

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain:

B. EFFECT OF PROPOSED CHANGES:

This bill provides that ad valorem taxes, benefit taxes, and special assessments by taxing authorities shall be assessed against the lots within a platted subdivision and not upon the subdivision property as a whole.

The bill provides that certain taxes (ad valorem, benefit taxes, or special assessments) imposed by a special district, drainage district, or water management district, may not be assessed separately against recreational facilities or other common elements, regardless of ownership.

The bill provides that the value of each parcel of a platted subdivision and designated on the plat or approved site plan as a common element shall be prorated by the property appraiser and included in the assessment of all the lots within the subdivision which constitute inventory for the developer and which are intended to be or have been conveyed into private ownership.

The bill provides a definition for the term “common element” which means:

- Subdivision property not included within lots constituting inventory for the developer which are intended to be conveyed or which have been conveyed into private property.
- An easement through subdivision property which has been dedicated to the public or retained for the benefit of the subdivision.
- Any other part of the subdivision designated on the plat or required to be designated on the site plan as a drainage pond, detention or retention pond, or recreational feature, and which is for the benefit of the subdivision.

Background

According to a representative¹ of the Sponsor, this legislation is intended to address situations like the ones which have occurred in various residential subdivisions located in Pinellas County. In one such instance, the East Lake situation, an individual purchased a neighborhood lake at a tax sale, erected a bright pink fence around it and suggested that neighbors buy the property back for \$30,000, per family.²

Current Law

Only common elements owned by specified entities are entitled to apportionment of their value into the units or lots to which they are common elements. See ss. 193.023(5), 718.120(1), and 719.114, F.S.

¹ Chandy Kime, Legislative Assistant to Representative Bilrakis, 3/27/03.

² “Almost Happy Ever After,” *St. Petersburg Times*, St. Petersburg, February 19, 2003.

s. 193.023(5), F.S. In assessing any parcel of a condominium or any parcel of any other residential development having common elements appurtenant to the parcels, if such common elements are owned by the condominium association or owned jointly by the owners of the parcels, the assessment shall apply to the parcel and its fractional or proportionate share of the appurtenant common elements.

s. 718.120(1), F.S. Ad valorem taxes, benefit taxes, and special assessments by taxing authorities shall be assessed against the condominium parcels and not upon the condominium property as a whole. No ad valorem tax, benefit tax, or special assessment, including those made by special districts, drainage districts, or water management districts, may be separately assessed against recreational facilities or other common elements if such facilities or common elements are owned by the condominium association or are owned jointly by the owners of the condominium parcels. Each condominium parcel shall be separately assessed for ad valorem taxes and special assessments as a single parcel. The taxes and special assessments levied against each condominium parcel shall constitute a lien only upon the condominium parcel assessed and upon no other portion of the condominium property.

s. 719.114(1), F.S. Ad valorem taxes and special assessments by taxing authorities shall be assessed against the cooperative parcels and not upon the cooperative property as a whole. No ad valorem tax or special assessment may be separately assessed against common areas if the common areas are owned by the cooperative association or are jointly owned by the owners of the cooperative parcels. Each cooperative parcel shall be separately assessed for ad valorem taxes and special assessments as a single parcel. The property appraiser must be provided the necessary documents, as evidenced in the official records of the clerk of the circuit court of the county, to make a determination as to the ownership of a cooperative parcel for assessment and homestead tax exemption purposes. The taxes and special assessments levied against each cooperative parcel shall constitute a lien only upon the cooperative parcel assessed and upon no other portion of the cooperative property.

C. SECTION DIRECTORY:

Section 1.

(1) Provides that ad valorem, benefit taxes and special assessments shall be assessed against the lots within a platted subdivision and not upon the subdivision property as a whole; provides that certain taxes may not be assessed separately against recreational facilities or other common elements, regardless of ownership; provides that common elements shall be prorated by the property appraiser and included in the assessment of all the lots within the subdivision.

(2) Defines the term common element as used within the act.

Section 2. Provides an effective date of upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill has been submitted to the Impact Conference.

2. Expenditures:

This bill has been submitted to the Impact Conference.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill has been submitted to the Impact Conference.

2. Expenditures:

This bill has been submitted to the Impact Conference.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill has been submitted to the Impact Conference.

D. FISCAL COMMENTS:

This bill has been submitted to the Impact Conference.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Drafting Issues

There do not appear to be any technical drafting issues.

Other Comments

Both the Florida Association of Property Appraisers and The Property Appraisers Association of Florida were contacted for comment.

A representative³ of The Property Appraisers Association of Florida is concerned about the inclusion of the term "recreational facilities" in the bill's language. He would prefer that the term was removed leaving the bill to apply only to "common elements" which is defined in the bill to avoid unintended consequences.

³ Larry E. Levy, Esq., General Counsel, The Property Appraisers Association of Florida, 3/31/03.

No comments have yet been received from the Florida Association of Property Appraisers.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

None.