



The Florida House of Representatives

Office of the Speaker

Marco Rubio
Speaker

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The Honorable Dan Gelber
Democratic Leader
Office of the Minority Leader
316 The Capitol
402 South Monroe Street
Tallahassee, FL 32399-1300

The Honorable Joyce Cusack
Democratic Leader Pro Tempore
Office of the Minority Leader
316 The Capitol
402 South Monroe Street
Tallahassee, FL 32399-1300

Dear Representatives Gelber and Cusack,

I have received your most recent letter concerning Governor Crist's vetoes. With all the correspondence being sent from your office over the past few days, I feel like we are pen-pals.

I am enthusiastic about your call for immediate tax relief. Making sure that the next tax bill that Floridians receive is one that they can afford has long been my goal for this year. I am glad that you have embraced that aim.

Unfortunately, following your suggestion of using the money saved by the Governor's vetoes would violate not just a principle of responsible budgeting but also the wishes of the people of Florida as reflected in our state's constitution.

The dollars returned to the state treasury by the Governor's vetoes are insufficient to eliminate any increase in the Required Local Effort. Additionally, the bulk of those dollars are trust funded monies that can not be used without a change to our trust fund laws.

Only a portion of the savings from the Governor came from recurring revenues. The Florida Constitution as amended last year requires that recurring expenses be funded with recurring revenues. While we are certainly within our constitutional limits in the use of nonrecurring dollars, it is unsound fiscal policy to appropriate nonrecurring dollars for recurring costs. In fact, the budget crafted by the House and Senate and signed by the Governor yesterday does not use any nonrecurring dollars for recurring expenses.

Prudently assembling the state's budget is the legislature's most important obligation. Unlike local governments, the state did not realize a windfall in tax dollars this year. Our state government actually saw a reduction of over \$1 billion. Early estimates now indicate that the shortfall may actually exceed current estimates. If we do not continue to practice fiscal discipline, we could place the state in a potentially devastating deficit just three years from now. Carrying a three year balanced budget is not simply another principle of responsible budgeting; it is also the wishes of the people of the state as shown by the recently adopted constitutional amendment.

Given sound budgeting principles and constitutional budget restraints, I encourage you to consider other recurring expenses as an opportunity to reduce property taxes.

While I do not support cutting nearly \$1 billion in school funding as proposed in your current property tax relief plan, I believe that this aspect of your proposal demonstrates a willingness of your caucus to reconsider some of your previous stands on such matters. In that vein, I invite discussion of a modification of the class size amendment to lower the cost of implementing the smaller classes we all support as one solution to help reduce property taxes upon which we might find broad agreement.

I share your distaste for the property tax. In fact, I wish it would go away totally, at least on homesteaded properties. But as you know public education funding in Florida is a partnership between the state and the local school boards. The property tax is the only method of generating revenue we have given school districts.

With your current tax relief plan demonstrating a willingness to reconsider past stances, perhaps your caucus also is willing to reconsider their opposition to eliminating school property taxes and replacing them with a fairer way to tax- a consumption tax. As this year's decline in sales tax revenue shows, it is a fairer way to tax which truly reflects people's ability to pay.

Thank you for your suggestions. I am encouraged that the Democratic caucus continues to put forward ideas to lower property taxes. Have an enjoyable holiday weekend.

Sincerely

A handwritten signature in black ink, appearing to read 'MR' followed by a circled 'RU'.

Marco Rubio
Speaker

Cc: Honorable Charlie Crist, Governor
Honorable Marty Bowen, House Majority Leader
Honorable Mike Haridopolos
Honorable Dean Cannon