

By Senator Dudley

25-163-98

1 A bill to be entitled
2 An act providing equity in taxation; providing
3 for partial-year assessments of real property
4 for purposes of ad valorem taxation; providing
5 legislative intent; amending s. 192.001, F.S.;
6 providing definitions; creating s. 192.039,
7 F.S.; providing for partial-year real property
8 assessments; providing formulas for calculating
9 ad valorem taxes to be levied on real property
10 that is assessed for a partial year; requiring
11 such properties and the tax thereupon to be
12 included in computing rolled-back millage under
13 s. 200.065, F.S.; amending s. 192.042, F.S.;
14 amending the standards for calculating just
15 value to conform to the provisions for
16 partial-year assessment of real property;
17 providing for sharing the costs of implementing
18 partial-year assessments; creating s. 193.078,
19 F.S.; providing for notice of substantially
20 destroyed property; amending s. 193.114, F.S.;
21 amending provisions relating to the preparation
22 of assessment rolls, to conform to this act;
23 amending s. 195.027, F.S.; providing for the
24 Department of Revenue to adopt rules concerning
25 returns for property that is subject to
26 partial-year assessment; amending s. 196.011,
27 F.S.; amending provisions relating to the
28 annual application for the homestead tax
29 exemption, to conform; amending s. 197.3635,
30 F.S.; amending provisions relating to
31 requirements for a combined notice of ad

1 valorem taxes and non-ad valorem assessments,
2 to conform; creating s. 197.3645, F.S.;
3 providing criteria that must be met before a
4 separate notice may be mailed for partial-year
5 ad valorem taxes; amending s. 200.065, F.S.,
6 relating to computing the "rolled-back rate,"
7 to conform; creating s. 200.0701, F.S.;
8 providing for notice of partial-year assessment
9 to be delivered to taxpayers; allowing the
10 notice, at the discretion of the property
11 appraiser, to be separate or combined with the
12 notice required in s. 200.069, F.S.; providing
13 for the date of initial application of this
14 act; amending s. 212.08, F.S.; conforming a
15 crossreference; amending ss. 163.387, 197.102,
16 197.122, F.S.; amending provisions relating to
17 redevelopment trust funds, definitions used in
18 ch. 197, F.S., and provisions relating to tax
19 liens, to provide for the date on which a tax
20 lien attaches if the lien relates to property
21 on which partial-year assessment is imposed;
22 providing a contingent effective date.

23

24 Be It Enacted by the Legislature of the State of Florida:

25

26 Section 1. The Legislature determines that this act
27 fulfills an important state interest by establishing greater
28 tax equity among property owners. The act modifies the ad
29 valorem assessment process to ensure that all real-property
30 owners pay ad valorem taxes on property that is or can be used
31 for the purpose for which it was constructed or acquired.

1 Section 2. Subsections (20) and (21) are added to
2 section 192.001, Florida Statutes, to read:

3 192.001 Definitions.--All definitions set out in
4 chapters 1 and 200 that are applicable to this part are
5 included herein. In addition, the following definitions shall
6 apply in the imposition of ad valorem taxes:

7 (20) "Substantially completed," as applied to real
8 property, means that an improvement to the real property or a
9 self-sufficient unit within the real property can be used for
10 the purpose for which it was constructed. As used in this
11 subsection, the term "improvement to real property" includes
12 both new construction and additions.

13 (21) "Substantially destroyed," as applied to real
14 property, means that the real property cannot be used for the
15 purpose for which it was constructed, due to the occurrence of
16 a natural disaster or catastrophic event, including, but not
17 limited to, a fire, flood, severe windstorm, or riotous act.

18 Section 3. Section 192.039, Florida Statutes, is
19 created to read:

20 192.039 Partial-year real property assessments.--

21 (1) A substantially complete improvement to or a
22 substantial destruction of real property which did not occur
23 before January 1 of the preceding year but which did occur
24 before January 1 of the current year must be assessed and
25 listed on the partial-year real property assessment roll in
26 addition to being assessed and listed on the current real
27 property assessment roll. An improvement to residential real
28 property must be placed on the partial-year assessment roll
29 when the improvement or a self-sufficient unit within it is
30 occupied or otherwise used for the purpose for which it was
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1 constructed or 60 days after the improvement is substantially
2 completed, whichever occurs first.

3 (2)(a) A substantially complete improvement to real
4 property which improvement is assessed under subsection (1)
5 must be assessed as if the improvement had been substantially
6 completed on January 1 of the preceding year.

7 (b) Substantially destroyed real property must be
8 assessed as if it had been substantially destroyed on January
9 1 of the preceding year.

10 (3) When preparing the partial-year real property
11 assessment roll, the property appraiser must use the millage
12 applicable in the preceding year and must apply it based on
13 the jurisdictional boundaries of the various taxing
14 authorities on January 1 of the preceding year.

