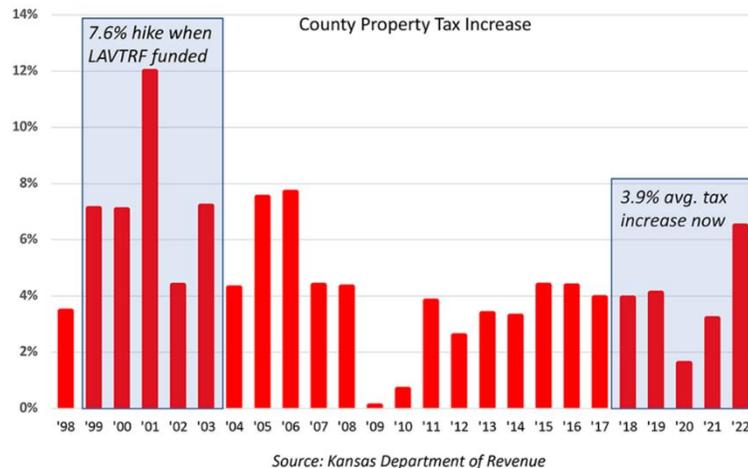


Madam Chairwoman and Members of the Committee,

We are pleased to provide written testimony in support of SB 536, which essentially guarantees that Local Ad Valorem Tax Reduction (LAVTR) money is used to reduce local property taxes.

Sending LAVTR money to local political subdivisions in the hope it would be used to reduce property tax was not successful. In the last five years it was funded (1999 – 2003), county-imposed property taxes increased by an average of 7.6%. That is almost twice as much as the current five-year average of 3.9%.



SB 536 requires each local entity to be revenue-neutral on the property tax it imposes to be eligible for LAVTR funding, which is used to reduce tax collections from the revenue-neutral level. This guarantees that the local entity collects the same amount as the year before in a combination of property tax dollars and LAVTR funds) and that taxpayers really get a break.

We encourage the Committee to approve SB 536, and we appreciate your consideration.