

By the Committee on Comprehensive Planning; and Senator
Campbell

316-2226-03

1 A bill to be entitled
2 An act relating to property tax administration;
3 amending s. 193.155, F.S.; requiring
4 notification to purchasers of property subject
5 to the assessment limitation about ad valorem
6 taxes; amending s. 194.034, F.S.; requiring
7 notice by the value adjustment board of the
8 final date for filing an action in the circuit
9 court; amending s. 195.062, F.S.; authorizing
10 the Department of Revenue to amend the manual
11 of instructions for property appraisers;
12 amending s. 195.096, F.S.; providing that the
13 department's appraiser, or his or her
14 representative, has the right of entry and
15 access for purposes of making inspections;
16 requiring reasonable notification and
17 presentation of credentials; amending s.
18 195.097, F.S.; revising the date for the
19 department to issue certain notices to property
20 appraisers; specifying circumstances under
21 which the department may require that a
22 property appraiser and the appraiser's staff
23 undergo training as a condition of roll
24 approval; providing an effective date.

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

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28 Section 1. Present subsections (4) through (10) of
29 section 193.155, Florida Statutes, are redesignated as
30 subsections (5) through (11), respectively, present subsection
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1 (4) of that section is amended, and a new subsection (4) is
2 added to that section, to read:

3 193.155 Homestead assessments.--Homestead property
4 shall be assessed at just value as of January 1, 1994.
5 Property receiving the homestead exemption after January 1,
6 1994, shall be assessed at just value as of January 1 of the
7 year in which the property receives the exemption.

8 (4) All purchasers of property subject to the
9 assessment limitation under this section must be notified that
10 the ad valorem taxes on the property for the tax year
11 subsequent to the purchase may be in excess of the ad valorem
12 taxes assessed at the time of sale and that ad valorem taxes
13 are required to be assessed at just value on the property in
14 the year following a sale if a change in ownership, as defined
15 under this section, has occurred. Any person conducting a real
16 estate closing involving the sale of homestead property shall
17 provide such disclosure in writing to the purchaser and obtain
18 the purchaser's signature on the disclosure.

19 ~~(5)~~~~(4)~~(a) Changes, additions, or improvements to
20 homestead property shall be assessed at just value as of the
21 first January 1 after the changes, additions, or improvements
22 are substantially completed.

23 (b) Changes, additions, or improvements do not include
24 replacement of a portion of real property damaged or destroyed
25 by misfortune or calamity when the just value of the damaged
26 or destroyed portion as replaced is not more than 125 percent
27 of the just value of the damaged or destroyed portion. The
28 value of any replaced real property, or portion thereof, which
29 is in excess of 125 percent of the just value of the damaged
30 or destroyed property shall be deemed to be a change,
31 addition, or improvement. Replaced real property with a just

1 value of less than 100 percent of the original property's just
2 value shall be assessed pursuant to subsection ~~(6)~~(5).

3 (c) Changes, additions, or improvements include
4 improvements made to common areas or other improvements made
5 to property other than to the homestead property by the owner
6 or by an owner association, which improvements directly
7 benefit the homestead property. Such changes, additions, or
8 improvements shall be assessed at just value, and the just
9 value shall be apportioned among the parcels benefiting from
10 the improvement.

11 Section 2. Subsection (2) of section 194.034, Florida
12 Statutes, is amended to read:

13 194.034 Hearing procedures; rules.--

14 (2) In each case, except when a complaint is withdrawn
15 by the petitioner or is acknowledged as correct by the
16 property appraiser, the value adjustment board shall render a
17 written decision. All such decisions shall be issued within 20
18 calendar days of the last day the board is in session under s.
19 194.032. The decision of the board shall contain findings of
20 fact and conclusions of law, and shall include reasons for
21 upholding or overturning the determination of the property
22 appraiser, and shall state the final date for filing an action
23 in the circuit court under s. 194.171(2). If the property
24 appraiser has not yet made the initial certification of the
25 roll under s. 193.122(2) on the date the board completes all
26 of its hearings and issues its Certificate of Value Adjustment
27 Board for the roll, which certificate indicates that all
28 hearings required by s. 194.032 have been held, the board
29 shall state that the final date for filing an action in the
30 circuit court is 60 days after the date of the initial
31 certification of the roll by the property appraiser under s.

1 193.122(2).When a special master has been appointed, the
2 recommendations of the special master shall be considered by
3 the board. The clerk, upon issuance of the decisions, shall,
4 on a form provided by the Department of Revenue, notify by
5 first-class mail each taxpayer, the property appraiser, and
6 the department of the decision of the board.

7 Section 3. Subsection (1) of section 195.062, Florida
8 Statutes, is amended to read:

9 195.062 Manual of instructions.--

10 (1) The department shall prepare and maintain a
11 current manual of instructions for property appraisers and
12 other officials connected with the administration of property
13 taxes. This manual shall contain all:

14 (a) Rules and regulations.