15 (4)(a) After applying all applicable exemptions, the
16 tax levied on an improvement to real property assessed under
17 subsection (1) must be computed by:

18 1. Multiplying the taxable value of the improvements
19 to the property by the applicable millage rate; and

20 2. Multiplying the product computed under subparagraph
21 1. by a fraction the numerator of which is the number of
22 months, including any portion of a month as a month, remaining
23 in the calendar year in which the improvement was
24 substantially completed and the denominator of which is 12.

25 (b) After applying all applicable exemptions, the
26 total tax to be levied for the year in which property is
27 substantially destroyed is the sum of:

28 1. The product of the taxable value of the property
29 during the period of time that it was substantially destroyed
30 multiplied by the applicable millage rate multiplied by a
31 fraction the numerator of which is the number of months in the

1 calendar year during which months the property could not be
2 used for its constructed purpose and the denominator of which
3 is 12; and

4 2. The product of the taxable value of the property
5 during the period of time that it was not substantially
6 destroyed, including the time after it was rebuilt or
7 replaced, if applicable, multiplied by the applicable millage
8 rate multiplied by a fraction the numerator of which is the
9 number of months in the calendar year during which months the
10 property was not substantially destroyed and the denominator
11 of which is 12.

12
13 If the sum of subparagraphs 1. and 2. is less than the taxes
14 paid for the year in which the property was substantially
15 destroyed, the amount of the tax reduction must be applied as
16 a credit on the taxes due for that property for the year
17 following the year in which the property was substantially
18 destroyed.

19 (5) All exemptions that are authorized under chapter
20 196 and are based on the ownership and use of property apply
21 to property listed on the partial-year real property
22 assessment roll. If an applicant who seeks an exemption for
23 property on the partial-year real property assessment roll has
24 previously applied for and received an exemption for other
25 property that no longer qualifies for an exemption based on
26 the applicant's ownership or use, the amount of the exemption
27 used to determine the taxable value on the property must be
28 reduced by the amount of the exemption granted on the property
29 no longer in use. For purposes of preparing the partial-year
30 real property assessment and applying the exemptions, it is
31 the responsibility of the property owner to apply for all

1 applicable ad valorem tax exemptions by March 1 of the year
2 after substantial completion.

3 (6) The real property assessed and the tax determined
4 under this section must be included in the computation of the
5 rolled-back millage under s. 200.065.

6 Section 4. Section 192.042, Florida Statutes, is
7 amended to read:

8 192.042 Date of assessment.--All property must ~~shall~~
9 be assessed according to its just value as follows:

10 (1) Real property, on January 1 of each year. Value
11 must not be placed on improvements or portions that are not
12 substantially completed before on January 1 ~~shall have no~~
13 ~~value placed thereon. "Substantially completed" shall mean~~
14 ~~that the improvement or some self-sufficient unit within it~~
15 ~~can be used for the purpose for which it was constructed.~~

16 (2) An improvement to real property which was not
17 substantially completed before January 1 of the preceding year
18 but which was substantially completed before January 1 of the
19 current year, on January 1 of the calendar year following the
20 year in which the improvement is substantially completed. The
21 improvement must be assessed as if it had been substantially
22 completed on January 1 of the year of substantial completion.

23 ~~(3)~~(2) Tangible personal property, on January 1,
24 except that value must not be placed on construction work in
25 progress ~~shall have no value placed thereon~~ until it is
26 substantially completed as defined in s. 192.001(11)(d).

27 ~~(4)~~(3) Intangible personal property, according to ~~the~~
28 ~~rules laid down in~~ chapter 199.

29 Section 5. The direct administrative costs that are
30 incurred by a property appraiser and tax collector during the
31 first year in which partial-year assessments are implemented

1 are to be shared by all ad valorem taxing authorities in a
2 county in amounts proportionate to the amount of ad valorem
3 tax revenue received by each authority.

4 Section 6. Section 193.078, Florida Statutes, is
5 created to read:

6 193.078 Notice of substantially destroyed real
7 property.--

8 (1) For purposes of listing on the partial-year
9 assessment roll real property that is substantially destroyed,
10 the property appraiser shall accept notices on or before April
11 1 of the year following the year in which the real property is
12 substantially destroyed. The notice must be filed on a form
13 prescribed by the department by any taxpayer seeking to
14 receive a reduction in taxes under s. 192.039.

15 (2) Upon determining that the real property described
16 in the notice is in fact substantially destroyed and verifying
17 the date of destruction, the property appraiser shall so state
18 on the notice and shall provide a copy to the taxpayer.

19 Section 7. Subsection (1) of section 193.114, Florida
20 Statutes, is amended, present subsections (5) and (6) of that
21 section are redesignated as subsections (6) and (7),
22 respectively, and a new subsection (5) is added to that
23 section to read:

24 193.114 Preparation of assessment rolls.--

25 (1) Each property appraiser shall prepare the
26 following assessment rolls:

27 (a) Real property assessment roll.

28 (b) Tangible-personal-property ~~Tangible personal~~
29 ~~property~~ assessment roll. This roll must ~~shall~~ include
30 taxable household goods and all other taxable tangible
31 personal property.

