

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 499 CS

Property Appraiser Assessments

**SPONSOR(S):** Antone

**TIED BILLS:**

**IDEN./SIM. BILLS:** SB 1270, SB 1826

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<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1) Finance & Tax Committee	9 Y, 0 N, w/CS	Monroe	Diez-Arguelles
2) Local Government Council	6 Y, 0 N, w/CS	Camechis	Hamby
3) Governmental Operations Committee			
4) Fiscal Council			
5)			

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**SUMMARY ANALYSIS**

The bill amends s. 193.023, F.S., to require real property to be physically inspected every 5 years for purposes of assessing the value of the property rather than every 3 years. The bill also requires a property appraiser to collect, review, and apply complete, accurate, and timely data concerning the legal, physical, and economic characteristics of property in making an assessment. The property appraiser must maintain a data management system and may use any or all of the following data sources:

- Real property transfer documents and sales data;
- Cadastral maps;
- Aerial photography;
- Building permits;
- Zoning Ordinances, maps, land use plans, and other regulations;
- Physical inspections;
- Market Research; and
- Any other data sources available for compliance with the requirements of law.

The bill does not include an inspection schedule requirement for property evaluated using other data sources. Finally, the bill retains a current provision requiring a property appraiser to physically inspect any parcel upon the request of the taxpayer or owner.

This bill does not have a significant fiscal impact on state revenues. However, local governments may realize a reduction in costs due to conducting less frequent physical inspections of real property.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Effect of Proposed Changes**

The bill amends s. 193.023, F.S., to require property appraisers to physically inspect real property every 5 years, rather than every 3 years, for purposes of assessing the value of the property. The bill requires property appraisers to collect, review, and apply complete, accurate, and timely data concerning the legal, physical, and economic characteristics of property in making an assessment. The property appraiser must maintain a data management system and may use any or all of the following data sources:

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##### **Background**

Section 4, Article VII, of the Florida Constitution, requires a just valuation of all property for ad valorem taxation, with certain exceptions. Florida Property Appraisers have the statutory responsibility to list and determine the just value of all real property in each county each year for purposes of ad valorem taxation.

Section 193.023, F.S., requires property appraisers to complete an assessment of the value of all property no later than July 1 of each year, except that the Department of Revenue may for good cause extend the time for completion of assessment of all property.

This section also provides that in making the assessment of the value of real property, the property appraiser must physically inspect the property every 3 years to ensure that the tax roll meets all the requirements of law. In addition, the property appraiser must physically inspect any parcel of taxable real property upon the request of the taxpayer or owner. In valuing property in accordance with constitutional and statutory requirements, the property appraiser may adjust the assessed value placed on any parcel or group of parcels based on mass data collected, on ratio studies prepared by an agency authorized by law, or pursuant to regulations of the Department of Revenue.

Section 195.022, F.S., requires the Department of Revenue to provide aerial photographs every 3 years to the state's 67 property appraisers. The counties rely on the use of aerial photography for

discovery, location, and identification of property characteristics. A schedule of counties to be flown each year (approximately one third of the state) has been developed to insure that this requirement is met. This is accomplished through an interlocal agreement with the Department of Transportation to provide photo enlargements to the counties. However, due to workload and resource allocation, the Department of Transportation is often unable to fly all counties that have been scheduled. As a result, the Department of Revenue contracts with private aerial photography firms to fly the remaining counties.

According to representatives of the Department of Revenue and the Florida Association of Property Appraisers, many of the state's property appraisers are currently unable to comply with the statutory requirement that they physically inspect property every 3 three years. This is due to the significant growth in the number of parcels of property, combined with limitations in staffing resources within the property appraisers' offices. The Department of Revenue indicated that Florida currently has approximately 9 million parcels of property.

The International Association of Assessing Officers publishes advisory standards to assist assessing officers in the improvement and standardization of their offices. The 2002 Standard on Mass Appraisal of Real Property recommends that property be physically reviewed and individually reappraised every four to six years.

C. SECTION DIRECTORY:

Section 1. Amends s. 193.023(2), F.S., to allow property appraisers to utilize satellite imagery, aerial photographs, and similar imagery to satisfy the requirement that the property be inspected every three years.

Section 2. Provides that this act shall take effect upon becoming law.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None

2. Expenditures: None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None

2. Expenditures: While local property appraisers will face increased technology costs in using these new methods of inspection, the need for fewer employees to do physical inspections should produce savings in reduced personnel costs and increased productivity.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: None.

D. FISCAL COMMENTS: None.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision: Not Applicable.

2. Other: None.

#### B. RULE-MAKING AUTHORITY: None.

C. DRAFTING ISSUES OR OTHER COMMENTS: As drafted, the bill does not specifically provide for retroactive application to January 1, 2005, which might result in the bill not being applied to the 2005 tax roll.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On March 18, 2005, the Committee on Finance and Tax adopted an amendment which completely rewrote section 1 of the bill. This rewrite provided further guidance as to the type of technologies and data sources that could be used to meet the inspection requirement. As originally drafted, the bill provided that satellite imagery or aerial photograph could be used to meet the three year physical inspection requirement.

On March 30, 2005, the Local Government Council adopted an amendment to require a property appraiser to inspect real property every five years rather than every three years.