

The Florida Senate
PROFESSIONAL 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: Military Affairs and Domestic Security Committee

BILL: SB 2448

INTRODUCER: Senator Baker

SUBJECT: Deployed Military Personnel/Homestead Property Tax

DATE: April 11, 2007

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Pardue</u>	<u>Skelton</u>	<u>MS</u>	<u>Favorable</u>
2.	_____	_____	<u>CA</u>	_____
3.	_____	_____	<u>FT</u>	_____
4.	_____	_____	<u>GA</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Senate Bill 2448 expresses the intent of the Legislature that the state should pay a portion or all of the assessed ad valorem property taxes on homestead exemption qualified real property of active duty deployed military personnel.

The bill provides for an appropriation of \$1 million from the General Revenue Fund to pay for the program.

This bill creates an unnumbered section of the Florida Statutes.

II. Present Situation:

Chapter 196, Florida Statutes, provides for the taxation of real property in the State of Florida. This chapter also provides homestead exemptions to every person who, on January 1, has the legal title or beneficial title in equity to real property in this state; who resides on this property; and, who makes the property his or her permanent residence, or the permanent residence of another or others legally or naturally dependent upon such person.¹ The homestead exemption as described in this chapter provides that \$25,000 of assessed valuation be exempt from taxes levied by taxing authorities and governing bodies of school districts.

Deployed active duty military personnel who meet the requirements of Chapter 196, F.S., receive the same homestead exemption of \$25,000 of assessed valuation as any other qualified Florida homestead homeowner.

¹ Florida Department of Revenue 2007 Bill Analysis for Senate Bill 2448.

III. Effect of Proposed Changes:

The bill expresses the intent of the Legislature that the state should pay a portion or all of the assessed ad valorem property taxes on homestead exemption qualified real property of active duty deployed military personnel. Payment will be made for an amount prorated for the days of active deployment up to 1 year in a given year.

The bill provides that active duty deployed military personnel may apply to the Department of Revenue to have their ad valorem homestead property taxes paid. The owner must submit appropriate documentation showing his or her impending deployment or actual deployment. The bill further requires that the property appraiser of each county shall submit a request to the Department of Revenue and that the department, within 30 days of receipt, shall remit to the county tax collector the amount of the tax bill for the period of the estimated deployment rounded to the nearest complete month.

This bill provides for an effective date upon becoming a law.

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:**

If funds are appropriated, there would be no loss of ad valorem revenue to the counties because the state would pay the deployed military member's taxes under the provisions of this bill.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This bill provides for an appropriation of \$1 million from the General Revenue Fund to the Department of Revenue for the purpose of paying ad valorem taxes as provided in the act. The bill does not specify if this amount is for a single fiscal year or carries over until fully expended.

It is uncertain how many military members will be able to qualify for the benefit provided by this bill because of the difficulty in forecasting the number of qualified homeowners who may be deployed. However, the latest available Department of Defense data indicated that 58,850 active duty military were located in Florida as of September 30, 2005.² The Florida National Guard has approximately 12,500 personnel of which several thousand could be called to active duty at any given time. Military personnel may reside in either government quarters, rental property, or own a home that may qualify for homestead exemption.

This bill will require both the Department of Revenue and county property appraisers to incur an additional undetermined cost to administer the program. There is no provision in this bill to pay for such cost.

The bill provides for application for payment based on pending future deployment or current active deployment. It does not provide for situations where a member returns from deployment earlier than anticipated and the taxes have been paid by the state.

VI. Technical Deficiencies:

The bill is unclear on several issues:

- The deploying military member is required to submit appropriate documentation of pending or current deployment. The bill does not specify if this information is given to the Department of Revenue as part of the application or to the local property appraiser for use in determining the portion of the tax bill to be paid by the state;
- The terms “active duty deployed military personnel” and “active deployment” are not defined. It may be possible that a military member who is on temporary duty away from his or her permanent duty station but still within the State of Florida could be considered deployed;
- The Department of Revenue, in its staff analysis of this bill, expressed a need for clarification of the term “year” to determine whether it means a calendar year, the state’s fiscal year, or any consecutive twelve month period; and
- The department further suggested that the term “active employment” in subsection (2) of Section 1 of the bill be changed to “active deployment”. As currently proposed, once a person is considered an active duty deployed military person, he or she may apply for ad valorem taxes to be paid on a prorated basis for the days he or she is actively employed, not the days he or she is deployed.

VII. Related Issues:

The Department of Revenue expressed a need for rule making authority to implement the bill. The bill does not provide for such authority.

² Source: U. S. Department of Defense website <http://siadapp.dior.whs.mil/personnel/Pubs.htm#m02>

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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