- 1 (c) Partial-year real property assessment roll.
2 (5) The department shall adopt rules and prescribe
3 forms for the preparation of the partial-year real property
4 assessment roll to show:
5 (a) A brief description of the property for purposes
6 of location.
7 (b) An indication of whether the property is improved
8 or destroyed.
9 (c) The just value, determined by using the factors
10 set forth in s. 193.011, of all property.
11 (d) The exemption categories that are applied to the
12 property.
13 (e) The taxable value as determined under s. 192.039.
14 (f) For property that is classified so that it is
15 assessed other than under s. 193.011, its value according to
16 its classified use and its value as it would be if assessed
17 under s. 193.011.
18 (g) The name and address of the owner or fiduciary
19 responsible for the payment of taxes on the property and an
20 indication of that person's fiduciary capacity.
21 (h) The millage levied on the property.
22 (i) The month in which the property was substantially
23 completed.
24 (j) The tax determined in accordance with s.
25 192.039(4).

26 Section 8. Section 195.027, Florida Statutes, is
27 amended to read:

28 195.027 Rules ~~and regulations~~.--

29 (1) The Department of Revenue shall prescribe
30 reasonable rules ~~and regulations~~ for the assessing and
31 collecting of taxes, and these ~~such~~ rules must ~~and regulations~~

1 ~~shall~~ be followed by the property appraisers, tax collectors,
2 clerks of the circuit court, and value adjustment boards. ~~It~~
3 ~~is hereby declared to be the legislative intent that~~ The
4 department shall formulate these such rules so as to ensure
5 ~~and regulations~~ that property will be assessed, taxes will be
6 collected, and the administration conducted in a manner that
7 ~~is will be~~ uniform, just, and otherwise in compliance with the
8 requirements of the general law and the constitution.

9 (2) It is the legislative intent that all counties
10 operate on computer programs that are substantially similar
11 and produce data that which are directly comparable. The
12 rules must ~~and regulations shall~~ prescribe uniform standards
13 and procedures for computer programs and operations for all
14 programs installed in any property appraiser's office. It is
15 the legislative intent that the department shall require a
16 high degree of uniformity so that data will be comparable
17 among counties and so that a single audit procedure will be
18 practical for all property appraisers' offices.

19 (3) The rules must ~~and regulations shall~~ provide
20 procedures whereby the property appraiser, the Department of
21 Revenue, and the Auditor General are ~~shall be~~ able to obtain
22 access, if where necessary, to financial records relating to
23 nonhomestead property which records are required to make a
24 determination of the proper assessment as to the particular
25 property in question. Access to a taxpayer's records is to
26 ~~shall~~ be provided only in those instances in which it is
27 determined that such records are necessary to determine either
28 the classification or the value of the taxable nonhomestead
29 property. Access is to ~~shall~~ be provided only to those
30 records that which pertain to the property physically located
31 in the taxing county as of January 1 of each year and to the

1 income from such property generated in the taxing county for
2 the year in which a proper assessment is made. All records
3 produced by the taxpayer under this subsection are ~~shall be~~
4 ~~deemed to be~~ confidential in the hands of the property
5 appraiser, the department, the tax collector, and the Auditor
6 General and must ~~shall~~ not be divulged to any person, firm, or
7 corporation, except upon court order or order of an
8 administrative body having quasi-judicial powers in ad valorem
9 tax matters, and such records are exempt from the provisions
10 of s. 119.07(1) and from s. 24(a) of Art. I of the State
11 Constitution.

12 (4)(a) The rules and regulations prescribed by the
13 department must ~~shall~~ require a return of tangible personal
14 property which includes ~~shall include~~:

15 1. A general identification and description of the
16 property or, when more than one item constitutes a class of
17 similar items, a description of the class.

18 2. The location of the ~~such~~ property.

19 3. The original cost of the ~~such~~ property and, in the
20 case of a class of similar items, the average cost.

21 4. The age of the ~~such~~ property and, in the case of a
22 class of similar items, the average age.

23 5. The condition, including functional and economic
24 depreciation or obsolescence.

25 6. The taxpayer's estimate of fair market value.

26 (b) For purposes of this subsection, a class of
27 property includes ~~shall include~~ only those items that ~~which~~
28 are substantially similar in function and use. ~~Nothing in~~ This
29 chapter does not ~~shall~~ authorize the department to prescribe a
30 return requiring information other than that contained in this
31 subsection; nor may ~~shall~~ the department issue or adopt

1 ~~promulgate~~ any rule that directs ~~or regulation directing~~ the
2 assessment of property by the consideration of factors other
3 than those enumerated in s. 193.011.

4 (5) The rules must ~~and regulations shall~~ require that
5 the property appraiser deliver copies of all pleadings in
6 court proceedings in which his or her office is involved to
7 the Department of Revenue.

