

Congress of the United States
House of Representatives
Washington, DC 20515-0926

June 11, 2013

Office of Governor Rick Scott
State of Florida
The Capitol
400 S. Monroe St.
Tallahassee, FL 32399-0001

Dear Governor Scott,

As the Congressman for Florida's 26th Congressional District, I am writing to bring to your attention important concerns raised by a number of my constituents in Monroe County regarding Senate Bill 354, which is currently before you.

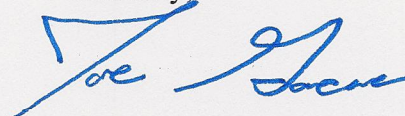
In 2007, the Navy transferred ownership of 890 military housing units in Key West to the for-profit private company Southeast Housing LLC, a part of the British-owned Balfour Beatty Communities. At the time it solicited bids for this venture, the Navy made clear that private sector bidders "shall assume that full property taxes and/or possessory interest taxes will be assessed on all privatized homes at the projected 2006 rate for the applicable jurisdiction, and include such costs in their financial projections." Additionally, in its agreement with Balfour, the Navy made clear that the Southeast Housing would be responsible for all taxes on the privatized housing, including those occupied by military personnel and local civilians.

Despite this clear understanding, Southeast Housing has disputed whether it should be required to pay the same local taxes to Monroe County that other for-profit private companies do. According to Monroe County, Southeast Housing today owes the County at least \$11 million in back taxes. This lack of payment has taken a toll on Monroe County's finances, as property taxes account for 80 percent of the school district's budget. Property taxes also fund numerous other services, including law enforcement and emergency services, that are used by military and civilian families, which other private companies help fund through their tax payments.

By providing a retroactive tax exemption, Senate Bill 354 seeks to exempt Southeast Housing from a significant portion of the back taxes it owes Monroe County. In addition to denying Monroe County these much needed funds, it is simply not fair for a single for-profit company to be exempt from local property taxes yet still benefit from the community's investments in law enforcement, infrastructure, and other services while other private companies must pay their fair share.

Thank you for your consideration of Monroe County and these important concerns as you consider Senate Bill 354.

Sincerely,



Joe Garcia
Member of Congress