

Section 197.502, F.S., governs the process by which holders of tax certificates for real property obtain tax deeds through the sale of the property on which tax certificates are held. Generally, certificate holders may apply for a tax deed between two to seven years after the certificate was issued. To apply for the deed, certificate holders must pay to the tax collector all amounts required to redeem or purchase all other outstanding tax certificates, including omitted, delinquent and current taxes, and respective interest, applicable to the property.

Upon payment of required outstanding certificates, taxes, and interest, the tax collector must notify the clerk of court that the obligations have been satisfied and that the following persons be notified of the impending sale of the property:

- legal title holders of the property;
- any lienholders against the property;
- any mortgagees of the property;
- any vendee of a recorded contract for deed for the property or any vendee requesting to be notified;
- any other lienholder requesting to be notified;
- any person to whom the property was assessed on the tax roll for the year in which the property was last assessed; and
- any lienholder who has recorded a lien against a mobile home located on the property described in the tax certificate, under certain conditions.

Section 197.522, F.S., provides that the clerk of court is responsible for notifying these persons prior to the sale of the property. The costs to the Clerk of Court are reimbursed by the certificate holder.

Section 197.502(7), F.S., provides for disposing of land when the county holds a tax certificate on the land. During the first 90 days after the land is placed on the list of lands available for taxes, the county may purchase the land for the opening bid. Thereafter, any person, the county, or any other governmental unit may purchase the land from the clerk for the opening bid.

Section 197.582, F.S., provides for the disbursement of proceeds from the sale of property sold to pay delinquent taxes. Subsection (2) requires that if all liens of record of governmental units have been paid in full, the balance of undistributed funds are paid to the persons required to be notified of the tax deed application² and persons to be notified that the property is on the list of lands available for purchase.

III. Effect of Proposed Changes:

Section 1 amends s. 197.502(1), F.S., to increase the tax deed application fee from \$15 to \$75.

This section also creates paragraph (h) of s. 197.502(4), F.S., to require that when an individual tax certificate holder applies for a tax deed on land that is either submerged land or common elements in a subdivision, the tax collector must deliver to the clerk of court the names of any

² Pursuant to s. 197.502(4), F.S., who are either the property owner or lien-holders against the property.

owner of property that is contiguous³ to the property described in the tax certificate. The clerk of court is responsible for notifying these persons prior to the sale of the property. This change expands the current list of persons to be notified.

Subsection (7) allows the county to purchase land when it is placed on the list of lands available for taxes. This section is amended to require the county to notify property owners of contiguous property available for purchase at public sale, when such property is submerged land or land that is held in common in a subdivision, that the county does not intend to purchase the property.

Section 2 amends s. 197.582, F.S., to exclude persons who own property contiguous to the property being sold from the distribution of excess sale proceeds. Only those persons listed in s. 197.502(4), F.S., which includes either the property owner or lien-holders against the property, are eligible for excess proceeds from the sale of the property.

Section 3 creates an unspecified section of Florida Law to require that the value of taxes and non-ad valorem assessments against recreational facilities, easements, and other common elements of a subdivision, be prorated by the property appraiser and included within the value of the lots within the subdivision. This also applies to inventory for the developer and which are intended to be conveyed or which have been conveyed into private ownership.

Subsection (2) defines the term "common element" to be:

- Subdivision property not included within lots constituting inventory for the developer which are intended to be conveyed or which have been conveyed into private ownership;
- An easement through the subdivision property which has been dedicated to the public or retained for the benefit of the subdivision; and
- Any other part of the subdivision which has been designated on the plat, or which is 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.

Section 4 creates subsection (4) in s. 197.522, F.S. to prescribe the notice statement to be sent to persons owning property contiguous to property on which an application for a tax deed has been made. This is consistent with the notification requirement in section 1.

Section 5 provides that this act shall take effect July 1, 2004.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

³ Adjacent, sharing a property boundary.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

The value of taxes and assessments against recreational facilities, easements, and other common elements of a subdivision will be prorated by the property appraiser and included within the value of the lots within the subdivision.

B. Private Sector Impact:

Property owners in subdivisions with recreational facilities, easements, and other common elements will be assessed for the prorated value of such property within the subdivision.

C. Government Sector Impact:

The county property appraiser will be required to prorate the value of taxes and assessments against recreational facilities, easements, and other common elements of a subdivision to property owners in the subdivision.

The county tax collectors will be required to notify the clerks of court, and the clerk of court will be required to notice, each owner of property contiguous to the property subject to sale.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.