

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Community Affairs Committee

BILL: SB 490

INTRODUCER: Senator Diaz de la Portilla

SUBJECT: Property Tax Administration

DATE: December 14, 2005 REVISED: 01/10/06 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Yeatman</u>	<u>CA</u>	Fav/1 amendment
2.	_____	_____	<u>GE</u>	_____
3.	_____	_____	<u>RC</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see last section for Summary of Amendments

- Technical amendments were recommended
- Amendments were recommended
- Significant amendments were recommended

I. Summary:

This bill requires a county property appraiser to forward a copy of the Department of Revenue’s (DOR) review of the county tax assessment roll to the chairperson of the appropriate county commission. The bill specifies that the copy include all statistical and analytical measures computed for the real property assessment roll as a whole, the personal property roll as a whole, and the results of any audit procedures used by the county to appraise property.

This bill substantially amends section 195.096 of the Florida Statutes.

II. Present Situation:

Florida law authorizes counties, school districts, municipalities, and some special districts to levy ad valorem taxes on real and tangible personal property. To ensure that taxpayers are treated equitably within and among counties, the Florida Constitution and state law require that county property appraisers assess property uniformly and at just value. The Property Tax Administration Program within DOR provides state supervision of county property appraisers’ activities to ensure that all property is placed on county tax rolls and is uniformly assessed at just value.

Section 195.096, F.S., requires DOR to conduct an in-depth review of the tax assessment rolls of each county at least once every two years. The department is not required to study every use-class of property, but must at a minimum study the level of assessment in relation to the just value of specified classifications.¹ The in-depth review may include proceedings of the value adjustment board and the audit or review of procedures used by the county to appraise property.

This section also specifies that in conducting assessment ratio studies, DOR must “use all practicable steps, including stratified statistical sampling and analytical reviews and sale-qualification studies, to maximize the representativeness or statistical reliability of samples of properties.”² In addition, DOR is required to document and retain records of the measures of representativeness of the properties studied. Documentation must include a record of findings used as the basis for the approval or disapproval of the tax roll in each. In addition, DOR is directed to study assessment roll strata by sub-classifications such as value groups and market areas for each classification or stratum to be studied, to maximize the representativeness of ratio study samples. Finally, DOR is directed to compute the median and the value-weighted mean for each classification or subclassification studied and for the roll as a whole.

Within 120 days following the receipt of a county assessment roll or within 10 days after approval of the assessment roll, whichever is later, DOR is required to complete the review for that county and forward its findings, including a statement of the confidence interval for the median and such other measures as may be appropriate for each classification or subclassification studied and for the roll as a whole, to the Senate Governmental Efficiency Committee, the House Finance and Taxation Committee, and the appropriate property appraiser.

The department is required to publish the results of the review following its release to the specified legislative committees and the appropriate property appraiser. Currently, there is no requirement that the county property appraiser provide a copy of the review and its findings to other county officials.

III. Effect of Proposed Changes:

This bill amends s. 195.096, F.S., to require county property appraisers to forward a copy of the DOR review of the county tax assessment roll within 90 days of receipt to the chairperson of the appropriate county commission or corresponding official under a consolidated charter. In addition, the bill requires that the copy of the DOR review include all statistical analytical measures computed for the real property assessment roll as a whole, the personal property roll as a whole, and the results of any audit procedures used by the county to appraise property.

¹ Section 195.096(3), F.S., provides that the review results must include all statistical and analytical measures computed under this section for the real property assessment roll as a whole, the personal property assessment roll as a whole, and independently for the following real property classes whenever the classes constituted 5 percent or more of the total assessed value of real property in a county on the previous tax roll: residential property; agricultural, high-water recharge, historic property used for commercial or certain nonprofit purposes, and other use-valued property; vacant lots; nonagricultural acreage and other undeveloped parcels; improved commercial and industrial property; and taxable institutional or governmental, utility, locally assessed railroad, oil, gas and mineral land, subsurface rights, and other real property.

² Ratio studies are statistical analyses of property values and assessment data. They are used to develop numerical estimates of the percentage of current market value at which locally assessed taxable property is assessed and to provides measures of the assessment performance.

The bill also requires that the copy of the DOR review must include any value weighted mean levels of assessment projected by DOR for a county not studied in the current year.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

Barcode 794426 by Community Affairs:

The technical amendment deletes an obsolete committee reference.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
