

1 A bill to be entitled
 2 An act relating to determination of the just value of
 3 property; amending s. 193.011, F.S.; providing a
 4 methodology for determining the just value of property for
 5 ad valorem tax purposes; providing requirements of
 6 property appraisers; specifying criteria, requirements,
 7 and limitations for such determinations based on use;
 8 specifying requirements for determining the just value of
 9 affordable rental housing; requiring annual
 10 determinations; authorizing the Department of Revenue to
 11 adopt, amend, or repeal rules; amending ss. 193.114,
 12 193.461, 193.503, 193.625, and 195.027, F.S., to conform;
 13 providing application; providing a contingent effective
 14 date.

15
 16 Be It Enacted by the Legislature of the State of Florida:

17
 18 Section 1. Section 193.011, Florida Statutes, is amended
 19 to read:

20 (Substantial rewording of section. See s.
 21 193.011, Florida Statutes, for current text.)

22 193.011 Determination of just value for purposes of
 23 assessment of ad valorem taxes.--

24 (1) "Just value" means and includes, but is not limited
 25 to, market value, cash value, actual cash value, proper value,
 26 and value for the purposes of appraisal for ad valorem taxation.

27 (2) With respect to each and every parcel of property
 28 subject to assessment, the property appraiser shall, in

29 ascertaining just value, consider whenever possible the income
30 capitalization approach to value, the cost approach to value,
31 and the market data approach to value, as such approaches are
32 determined by the Department of Revenue pursuant to s. 195.032.
33 For differing types of categories of property, differing
34 approaches may be appropriate. The choice of the particular
35 valuation approach or approaches to be used should be made by
36 the property appraiser upon a consideration of the category or
37 nature of the property, the approaches to value for which the
38 highest quality data is available, and the current use of the
39 property.

40 (3) Except as otherwise provided in subsection (4), in
41 determining the just value of land and improvements thereon,
42 factors to be taken into consideration are the proximity to
43 navigation; to a highway; to a railroad; to a municipality or
44 road; and any other circumstances that tend to affect its value,
45 not what the property might bring at a forced sale but what the
46 owner would be willing to accept and would reasonably expect to
47 receive for the property if he or she were disposed to sell the
48 property to another person able and willing to buy the property.

49 (4) (a) In arriving at the just value of all property and
50 improvements, the appraisal shall be made according to current
51 use, regardless of location.

52 (b) In arriving at the just value of any land used for
53 agricultural purposes, the appraisal shall be made according to
54 its use on January 1 of each year, regardless of its location.
55 In making the appraisal, the property appraiser shall use soil
56 types, productivity, and other criteria set forth in the

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57 standard measures of value established by the Department of
58 Revenue pursuant to s. 195.032, which criteria shall include,
59 but not be limited to, an income capitalization approach with a
60 capitalization rate of not less than 10 percent and a moving
61 average of not more than 10 years. However, for the year 2007,
62 the moving average shall be not more than 5 years; for the year
63 2008, not more than 6 years; for the year 2009, not more than 7
64 years; for the year 2010, not more than 8 years; and for the
65 year 2011, not more than 9 years; and for the year 2007, the
66 variation up or down from the previous year shall not exceed 20
67 percent and thereafter, the variation, up or down, from a
68 previous year shall not exceed 20 percent. The land shall be
69 deemed to be used for agricultural purposes when the land is
70 devoted to the commercial production of crops and other
71 commercial products of the soil, including, but not limited to,
72 the production of fruits and timber or the raising of livestock
73 and poultry; however, enrollment in the federal Conservation
74 Reserve Program or in any other United States Department of
75 Agriculture conservation program shall not preclude land being
76 deemed to be used for agricultural purposes solely on the ground
77 that the land is not being devoted to the production of
78 commercial products of the soil, and income derived from
79 participation in the federal program may be used in combination
80 with other relevant criteria to determine the just value of such
81 land. The just value of aquaculture shall be determined in the
82 same manner as that used to determine the just value of row
83 crops.

84 (c) In determining the just value based upon current use,

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85 no consideration shall be taken of the prospective value such
86 property might have if the property were put to some other
87 possible use.

88 (d) In arriving at the just value of affordable rental
89 housing, the assessor shall use the appraisal procedure set
90 forth in the standard measures of value established by the
91 Department of Revenue pursuant to s. 195.032. Such procedure
92 shall prescribe that the appraisal shall be made according to
93 actual net operating income attributable to the property,
94 capitalized at a market value capitalization rate prescribed by
95 the Department of Revenue that reflects the prevailing cost of
96 capital for commercial real estate in the geographical market in
97 which the affordable rental housing is located adjusted for the
98 enhanced risk that any recorded land use regulation places on
99 the net operating income from the property. The owner of
100 affordable rental housing shall provide to the county tax
101 assessor on or before April 1 of each year an accurate statement
102 of the actual net operating income attributable to the property
103 for the immediately preceding year prepared in accordance with
104 generally acceptable accounting principles. As used in this
105 paragraph:

106 1. "Affordable rental housing" means residential housing
107 consisting of one or more rental units, the construction or
108 rental of which is subject to s. 42 of the Internal Revenue
109 Code; the HOME Investment Partnership Program under the
110 Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. s.
111 12741 et seq.; the Federal Home Loan Banks Affordable Housing
112 Program established pursuant to the Financial Institutions

113 Reform, Recovery and Enforcement Act of 1989, Public Law 101-73;
 114 or any other federal, state, or similar program intended to
 115 provide affordable housing to persons of low or moderate income
 116 and the occupancy and maximum rental rates of such housing are
 117 restricted based on the income of the persons occupying such
 118 housing.

