

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1534

SPONSOR: Senator Meek

SUBJECT: Local Government

DATE: April 4, 1999

REVISED: 4/8/99 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CA</u>	<u>Fav/2 amendments</u>
2.	<u>Fournier</u>	<u>Wood</u>	<u>FR</u>	<u>Fav/2 amendments</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill authorizes counties to sell properties of an insufficient size and shape to be issued permits or are valued less than \$10,000. Numerous amendments are also made to Chapter 197 to encourage infill housing.

This bill substantially amends the following sections of the Florida Statutes: s. 125.35, 197.482, 197.502 and 197.592.

II. Present Situation:

Section 125.35, F.S., describes the procedures for the sale of real and personal property by counties. Subsection (2) authorizes the board to sell a parcel if the property is valued at less than \$5,000, or when a parcel is of use only to one or more adjacent property owners because of its size, shape, location, or value.

Section 196.001, F.S., requires ad valorem taxation, unless expressly exempt, of all real and personal property in this state. Property is taxed as either real property, personal property, or intangible personal property.

Chapter 197, Florida Statutes, is the exclusive method for enforcing liens created through the sale of tax certificates for unpaid ad valorem taxes and special assessments. Section 197.333, F.S., provides that all taxes are due and payable on November 1 of each year, or as soon thereafter as the certified tax roll is received by the tax collector. Taxes become delinquent on April 1 following the year in which they are assessed or immediately after 60 days have expired from the mailing of the original tax notice, whichever is later. Tax collectors have the authority and the obligation to collect all ad valorem taxes by the date of delinquency or to collect delinquent ad valorem taxes by sale of tax certificates on the real property. As defined in s. 197.102(3), F.S., a tax certificate is a legal document, representing unpaid delinquent real property taxes and related

costs and charges, issued against a specific parcel of real property and becoming a first lien thereon, superior to all other liens.

Section 197.482, F.S., provides that a tax certificate is “null and void” if a tax deed has not been applied for 7 years after a tax certificate was issued on the property.

Section 197.502, F.S., governs the process for obtaining tax deeds by holders of tax sale certificates for real property. This section provides different processes for county and non-county holders of tax sale certificates. Subsection (1) provides that noncounty tax certificate holders may apply for a tax deed on that property between two to seven years after the certificate was issued. Subsection (3) provides that county tax certificate holders must apply for a tax deed on property valued at or over \$5,000, and may apply for a tax deed on property valued under \$5,000, two years after the certificate was issued.

Subsection (6) of s. 197.503, F.S., provides guidelines for the public sale of property with matured tax certificates against it. The opening bid on county held certificates on non-homesteaded property is the sum of the value of all outstanding certificates against the land, plus omitted years’ taxes, delinquent taxes, interest, and all costs and fees paid by the county. The opening bid on non-homestead property includes the amount of money paid to the tax collector by the certificate holder at the time of application, the amount required to redeem the applicant’s tax certificate, and all other costs and fees paid by the applicant. The opening bid on homestead property includes the amount of money required for an opening bid on non-homesteaded property and an amount equal to one-half of the latest assessed value of the homestead.

Subsection (7) of s. 197.503, F.S., states that if there are no bidders at the public sale, the property is listed as “land available for taxes” and the clerk must notify the county commission and all persons holding the certificates against the land that the land is available. At any time within 90 days of the public sale, the county may purchase the land for the opening bid. After 90 days, any person or governmental unit may purchase the land for the opening bid. If the land is not bought, subsection (8) provides that seven years from the day the land was offered for public sale, ownership of the land is transferred to the county, and all tax certificates and liens against the property are canceled.

Section 197.592, F.S., provides that the county may return land it has acquired for delinquent taxes, under certain conditions, to the record fee simple owner on the date the county obtained title to the land. Property not sold, dedicated by the county, or conveyed to the previous owner, if located in a municipality, must be conveyed to that municipality.

Section 197.447, F.S., provides procedures for the cancellation of tax liens by the county commission on property acquired by the U.S. Government for a variety of public purposes.

III. Effect of Proposed Changes:

Section 1 amends s. 125.35(2), to authorize the board of county commissioners to sell a parcel if it is valued at less than \$10,000, rather than \$5,000, or when a parcel is of insufficient size and shape to be issued a building permit for any type of development.

Section 2 amends s. 197.482, F.S., to provide that a tax certificate is “null and void” if a tax deed has not been applied for 4 years, rather than 7 years, after a tax certificate was issued on the property.

Section 3 amends s. 197.502(1), F.S., to provide that noncounty tax certificate holders may apply for a tax deed on that property between 1 and 4 years, rather than 2 and 7 years, after the certificate was issued.

Section 4 amends s. 197.502(3), F.S., to provide that county tax certificate holders must apply for a tax deed on that property valued at or over \$5,000, and may apply for a tax deed on property valued under \$5,000, 1 year, rather than 2 years, after the certificate was issued.

Section 5 amends s. 197.502(7), F.S., to provide that 90 days after the land is placed on the list of lands available for taxes, rather than 90 days after the day of offering of public sale, the county may purchase the land for the opening bid. After 90 days, the county, in addition to any person or governmental unit, may purchase the land for the opening bid. In addition, if the county or other governmental unit purchases property for its own use, the county commission may cancel the omitted years’ taxes in the same way it cancels taxes under s. 197.447, F.S.

Section 6 amends s. 197.502(8), F.S., to provide that if the land is not bought after the land was offered for public sale, 3 years from the day the land was offered for public sale, rather than 7 years from the day the land was offered for public sale, ownership of the land is transferred to the county, and all tax certificates and liens against the property are canceled.

Section 7 creates subsection (11) of s. 197.502, F.S., to authorize the county to cancel county-held tax certificates and omitted years’ taxes on properties acquired under this section to provide infill housing. The county is prohibited from transferring such property back to the previous owner, which includes any entity in which the taxpayer or taxpayer’s family has any interest.

Section 8 amends s. 197.592(3), F.S., to provide that property acquired by the county for delinquent taxes, when such property is acquired for infill housing, does not have to be conveyed to a municipality even if located in the municipality.

Section 9 provides that the bill will take effect upon becoming a law, and that sections 2, 3, 4, and 6 apply only to tax certificates issued after May 15, 1999.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

This bill has an indeterminate impact on local government revenue.

B. Private Sector Impact:

Section 3 amends s. 197.502(1), F.S., to provide that noncounty tax certificate holders may apply for a tax deed on that property between 1 and 4 years, rather than 2 and 7 years, after the certificate was issued. This may result in allowing tax payers less time to satisfy tax and penalty obligations against their property.

C. Government Sector Impact:

These changes should make it easier for counties to recycle or acquire vacant properties to provide for infill housing.

VI. Technical Deficiencies:

Because some tax collectors do not complete the sale of tax certificates until June 1, there could be some confusion as to what statutory guidelines apply. An effective date of July 1, 1999, would correct this problem.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Comprehensive Planning, Local and Military Affairs:

Authorizes the board of county commissioners to sell a parcel if it is valued at less than \$15,000, rather than \$10,000 as provided in the bill.

#2 by Comprehensive Planning, Local and Military Affairs:

Changes the effective date from May 15 to July 1, 1999.

#1 by Fiscal Resource:

Amends s. 123.35(1) to clarify that counties are authorized to negotiate leases with airport and seaport facilities.

#2 by Fiscal Resource:

Removes changes to the duration of tax certificates and the time period in which tax deeds can be applied for.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
