

# MEMORANDUM

Agenda Item No. 11(A)(9)

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**TO:** Honorable Chairman Esteban L. Bovo, Jr.  
and Members, Board of County Commissioners

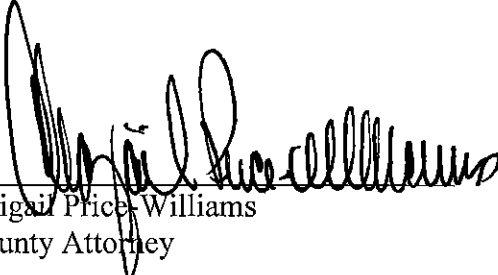
**DATE:** October 17, 2017

**FROM:** Abigail Price-Williams  
County Attorney

**SUBJECT:** Resolution urging the Florida Legislature to enact legislation that would authorize local governments to levy a documentary stamp surtax or similar additional tax on the transfer of residential real estate when the total consideration is \$1,000,000.00 or more

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The accompanying resolution was prepared and placed on the agenda at the request of Co-Prime Sponsors Commissioner Barbara J. Jordan, Commissioner Daniella Levine Cava and Commissioner Xavier L. Suarez.

  
\_\_\_\_\_  
Abigail Price-Williams  
County Attorney

APW/smm



# MEMORANDUM

(Revised)

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and Members, Board of County Commissioners

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Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 11(A)(9)  
10-17-17

RESOLUTION NO. \_\_\_\_\_

RESOLUTION URGING THE FLORIDA LEGISLATURE TO ENACT LEGISLATION THAT WOULD AUTHORIZE LOCAL GOVERNMENTS TO LEVY A DOCUMENTARY STAMP SURTAX OR SIMILAR ADDITIONAL TAX ON THE TRANSFER OF RESIDENTIAL REAL ESTATE WHEN THE TOTAL CONSIDERATION IS \$1,000,000.00 OR MORE

**WHEREAS**, according to the S&P CoreLogic Case-Shiller Index, home prices in South Florida have soared 59 percent since the housing market bottomed out in 2011, while Census figures show that local wages have barely budged during that same period; and

**WHEREAS**, indeed, a recent Bloomberg study found that the gap between incomes and home prices makes South Florida the nation's eighth-worst market for first-time homebuyers; and

**WHEREAS**, this shortage of affordable housing has hit recent college graduates and other millennials—the current generation of 18-to-34-year-olds—particularly hard; and

**WHEREAS**, in fact, a 2016 study by real-estate website Trulia and job-networking site LinkedIn on where recent college graduates have the most economic opportunities ranked South Florida dead last out of 40 large U.S. metropolitan areas because of low starting salaries and high housing costs; and

**WHEREAS**, moreover, according to a study by the apartment-finding service Adobo, Miami has more millennials living at home than any other U.S. city, with 45 percent still living with their parents; and

**WHEREAS**, the difficulty of finding affordable housing in Miami-Dade County is even greater than in expensive cities like New York and Boston, because although in these cities home prices are higher, so is the average income; and

**WHEREAS**, a large reason for the stark decline in affordable housing in South Florida is that wealthy foreign investors have driven up home prices disproportionately to local incomes; and

**WHEREAS**, according to a recent report by the Miami Association of Realtors and the National Association of Realtors, foreign nationals spent \$6.2 billion in 2016—up from \$6.1 billion in 2015—on South Florida residential real estate, with about 80 percent of such sales taking place in Miami-Dade County; and

**WHEREAS**, as a result, South Florida developers are building more and more luxury homes to appeal to wealthy foreign investors, driving up construction and land costs and making it difficult to produce homes at more affordable price points; and

**WHEREAS**, according to Mike Pappas, President and CEO of the Keyes Company, over the past two years the number of single-family homes on the market between \$250,000.00 and \$600,000.00 has dropped 18 percent, and such homes are only staying on the market for 57 days, down from 79 days in 2014; and

**WHEREAS**, in an effort to keep housing prices from spiraling out of control and to bolster local budgets during difficult economic times, others states throughout the country have imposed an additional transfer or “mansion” tax on transfers of real estate above a certain dollar threshold; and

**WHEREAS**, for instance, both New York and New Jersey impose an extra 1 percent “mansion” tax, payable by the purchaser, on home sales above \$1,000,000.00; and

**WHEREAS**, in light of the steadily increasing housing prices and diminishing supply of decent, affordable housing in South Florida driven largely by the recent influx of foreign investors, substantial efforts are needed to help stabilize local housing prices and to make housing more affordable for local everyday citizens; and

**WHEREAS**, this Board would like to urge the Florida Legislature to enact legislation that would authorize local governments to levy a documentary stamp surtax or similar additional tax on the transfer of residential real estate when the total consideration is \$1,000,000.00 or more,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board:

**Section 1.** Urges the Florida Legislature to enact legislation that would authorize local governments to levy a documentary stamp surtax or similar additional tax on the transfer of residential real estate when the total consideration is \$1,000,000.00 or more.

**Section 2.** Directs the Clerk of this Board to transmit certified copies of this resolution to the Governor, Senate President, House Speaker, and the Chair and Members of the Miami-Dade State Legislative Delegation.

**Section 3.** Directs the County's state lobbyists to advocate for the legislative action set forth in Section 1 above, and authorizes and directs the Office of Intergovernmental Affairs to incorporate this item into the 2018 State Legislative Package.

The Co-Prime Sponsors of the foregoing resolution are Commissioner Barbara J. Jordan, Commissioner Daniella Levine Cava and Commissioner Xavier L. Suarez. It was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Esteban L. Bovo, Jr., Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 17<sup>th</sup> day of October, 2017. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

MSM

Michael J. Mastrucci