119 2. "Land use regulation" means a restriction imposed by an
 120 extended low-income housing agreement or other covenant recorded
 121 in the applicable land records or by applicable law or
 122 regulation restricting the maximum income or residents or the
 123 maximum rental rate in the affordable rental housing.

124 (5) The just value of each class of property shall be
 125 determined annually.

126 (6) The Department of Revenue may adopt, amend, or repeal
 127 such rules or regulations in a manner consistent with the State
 128 Constitution and the laws of this state to implement the duties
 129 assigned to the department in this section.

130 Section 2. Paragraph (b) of subsection (2) and paragraph
 131 (b) of subsection (3) of section 193.114, Florida Statutes, are
 132 amended to read:

133 193.114 Preparation of assessment rolls.--

134 (2) The department shall promulgate regulations and forms
 135 for the preparation of the real property assessment roll to
 136 reflect:

137 (b) The just value (pursuant to ~~using the factors set out~~
 138 ~~in~~ s. 193.011) of all property.

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139 (3) The department shall promulgate regulations and forms
 140 for the preparation of the tangible personal property roll to
 141 reflect:

142 (b) The just value (pursuant to ~~using the factors set out~~
 143 ~~in~~ s. 193.011) of all such property subject to taxation.

144 Section 3. Subsection (2) of section 193.461, Florida
 145 Statutes, is amended to read:

146 193.461 Agricultural lands; classification and assessment;
 147 mandated eradication or quarantine program.--

148 (2) Any landowner whose land is denied agricultural
 149 classification by the property appraiser may appeal to the value
 150 adjustment board. The property appraiser shall notify the
 151 landowner in writing of the denial of agricultural
 152 classification on or before July 1 of the year for which the
 153 application was filed. The notification shall advise the
 154 landowner of his or her right to appeal to the value adjustment
 155 board and of the filing deadline. The board may also review all
 156 lands classified by the property appraiser upon its own motion.
 157 The property appraiser shall have available at his or her office
 158 a list by ownership of all applications received showing the
 159 acreage, the just ~~full~~ valuation under s. 193.011, the valuation
 160 of the land under the provisions of this section, and whether or
 161 not the classification requested was granted.

162 Section 4. Subsection (7) of section 193.503, Florida
 163 Statutes, is amended to read:

164 193.503 Classification and assessment of historic property
 165 used for commercial or certain nonprofit purposes.--

166 (7) Any property owner who is denied classification under
 167 this section may appeal to the value adjustment board. The
 168 property appraiser shall notify the property owner in writing of
 169 the denial of such classification on or before July 1 of the
 170 year for which the application was filed. The notification shall
 171 advise the property owner of his or her right to appeal to the
 172 value adjustment board and of the filing deadline. The board may
 173 also review all property classified by the property appraiser
 174 upon its own motion. The property appraiser shall have available
 175 at his or her office a list by ownership of all applications
 176 received showing the just ~~full~~ valuation under s. 193.011, the
 177 valuation of the property under the provisions of this section,
 178 and whether or not the classification requested was granted.

179 Section 5. Subsection (2) of section 193.625, Florida
 180 Statutes, is amended to read:

181 193.625 High-water recharge lands; classification and
 182 assessment.--

183 (2) Any landowner whose land is within a county that has a
 184 high-water recharge protection tax assessment program and whose
 185 land is denied high-water recharge classification by the
 186 property appraiser may appeal to the value adjustment board. The
 187 property appraiser shall notify the landowner in writing of the
 188 denial of high-water recharge classification on or before July 1
 189 of the year for which the application was filed. The
 190 notification must advise the landowner of a right to appeal to
 191 the value adjustment board and of the filing deadline. The board
 192 may also review all lands classified by the property appraiser
 193 upon its own motion. The property appraiser shall have available

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194 at her or his office a list by ownership of all applications
 195 received showing the acreage, the just ~~full~~ valuation under s.
 196 193.011, the valuation of the land under the provisions of this
 197 section, and whether or not the classification requested was
 198 granted.

199 Section 6. Paragraph (b) of subsection (4) of section
 200 195.027, Florida Statutes, is amended to read:

201 195.027 Rules and regulations.--

202 (4)

203 (b) For purposes of this subsection, a class of property
 204 shall include only those items which are substantially similar
 205 in function and use. Nothing in this chapter shall authorize the
 206 department to prescribe a return requiring information other
 207 than that contained in this subsection; nor shall the department
 208 issue or promulgate any rule or regulation directing the
 209 assessment of property ~~by the consideration of factors~~ other
 210 than as provided ~~those enumerated~~ in s. 193.011.

211 Section 7. This act shall take effect on the effective
 212 date of the amendment to the State Constitution proposed in
 213 House Joint Resolution 1545, which authorizes the classification
 214 and assessment of any real property based on character or use,
 215 if approved by the electors of this state at the 2006 general
 216 election, and, if approved, shall apply to classifications and
 217 assessments of property beginning in the year in which that
 218 amendment to the State Constitution takes effect.