8 (6) The fees and costs of the sale or purchase and
9 terms of financing are ~~shall be~~ presumed to be usual unless
10 the buyer or seller or agent thereof files a form that ~~which~~
11 discloses the unusual fees, costs, and terms of financing.
12 Such a form must ~~shall~~ be filed with the clerk of the circuit
13 court at the time of recording. The rules must ~~and~~
14 ~~regulations shall~~ prescribe an information form to be used for
15 this purpose. Either the buyer or the seller or the agent of
16 either shall complete the information form and certify that
17 the form is accurate to the best of his or her knowledge and
18 belief. The information form is to ~~shall~~ be confidential in
19 the hands of all persons after delivery to the clerk, except
20 that the Department of Revenue and the Auditor General shall
21 have access to it in the execution of their official duties,
22 and such a form is exempt from the provisions of s. 119.07(1)
23 and of s. 24(a) of Art. I of the State Constitution. The
24 information form may be used in any judicial proceeding, upon
25 a motion to produce duly made by any party to such
26 proceedings. Failure of the clerk to obtain an information
27 form with the recording does ~~shall~~ not impair the validity of
28 the recording or the conveyance. The form must ~~shall~~ provide
29 for a notation by the clerk indicating the book and page
30 number of the conveyance in the official record books of the
31 county. The clerk shall promptly deliver all information

1 forms received to the property appraiser for his or her
2 custody and use.

3 Section 9. Paragraph (a) of subsection (1) of section
4 196.011, Florida Statutes, is amended to read:

5 196.011 Annual application required for exemption.--

6 (1)(a) Every person or organization who, on January 1,
7 has the legal title to real or personal property, except
8 inventory, which is entitled by law to exemption from taxation
9 as a result of its ownership and use shall, on or before March
10 1 of each year, file an application for exemption with the
11 county property appraiser, listing and describing the property
12 for which exemption is claimed and certifying its ownership
13 and use. If an application for exemption is made for property
14 listed on a partial-year real property assessment roll, the
15 date on which the property became entitled by law to the
16 exemption must be stated.The Department of Revenue shall
17 prescribe the forms upon which the application is made.
18 Failure to make application, when required, on or before March
19 1 of any year constitutes ~~shall constitute~~ a waiver of the
20 exemption privilege for that year, except as provided in
21 subsection (7) or subsection (8).

22 Section 10. Section 197.3635, Florida Statutes, is
23 amended to read:

24 197.3635 Combined notice of ad valorem taxes and
25 non-ad valorem assessments; requirements.--A form for the
26 combined notice of ad valorem taxes and non-ad valorem
27 assessments must ~~shall~~ be produced and paid for by the tax
28 collector. The form must ~~shall~~ meet the requirements of this
29 section and department rules and is ~~shall be~~ subject to
30 approval by the department. By rule, the department shall
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1 provide a format for the form of the ~~such~~ combined notice.

2 The form must ~~shall~~ meet the following requirements:

3 (1) It must ~~shall~~ contain the title "Notice of Ad
4 Valorem Taxes and Non-ad Valorem Assessments." It must ~~shall~~
5 also contain a receipt part that can be returned along with
6 the payment to the tax collector.

7 (2) It must ~~shall~~ provide a clear partition between ad
8 valorem taxes and non-ad valorem assessments. The ~~Such~~
9 partition must ~~shall~~ be a bold horizontal line approximately
10 1/8 inch thick.

11 (3) Within the ad valorem part, it must ~~shall~~ contain
12 the heading "Ad Valorem Taxes." Within the non-ad valorem
13 assessment part, it must ~~shall~~ contain the heading "Non-ad
14 Valorem Assessments."

15 (4) It must ~~shall~~ contain the county name, the
16 assessment year, the mailing address of the tax collector, the
17 mailing address of one property owner, the legal description
18 of the property to at least 25 characters, and the unique
19 parcel or tax identification number of the property.

20 (5) It must ~~shall~~ provide for the labeled disclosure
21 of the total amount of combined levies and the total
22 discounted amount due each month when paid in advance.

23 (6) It must ~~shall~~ provide a field or portion on the
24 front of the notice for official use for data to reflect codes
25 useful to the tax collector.

26 (7) The combined notice must ~~shall~~ be set in type that
27 ~~which~~ is 8 points or larger.

28 (8) The ad valorem part must ~~shall~~ contain the
29 following:

30 (a) A schedule of the assessed value, exempted value,
31 and taxable value of the property.

1 (b) Subheadings for columns listing taxing
2 authorities, corresponding millage rates expressed in dollars
3 and cents per \$1,000 of taxable value, and the associated tax.

4 (c) Taxing authorities listed in the same sequence and
5 manner as listed on the notice required by s. 200.069(4)(a),
6 with the exception that independent special districts,
7 municipal service taxing districts, and voted debt service
8 millages for each taxing authority must ~~shall~~ be listed
9 separately. If a county has too many municipal service taxing
10 units to list separately, it must ~~shall~~ combine them to
11 disclose the total number of such units and the amount of
12 taxes levied.

13 (d) For any partial-year taxes, the notice must
14 include:

15 1. A schedule for the partial-year assessed value,
16 exempt value, taxable value, and the date on which the
17 property was acquired, substantially completed, or
18 substantially destroyed.

