$1,500 in property-tax reimbursements to residents whose houses were destroyed or heavily damaged in the tornadoes.

By contrast, losses stemming from a lack of tourists coming to commercial properties or the diminished value of residential or vacant land may prove tougher to calculate, officials acknowledge.

Similarly, the loss of tax revenue to state and local government caused by the spill could require lawmakers to approve a scheme for distributing dollars coming from BP.

The company Tuesday promised Florida another \$25 million – on top of an earlier \$25 million issued the state.

Crist has sought as much as \$200 million from the company to offset damage, for advertising and continued coastal monitoring.

“We’re trying to figure out how the models may need to be adjusted,” Echeverri said of state revenue forecasts that could be shaken by the disaster. Economists were anticipating a \$6 billion budget shortfall next year, even before the gulf spill.

Crist has been pushing lawmakers toward a special session to put on the November ballot a constitutional amendment banning oil-drilling in Florida waters – a proposal that has been roundly rejected by House leaders, including incoming House Speaker Dean Cannon, R-Winter Park.

Cannon sponsored legislation in 2009 that would have allowed drilling as close as three miles offshore and this spring conducted public hearings that downplayed the risks of oil and gas exploration.

Crist also wants lawmakers to include in a possible special session a plan for Florida to draw at least 20 percent of its energy needs from wind, solar and other renewable energy sources within 10 years.

But pulling temporary property tax relief into the session may finally give him an issue that could be embraced by an otherwise reluctant, Republican-led Legislature this election year.

Crist acknowledged that expanding the agenda of the proposed session was likely. But he said such an approach was not driven by strategy even though he faces an increasingly hostile Legislature.

“I haven’t done a political analysis of it,” Crist said.