

CHAMBER ACTION

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1 The Fiscal Council recommends the following:

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3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to homestead property assessments;  
7 amending s. 193.155, F.S.; revising exceptions applicable  
8 to damaged or destroyed homestead property to a  
9 requirement that changes, additions, or improvements to  
10 homestead property be assessed at just value under certain  
11 circumstances; providing for application to certain  
12 changes, additions, and improvements; providing for  
13 assessment of homestead property after substantial  
14 completion of changes, additions, and improvements;  
15 providing criteria; amending s. 196.031, F.S.; providing  
16 for the continued granting of a homestead exemption for  
17 certain damaged or destroyed homestead property under  
18 certain circumstances; specifying circumstances for  
19 abandonment of property as homestead; providing for  
20 retroactive application to certain property; providing an  
21 effective date.

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

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Section 1. Subsection (4) of section 193.155, Florida Statutes, is amended to read:

193.155 Homestead assessments.--Homestead property shall be assessed at just value as of January 1, 1994. Property receiving the homestead exemption after January 1, 1994, shall be assessed at just value as of January 1 of the year in which the property receives the exemption.

(4) (a) Except as provided in paragraph (b), changes, additions, or improvements to homestead property shall be assessed at just value as of the first January 1 after the changes, additions, or improvements are substantially completed.

(b) Changes, additions, or improvements that replace all or do not include replacement of a portion of homestead real property damaged or destroyed by misfortune or calamity shall not increase the homestead property's assessed value when the square footage of the homestead property as changed or improved does not exceed 110 percent of the square footage of the homestead property before the damage or destruction just value of the damaged or destroyed portion as replaced is not more than 125 percent of the just value of the damaged or destroyed portion. Additionally, the homestead property's assessed value shall not increase if the total square footage of the homestead property as changed or improved does not exceed 1,500 square feet. Changes, additions, or improvements that do not cause the total to exceed 110 percent of the total square footage of the homestead property before the damage or destruction or that do not cause the total to exceed 1,500 total square feet shall be

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52 reassessed as provided under subsection (1). The homestead  
53 property's assessed value shall be increased by the just value  
54 of that portion of the changed or improved homestead property  
55 ~~any replaced real property, or portion thereof,~~ which is in  
56 excess of 110 ~~125~~ percent of the square footage of the homestead  
57 property before the damage or destruction or of that portion  
58 exceeding 1,500 square feet ~~just value of the damaged or~~  
59 ~~destroyed property shall be deemed to be a change, addition, or~~  
60 ~~improvement.~~ Homestead ~~Replaced real property~~ damaged or  
61 destroyed by misfortune or calamity which, after being changed  
62 or improved, has a square footage with a just value of less than  
63 100 percent of the homestead original property's total square  
64 footage before the damage or destruction ~~just value shall be~~  
65 ~~assessed pursuant to subsection (5).~~ This paragraph applies to  
66 changes, additions, or improvements commenced within 3 years  
67 after the January 1 following the damage or destruction of the  
68 homestead.

69 (c) Changes, additions, or improvements that replace all  
70 or a portion of real property that was damaged or destroyed by  
71 misfortune or calamity shall be assessed upon substantial  
72 completion as if such damage or destruction had not occurred and  
73 in accordance with paragraph (b) if the owner of such property:

74 1. Was permanently residing on such property when the  
75 damage or destruction occurred;

76 2. Was not entitled to receive homestead exemption on such  
77 property as of January 1 of that year; and

78 3. Applies for and receives homestead exemption on such  
79 property the following year.

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80            (d)~~(e)~~ Changes, additions, or improvements include  
 81 improvements made to common areas or other improvements made to  
 82 property other than to the homestead property by the owner or by  
 83 an owner association, which improvements directly benefit the  
 84 homestead property. Such changes, additions, or improvements  
 85 shall be assessed at just value, and the just value shall be  
 86 apportioned among the parcels benefiting from the improvement.

87            Section 2. Subsection (7) is added to section 196.031,  
 88 Florida Statutes, to read:

89            196.031 Exemption of homesteads.--

90            (7) When homestead property is damaged or destroyed by  
 91 misfortune or calamity and the property is uninhabitable on  
 92 January 1 after the damage or destruction occurs, the homestead  
 93 exemption may be granted if the property is otherwise qualified  
 94 and if the property owner notifies the property appraiser that  
 95 he or she intends to repair or rebuild the property and live in  
 96 the property as his or her primary residence after the property  
 97 is repaired or rebuilt and does not claim a homestead exemption  
 98 on any other property or otherwise violate this section. Failure  
 99 by the property owner to commence the repair or rebuilding of  
 100 the homestead property within 3 years after January 1 following  
 101 the property's damage or destruction constitutes abandonment of  
 102 the property as a homestead.

103            Section 3. This act shall take effect upon becoming a law  
 104 and shall apply retroactively to homestead property replaced on  
 105 or after January 1, 2006.