19 2. Subheadings for columns listing the taxing
20 authorities, corresponding millage rates for the preceding
21 year expressed in dollars and cents per \$1,000 of taxable
22 value, the fraction as designated in s. 192.039(4), and the
23 associated tax.

24 3. Taxing authorities listed in the same sequence and
25 manner as listed on the notice required by s. 200.069(4)(a),
26 with the exception that independent special districts,
27 municipal service taxing districts, and voted debt-service
28 millage for each taxing authority must be listed separately.
29 If a county has too many municipal service taxing units to
30 list them separately, it must combine them to disclose the
31 total number of such units and the amount of taxes levied.

1 (9) Within the non-ad valorem assessment part, it must
2 ~~shall~~ contain the following:

3 (a) Subheadings for columns listing the levying
4 authorities, corresponding assessment rates expressed in
5 dollars and cents per unit of assessment, and the associated
6 assessment amount.

7 (b) The purpose of the assessment, if the purpose is
8 not clearly indicated by the name of the levying authority.

9 (c) A listing of the levying authorities in the same
10 order as in the ad valorem part to the extent practicable. If
11 a county has too many municipal service benefit units to list
12 separately, it must ~~shall~~ combine them by function.

13 (10) It must ~~shall~~ provide instructions and useful
14 information to the taxpayer. The ~~Such~~ information and
15 instructions must ~~shall~~ be nontechnical to minimize confusion.
16 The information and instructions required by this section must
17 ~~shall~~ be provided by department rule and must ~~shall~~ include:

18 (a) Procedures to be followed when the property has
19 been sold or conveyed.

20 (b) Instruction as to mailing the remittance and
21 receipt along with a brief disclosure of the availability of
22 discounts.

23 (c) Notification about delinquency and interest for
24 delinquent payment.

25 (d) Notification that failure to pay the amounts due
26 will result in a tax certificate being issued against the
27 property.

28 (e) A brief statement outlining the responsibility of
29 the tax collector, the property appraiser, and the taxing
30 authorities. This statement must ~~shall~~ be accompanied by
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1 directions as to which office to contact for particular
2 questions or problems.

3 Section 11. Section 197.3645, Florida Statutes, is
4 created to read:

5 197.3645 Separate partial-year ad valorem tax
6 notice.--Partial-year ad valorem tax assessments that are
7 listed on the partial-year assessment roll prepared by the
8 property appraiser must be included in the combined notice for
9 ad valorem taxes and non-ad valorem taxes which is provided
10 for in s. 197.3635. A separate mailing is authorized only as
11 a solution to the most exigent factual circumstances.
12 However, if a tax collector cannot merge a partial-year
13 assessment roll to produce such a notice, the tax collector
14 must mail a separate notice of partial-year ad valorem
15 assessments. In deciding whether a separate mailing is
16 necessary, the tax collector shall consider all costs to
17 taxpayers of such a separate mailing and the adverse effects
18 to taxpayers of delayed and multiple notices.

19 Section 12. Subsection (1) of section 200.065, Florida
20 Statutes, is amended to read:

21 200.065 Method of fixing millage.--

22 (1) Upon completion of the assessment of all property
23 pursuant to s. 193.023, the property appraiser shall certify
24 to each taxing authority the taxable value, including both
25 regular and partial-year assessment rolls, within the
26 jurisdiction of the taxing authority. This certification must
27 ~~shall~~ include a copy of the statement required to be submitted
28 under s. 195.073(3), as applicable to that taxing authority.
29 The form on which the certification is made must ~~shall~~ include
30 instructions to each taxing authority describing the proper
31 method of computing a millage rate which, exclusive of new

1 construction, additions to structures, deletions, increases in
2 the value of improvements that have undergone a substantial
3 rehabilitation that ~~which~~ increased the assessed value of such
4 improvements by at least 100 percent, and property added due
5 to geographic boundary changes, will provide the same ad
6 valorem tax revenue for each taxing authority as was levied
7 during the prior year. That millage rate shall be known as the
8 "rolled-back rate." The information provided pursuant to this
9 subsection must ~~shall~~ also be sent to the tax collector by the
10 property appraiser at the time it is sent to each taxing
11 authority.

12 Section 13. Section 200.0701, Florida Statutes, is
13 created to read:

14 200.0701 Notice of partial-year assessment.--The
15 property appraiser, in the name of the taxing authorities
16 within the property appraiser's jurisdiction and at the
17 expense of the taxing authorities, shall prepare and deliver
18 by first-class mail to each taxpayer to be listed on the
19 partial-year real property assessment roll a notice of
20 partial-year assessment. At the discretion of the property
21 appraiser, the notice of partial-year assessment may be
22 separate from or part of the notice of proposed taxes required
23 in s. 200.069. The notice of partial-year assessment must
24 include the legal description of the property, the date on
25 which the property was either acquired or substantially
26 completed, the property's assessed value, the applicable
27 millage, and the taxes to be levied. If separate from s.
28 200.069, the notice must be mailed at the same time as the
29 notice required under s. 200.069.