15 (b) Standard measures of value.

16 (c) Forms and instructions relating to the use of
17 forms and maps.

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19 Consistent with s. 195.032, the standard measures of value
20 shall be adopted in general conformity with the procedures set
21 forth in s. 120.54, but shall not have the force or effect of
22 such rules and shall be used only to assist tax officers in
23 the assessment of property as provided by s. 195.002.

24 Guidelines may be updated annually to incorporate new market
25 data, which may be in tabular form; technical changes; changes
26 indicated by established court decisions; and, where a summary
27 of justification is set forth in the notice, other changes
28 that are relevant to appropriate assessment practices or
29 standard measurements of value. Such new data may be
30 incorporated into the guidelines on the approval of the
31 executive director if after notice in substantial conformity

1 with s. 120.54 there is no objection filed with the department
2 within 45 days, and the procedures set forth in s. 120.54 do
3 not apply.

4 Section 4. Subsection (2) of section 195.096, Florida
5 Statutes, is amended to read:

6 195.096 Review of assessment rolls.--

7 (2) The department shall conduct, no less frequently
8 than once every 2 years, an in-depth review of the assessment
9 rolls of each county. The department need not individually
10 study every use-class of property set forth in s. 195.073, but
11 shall at a minimum study the level of assessment in relation
12 to just value of each classification specified in subsection
13 (3). Such in-depth review may include proceedings of the value
14 adjustment board and the audit or review of procedures used by
15 the counties to appraise property.

16 (a) The department shall, at least 30 days prior to
17 the beginning of an in-depth review in any county, notify the
18 property appraiser in the county of the pending review. At the
19 request of the property appraiser, the department shall
20 consult with the property appraiser regarding the
21 classifications and strata to be studied, in order that the
22 review will be useful to the property appraiser in evaluating
23 his or her procedures.

24 (b) Every property appraiser whose upcoming roll is
25 subject to an in-depth review shall, if requested by the
26 department on or before January 1, deliver upon completion of
27 the assessment roll a list of the parcel numbers of all
28 parcels that did not appear on the assessment roll of the
29 previous year, indicating the parcel number of the parent
30 parcel from which each new parcel was created or "cut out."

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1 (c) In conducting assessment ratio studies, the
2 department must use a representative or statistically reliable
3 sample of properties in tests of each classification, stratum,
4 or roll made the subject of a ratio study published by it. The
5 department shall document and retain records of the measures
6 of representativeness of the properties studied in compliance
7 with this section. Such documentation must include a record of
8 findings used as the basis for the approval or disapproval of
9 the tax roll in each county pursuant to s. 193.1142. In
10 addition, to the greatest extent practicable, the department
11 shall study assessment roll strata by value groups or market
12 areas for each classification, subclassification, or stratum
13 to be studied, to assure the representativeness of ratio study
14 samples. For purposes of this section, the department shall
15 rely primarily on an assessment-to-sales-ratio study in
16 conducting assessment ratio studies in those classifications
17 of property specified in subsection (3) for which there are
18 adequate market sales. The department shall compute the
19 median and the value-weighted mean for each classification or
20 subclassification studied and for the roll as a whole.

21 (d) In the conduct of these reviews, the department
22 shall adhere to all standards to which the property appraisers
23 are required to adhere.

24 (e) The department and each property appraiser shall
25 cooperate in the conduct of these reviews, and each shall make
26 available to the other all matters and records bearing on the
27 preparation and computation of the reviews. The property
28 appraisers shall provide any and all data requested by the
29 department in the conduct of the studies, including electronic
30 data processing tapes. Any and all data and samples developed
31 or obtained by the department in the conduct of the studies

1 shall be confidential and exempt from the provisions of s.
2 119.07(1) until a presentation of the findings of the study is
3 made to the property appraiser. After the presentation of the
4 findings, the department shall provide any and all data
5 requested by a property appraiser developed or obtained in the
6 conduct of the studies, including tapes. Direct reimbursable
7 costs of providing the data shall be borne by the party who
8 requested it. Copies of existing data or records, whether
9 maintained or required pursuant to law or rule, or data or
10 records otherwise maintained, shall be submitted within 30
11 days from the date requested, in the case of written or
12 printed information, and within 14 days from the date
13 requested, in the case of computerized information.

14 (f) The department's appraiser, or his or her
15 authorized representative, shall have the right of entry and
16 access onto the property to make inspections required under
17 this section. The taxpayer is deemed to give implied consent
18 to a view of the full curtilage and of the exterior of any
19 structure. If, upon reasonable notification and presentation
20 of proper credentials, a taxpayer refuses entry or such view
21 during the hours of 8 a.m. to 8 p.m. to perform any duty
22 imposed by law, the department may void the parcel as a sample
23 in its studies or estimate the value using the best
24 information available.

