

HB 1343

2004

1 A bill to be entitled
 2 An act relating to ad valorem taxation; creating s.
 3 689.28, F.S.; providing legislative findings; requiring a
 4 seller of residential property to provide to the purchaser
 5 a disclosure form that discloses certain ad valorem tax
 6 ramifications that can result from the purchase; providing
 7 form contents; providing an effective date.

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

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 11 Section 1. Section 689.28, Florida Statutes, is created to
 12 read:

13 689.28 Residential property tax disclosure statement.--

14 (1) The Legislature finds that it is necessary to ensure
 15 that the purchaser of improved residential real property is
 16 fully apprised that the taxable value of the real property, as
 17 determined by the property appraiser for the county in which the
 18 real property lies, is subject to reassessment to just value on
 19 January 1 of the year following a change in ownership, as
 20 required by s. 193.155(3).

21 (2) A seller in any transaction involving improved
 22 residential real property shall provide to the purchaser a
 23 disclosure in a form substantially similar to the following:

24 DISCLOSURE OF AD VALOREM TAX RAMIFICATIONS

25 You are purchasing land on which a residence is located. As with
 26 all nonexempt land and buildings, the property is subject each
 27 year to property taxes levied by various taxing authorities,
 28 such as counties, municipalities, and school boards. However, as
 29 explained below, your property taxes in subsequent years may be

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30 substantially more than the taxes paid in recent years by the
31 seller.

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33 Florida's State Constitution and laws limit the amount by which
34 the value of homestead property can increase each year for tax
35 purposes. This limitation is known as the "Save Our Homes" cap.

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37 As time goes on, the "just" value or "market" value of a home
38 can increase at a higher rate than the "taxable" value because
39 the Save Our Homes cap limits the rate at which the taxable
40 value can increase. However, when the property is sold to a new
41 owner, by law the taxable value is reassessed and, in many
42 cases, raised to "just" or "market" value. The result is that
43 property taxes on the same home can be substantially higher for
44 a buyer than they were for the seller.

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Section 2. This act shall take effect July 1, 2004.