30 Section 14. This act applies beginning with property
31 that is substantially completed after January 1, 1999.

1 Section 15. Paragraph (g) of subsection (5) of section
2 212.08, Florida Statutes, is amended to read:

3 212.08 Sales, rental, use, consumption, distribution,
4 and storage tax; specified exemptions.--The sale at retail,
5 the rental, the use, the consumption, the distribution, and
6 the storage to be used or consumed in this state of the
7 following are hereby specifically exempt from the tax imposed
8 by this chapter.

9 (5) EXEMPTIONS; ACCOUNT OF USE.--

10 (g) Building materials used in the rehabilitation of
11 real property located in an enterprise zone.--

12 1. Beginning July 1, 1995, building materials used in
13 the rehabilitation of real property located in an enterprise
14 zone are ~~shall be~~ exempt from the tax imposed by this chapter
15 upon an affirmative showing to the satisfaction of the
16 department that the items have been used for the
17 rehabilitation of real property located in an enterprise zone.
18 Except as provided in subparagraph 2., this exemption inures
19 to the owner, lessee, or lessor of the rehabilitated real
20 property located in an enterprise zone only through a refund
21 of previously paid taxes. To receive a refund under ~~pursuant~~
22 ~~to~~ this paragraph, the owner, lessee, or lessor of the
23 rehabilitated real property located in an enterprise zone must
24 file an application under oath with the governing body or
25 enterprise zone development agency having jurisdiction over
26 the enterprise zone where the business is located, as
27 applicable, which includes:

28 a. The name and address of the person claiming the
29 refund.

30
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1 b. An address and assessment roll parcel number of the
2 rehabilitated real property in an enterprise zone for which a
3 refund of previously paid taxes is being sought.

4 c. A description of the improvements made to
5 accomplish the rehabilitation of the real property.

6 d. A copy of the building permit issued for the
7 rehabilitation of the real property.

8 e. A sworn statement, under the penalty of perjury,
9 from the general contractor licensed in this state with whom
10 the applicant contracted to make the improvements necessary to
11 accomplish the rehabilitation of the real property, which
12 statement lists the building materials used in the
13 rehabilitation of the real property, the actual cost of the
14 building materials, and the amount of sales tax paid in this
15 state on the building materials. If ~~in the event that~~ a
16 general contractor has not been used, the applicant shall
17 provide this information in a sworn statement, under the
18 penalty of perjury. Copies of the invoices that ~~which~~ evidence
19 the purchase of the building materials used in such
20 rehabilitation and the payment of sales tax on the building
21 materials must ~~shall~~ be attached to the sworn statement
22 provided by the general contractor or by the applicant. Unless
23 the actual cost of building materials used in the
24 rehabilitation of real property and the payment of sales taxes
25 due thereon is documented by a general contractor or by the
26 applicant in this manner, the cost of the ~~such~~ building
27 materials must ~~shall~~ be an amount equal to 40 percent of the
28 increase in assessed value for ad valorem tax purposes.

29 f. The identifying number assigned under ~~pursuant to~~
30 s. 290.0065 to the enterprise zone in which the rehabilitated
31 real property is located.

1 g. A certification by the local building inspector
2 that the improvements necessary to accomplish the
3 rehabilitation of the real property are substantially
4 completed.

5 h. Whether the business is a small business as defined
6 by s. 288.703(1).

7 i. If applicable, the name and address of each
8 permanent employee of the business, including, for each
9 employee who is a resident of an enterprise zone, the
10 identifying number assigned under ~~pursuant to~~ s. 290.0065 to
11 the enterprise zone in which the employee resides.

12 2. This exemption inures to a city, county, or other
13 governmental agency through a refund of previously paid taxes
14 if the building materials used in the rehabilitation of real
15 property located in an enterprise zone are paid for from the
16 funds of a community development block grant or similar grant
17 or loan program. To receive a refund under ~~pursuant to~~ this
18 paragraph, a municipality ~~city~~, county, or other governmental
19 agency must file an application that ~~which~~ includes the same
20 information required to be provided in subparagraph 1. by an
21 owner, lessee, or lessor of rehabilitated real property. In
22 addition, the application must include a sworn statement
23 signed by the chief executive officer of the municipality
24 ~~city~~, county, or other governmental agency seeking a refund
25 which states that the building materials for which a refund is
26 sought were paid for from the funds of a community development
27 block grant or similar grant or loan program.

28 3. Within 10 working days after receipt of an
29 application, the governing body or enterprise zone development
30 agency shall review the application to determine if it
31 contains all the information required under ~~pursuant to~~

1 subparagraph 1. or subparagraph 2. and meets the criteria set
2 out in this paragraph. The governing body or agency shall
3 certify all applications that contain the information required
4 pursuant to subparagraph 1. or subparagraph 2. and meet the
5 criteria set out in this paragraph as eligible to receive a
6 refund. If applicable, the governing body or agency shall also
7 certify if 20 percent of the employees of the business are
8 residents of an enterprise zone, excluding temporary and
9 part-time employees. The certification must ~~shall~~ be in
10 writing, and a copy of the certification must ~~shall~~ be
11 transmitted to the executive director of the Department of
12 Revenue. The applicant is ~~shall be~~ responsible for forwarding
13 a certified application to the department within the time
14 specified in subparagraph 4.