25 (g)~~(f)~~ Within 120 days following the receipt of a
26 county assessment roll by the executive director of the
27 department pursuant to s. 193.1142(1), or within 10 days after
28 approval of the assessment roll, whichever is later, the
29 department shall complete the review for that county and
30 forward its findings, including a statement of the confidence
31 interval for the median and such other measures as may be

1 appropriate for each classification or subclassification
2 studied and for the roll as a whole, employing a 95-percent
3 level of confidence, and related statistical and analytical
4 details to the Senate Finance, Taxation, and Claims Committee;
5 the House Finance and Taxation Committee; and the appropriate
6 property appraiser.

7 Section 5. Subsections (1) and (2) of section 195.097,
8 Florida Statutes, are amended to read:

9 195.097 Postaudit notification of defects; supervision
10 by the department.--

11 (1)(a) Upon evaluation of any reviews, studies, or
12 findings of the Department of Revenue, the executive director
13 of the department shall issue a notice to any property
14 appraiser who the executive director has determined has one or
15 more classes or other strata of property listed on the
16 assessment rolls in a manner inconsistent with the
17 requirements of law, or is otherwise not assessing in
18 accordance with law. The executive director shall specify in
19 his or her notice the classes or strata of property that have
20 been improperly assessed on the prior year's roll, the nature
21 of the defect or defects, and the requirements of the
22 department to obtain approval of the current year's assessment
23 roll. Such notice shall be provided to the property appraiser
24 no later than October 30 ~~November 15~~.

25 (b) Notwithstanding other provisions of this section,
26 the executive director is not required to notice as a defect a
27 class or stratum of property which, based upon the evaluation
28 of any review, study, or finding of the department, indicates
29 an assessment level of more than 100 percent of just value in
30 any class or stratum of property on the prior year's tax roll.

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1 (c) The notice issued pursuant to this section may
2 require an audit or review of procedures used by the property
3 appraiser. Additional training for the property appraiser and
4 his or her staff may be required when the review of
5 procedures, or the nature of the defects specified in the
6 notice, indicate that the failure to assess in accordance with
7 the law resulted from a systemic problem that could be cured
8 by such training.

9 (2) Within 15 days after receipt of a notice, but no
10 later than November 15 ~~December 1~~, the property appraiser
11 shall either notify the executive director in writing of his
12 or her intention to comply or request an immediate conference
13 with the executive director for the purpose of attempting to
14 resolve differences between the property appraiser and the
15 executive director. Such conference shall be held no later
16 than November 30 ~~December 15~~. At the conclusion of the
17 conference, but no later than December 15 ~~January 1~~, the
18 executive director shall issue an administrative order, which
19 order shall incorporate the remedial steps, if any, to be
20 taken by the property appraiser to ensure that all property on
21 his or her rolls is assessed at just value. Such remedial
22 steps may include required training for the property
23 appraiser, including his or her staff.An administrative order
24 shall also be issued in the case of a property appraiser who
25 has stated his or her intention to comply.

26 Section 6. This act shall take effect January 1, 2004.
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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 1636

4 This CS differs from the bill as filed in the following ways:

- 5 * Deletes sections 1 & 12 of the bill, which require that
6 the seller and the real estate broker or salesperson make
7 certain written disclosures concerning ad valorem taxes
8 to the purchaser of residential property; instead, s.
9 193.155, F.S., is amended to require any person
10 conducting a real estate closing on homestead property to
11 disclose to the buyer that the assessment of the
12 homestead may increase after the sale, and consequently
13 the property taxes may increase;
- 14 * Deletes section 2, which granted a property appraiser of
15 the county the right of entry and access to property to
16 make assessments and inspections;
- 17 * Deletes sections 3, 6, & 10, which extended the
18 confidentiality of tax returns to the value adjustment
19 board;
- 20 * Deletes section 5, which provided payment of interest on
21 overpayments of property taxes;
- 22 * Deletes part of section 8, which allowed the Department
23 of Revenue to conduct an estimated review of assessment
24 rolls, in lieu of an in-depth review, under certain
25 circumstances;
- 26 * Deletes the provision in section 9 which authorized DOR
27 to require training for the property appraiser and his or
28 her staff to enable them to comply with an administrative
29 order issued pursuant to a defect notice; instead, DOR is
30 authorized to require an audit of review of procedures
31 used by the property appraiser;
- * Deletes the provision in section 9 which conditioned roll
approval on the property appraiser and staff passing DOR
required training courses, and forfeiture of pay increase
for the property appraiser until the appraiser complies
with DOR's training requirement; and
- * Deletes the provision that required that documentary
stamp tax returns be filed with the county property
appraiser rather than with the clerk of the court.