15 4. An application for a refund under ~~pursuant to~~ this
16 paragraph must be submitted to the department within 6 months
17 after the rehabilitation of the property is deemed by the
18 local building inspector to be substantially completed ~~by the~~
19 ~~local building inspector~~.

20 5. Section ~~The provisions of s.212.095~~ does do not
21 apply to any refund application made under ~~pursuant to~~ this
22 paragraph. No more than one exemption through a refund of
23 previously paid taxes for the rehabilitation of real property
24 is ~~shall be~~ permitted for any one parcel of real property. A
25 ~~No~~ refund must not ~~shall~~ be granted under ~~pursuant to~~ this
26 paragraph unless the amount to be refunded exceeds \$500. A ~~No~~
27 refund granted under ~~pursuant to~~ this paragraph must not ~~shall~~
28 exceed the lesser of 97 percent of the Florida sales or use
29 tax paid on the cost of the building materials used in the
30 rehabilitation of the real property as determined under
31 ~~pursuant to~~ sub-subparagraph 1.e. or \$5,000, or, if no less

1 than 20 percent of the employees of the business are residents
2 of an enterprise zone, excluding temporary and part-time
3 employees, the amount of a refund granted under ~~pursuant to~~
4 this paragraph must ~~shall~~ not exceed the lesser of 97 percent
5 of the sales tax paid on the cost of such building materials
6 or \$10,000. A refund approved under ~~pursuant to~~ this paragraph
7 must ~~shall~~ be made within 30 days after ~~of~~ formal approval by
8 the department of the application for the refund.

9 6. The department shall adopt rules governing the
10 manner and form of refund applications and may establish
11 guidelines as to the requisites for an affirmative showing of
12 qualification for exemption under this paragraph.

13 7. The department shall deduct an amount equal to 10
14 percent of each refund granted under ~~the provisions of~~ this
15 paragraph from the amount transferred into the Local
16 Government Half-cent Sales Tax Clearing Trust Fund under
17 ~~pursuant to~~ s. 212.20 for the county area in which the
18 rehabilitated real property is located and shall transfer that
19 amount to the General Revenue Fund.

20 8. For the purposes of the exemption provided in this
21 paragraph:

22 a. "Building materials" means tangible personal
23 property that ~~which~~ becomes a component part of improvements
24 to real property.

25 b. "Real property" has the same meaning as provided in
26 s. 192.001 ~~s. 192.001(12)~~.

27 c. "Rehabilitation of real property" means the
28 reconstruction, renovation, restoration, rehabilitation,
29 construction, or expansion of improvements to real property.

30 d. "Substantially completed" has the same meaning as
31 provided in s. 192.001 ~~s. 192.042(1)~~.

1 9. ~~The provisions of~~ This paragraph expires shall
2 ~~expire and be void~~ on December 31, 2005.

3 Section 16. Subsection (1) of section 163.387, Florida
4 Statutes, is amended to read:

5 163.387 Redevelopment trust fund.--

6 (1) There shall be established for each community
7 redevelopment agency created under s. 163.356 a redevelopment
8 trust fund. Funds allocated to and deposited into this fund
9 must shall be used by the agency to finance or refinance any
10 community redevelopment it undertakes pursuant to the approved
11 community redevelopment plan. A ~~No~~ community redevelopment
12 agency may not receive or spend any increment revenues under
13 ~~pursuant to~~ this section unless and until the governing body
14 has, by ordinance, provided for the funding of the
15 redevelopment trust fund for the duration of a community
16 redevelopment plan. Such an ordinance may be adopted only
17 after the governing body has approved a community
18 redevelopment plan. The annual funding of the redevelopment
19 trust fund must shall be in an amount not less than that
20 increment in the income, proceeds, revenues, and funds of each
21 taxing authority derived from or held in connection with the
22 undertaking and carrying out of community redevelopment under
23 this part. The amount of the ~~Such~~ increment must shall be
24 determined annually and must shall ~~be that amount~~ equal to 95
25 percent of the difference between:

26 (a) The amount of ad valorem taxes levied each year by
27 each taxing authority, exclusive of partial-year taxes and of
28 any amount from any debt service millage, on taxable real
29 property contained within the geographic boundaries of a
30 community redevelopment area; and

31

1 (b) The amount of ad valorem taxes which would have
2 been produced by the rate upon which the tax is levied each
3 year by or for each taxing authority, exclusive of
4 partial-year taxes and of any debt service millage, upon the
5 total of the assessed value of the taxable real property in
6 the community redevelopment area as shown upon the most recent
7 assessment roll used in connection with the taxation of such
8 property by each taxing authority before ~~prior to~~ the
9 effective date of the ordinance providing for the funding of
10 the trust fund.

11
12 However, the governing body of any county as defined in s.
13 125.011(1) may, in the ordinance providing for the funding of
14 a trust fund established with respect to any community
15 redevelopment area created on or after July 1, 1994, determine
16 that the amount to be funded by each taxing authority annually
17 must ~~shall~~ be less than 95 percent of the difference between
18 paragraphs (a) and (b), but the ~~in no event shall such~~ amount
19 must not be less than 50 percent of the ~~such~~ difference.

20 Section 17. Subsection (4) of section 197.102, Florida
21 Statutes, is amended to read:

22 197.102 Definitions.--As used in this chapter, the
23 following definitions apply, unless the context clearly
24 requires otherwise:

25 (4) "Tax notice" means the tax bill sent to taxpayers
26 for payment of any taxes or special assessments collected
27 pursuant to this chapter, ~~or~~ the bill sent to taxpayers for
28 payment of the total of ad valorem taxes and non-ad valorem
29 assessments collected under ~~pursuant to~~ s. 197.3632, or the
30 bill sent to taxpayers for payment of taxes on partial-year
31 assessment rolls under s. 197.3645.

1 Section 18. Subsection (1) of section 197.122, Florida
2 Statutes, is amended to read:

3 197.122 Lien of taxes; dates; application.--

4 (1) All taxes imposed under ~~pursuant to~~ the State
5 Constitution and laws of this state constitute ~~shall be~~ a
6 first lien, superior to all other liens, on any property
7 against which the taxes have been assessed and ~~shall~~ continue
8 in full force from January 1 of the year the taxes were levied
9 until discharged by payment or until barred under chapter 95.
10 For property listed on partial-year assessment rolls, the year
11 the tax was levied is considered to be the year the property
12 was substantially completed, and the lien date is January 1 of
13 that year.All personal property tax liens, to the extent that
14 the property to which the lien applies cannot be located in
15 the county or to the extent that the sale of the property is
16 insufficient to pay all delinquent taxes, interest, fees, and
17 costs due, constitute ~~shall be~~ liens against all other
18 personal property of the taxpayer in the county. However, such
19 liens against other personal property do ~~shall~~ not apply
20 against such property that ~~which~~ has been sold, and such liens
21 against other personal property are ~~shall be~~ subordinate to
22 any valid prior or subsequent liens against such other
23 property. An ~~No~~ act of omission or commission on the part of
24 any property appraiser, tax collector, board of county
25 commissioners, clerk of the circuit court, or county
26 comptroller, or their deputies or assistants, or newspaper in
27 which any advertisement of sale may be published does not
28 ~~shall~~ operate to defeat the payment of taxes; but any acts of
29 omission or commission may be corrected at any time by the
30 officer or party responsible for them in like manner as
31 provided by law for performing acts in the first place, and,

1 when so corrected, they are to ~~shall~~ be construed as valid ab
2 initio, and they do not ~~shall in no way~~ affect any process by
3 law for the enforcement of the collection of any tax. All
4 owners of property are ~~shall be~~ held to know that taxes are
5 due and payable annually and are charged with the duty of
6 ascertaining the amount of current and delinquent taxes and
7 paying them before April 1 of the year following the year in
8 which taxes are assessed. A ~~No~~ sale or conveyance of real or
9 personal property for nonpayment of taxes may not ~~shall~~ be
10 held invalid except upon proof that:

11 (a) The property was not subject to taxation;

12 (b) The taxes had been paid before the sale of
13 personal property; or

14 (c) The real property had been redeemed before the
15 execution and delivery of a deed based upon a certificate
16 issued for nonpayment of taxes.

17 Section 19. This act shall take effect January 1,
18 1999, if SJR , amending the State Constitution to allow
19 for partial-year assessments, has been passed and adopted and
20 has taken effect by that date.

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SENATE SUMMARY

Provides for partial-year assessments of real property for purposes of ad valorem taxation. Provides legislative intent. Defines the terms "substantially completed" and "substantially destroyed." Provides for partial-year real property assessments. Provides formulas for calculating ad valorem taxes to be levied on real property that is assessed for partial year. Requires such properties and the tax thereupon to be included in computing rolled-back millage. Amends the standards for calculating just value to conform to the provisions for partial-year assessment. Provides for sharing the costs of implementing partial-year assessments.

Amends provisions relating to the preparation of assessment rolls, to conform to this act. Provides for notice of substantially destroyed property. Provides for the Department of Revenue to adopt rules concerning returns for property that is subject to partial-year assessment. Amends provisions relating to the annual application for the homestead tax exemption, to conform to this act. Amends provisions relating to requirements for a combined notice of ad valorem taxes and non-ad valorem assessments, to conform. Provides criteria that must be met before a separate notice may be mailed for partial-year ad valorem taxes. Amends provisions relating to computing the rolled-back rate, to conform. Provides for notice of partial-year assessment to be delivered to taxpayers. Allows the notice, at the discretion of the property appraiser, to be separate or combined with notice under s. 200.069, F.S. Provides that this act initially applies to property that is substantially completed after January 1, 1999. Amends provisions relating to redevelopment trust funds; definitions used in ch. 197, F.S.; and provisions relating to tax liens, to provide for the date on which a tax lien attaches if the lien relates to property on which partial-year assessment is imposed.