

By Senator Posey

24-386-07

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A bill to be entitled

An act relating to ad valorem taxation;
amending s. 193.155, F.S.; applying to all real
property the limitations on the annual increase
in property assessments, which limitations
presently apply only to homestead property;
providing a contingent effective date.

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

Section 1. Section 193.155, Florida Statutes, is
amended to read:

193.155 ~~Real-property 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. Real property other than homestead
property shall be assessed at just value as of January 1,
2010.

(1) If the property appraiser determines, on the basis
of market data, that reassessment is necessary, beginning in
1995, or the year following the year the property receives
homestead exemption, whichever is later, the property shall be
reassessed annually on January 1, and, beginning in 2011, real
property that is not homestead property shall be reassessed
annually on January 1. Any change resulting from such
reassessment shall not exceed the lower of the following:

(a) Three percent of the assessed value of the
property for the prior year; or

1 (b) The percentage change in the Consumer Price Index
2 for All Urban Consumers, U.S. City Average, all items
3 1967=100, or successor reports for the preceding calendar year
4 as initially reported by the United States Department of
5 Labor, Bureau of Labor Statistics.

6 (2) If the assessed value of the property as
7 calculated under subsection (1) exceeds the just value, the
8 assessed value of the property shall be lowered to the just
9 value of the property.

10 (3) Except as provided in this subsection, real
11 ~~property assessed under this section~~ shall be assessed at just
12 value as of January 1 of the year following a change of
13 ownership. Thereafter, the annual changes in the assessed
14 value of the property are subject to the limitations in
15 subsections (1) and (2). For the purpose of this section, a
16 change in ownership means any sale, foreclosure, or transfer
17 of legal title or beneficial title in equity to any person,
18 except as provided in this subsection. With respect to
19 homestead property only, there is no change of ownership if:

20 (a) Subsequent to the change or transfer, the same
21 person is entitled to the homestead exemption as was
22 previously entitled and:

- 23 1. The transfer of title is to correct an error;
24 2. The transfer is between legal and equitable title;

25 or

26 3. The change or transfer is by means of an instrument
27 in which the owner is listed as both grantor and grantee of
28 the real property and one or more other individuals are
29 additionally named as grantee. However, if any individual who
30 is additionally named as a grantee applies for a homestead
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1 exemption on the property, the application shall be considered
2 a change of ownership;

3 (b) The transfer is between husband and wife,
4 including a transfer to a surviving spouse or a transfer due
5 to a dissolution of marriage;

6 (c) The transfer occurs by operation of law under s.
7 732.4015; or

8 (d) Upon the death of the owner, the transfer is
9 between the owner and another who is a permanent resident and
10 is legally or naturally dependent upon the owner.

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

16 (b) Changes, additions, or improvements that replace
17 all or a portion of real ~~homestead~~ property damaged or
18 destroyed by misfortune or calamity shall not increase the
19 real ~~homestead~~ property's assessed value when the square
20 footage of the real ~~homestead~~ property as changed or improved
21 does not exceed 110 percent of the square footage of the real
22 ~~homestead~~ property before the damage or destruction.
23 Additionally, the real ~~homestead~~ property's assessed value
24 shall not increase if the total square footage of the real
25 ~~homestead~~ property as changed or improved does not exceed
26 1,500 square feet. Changes, additions, or improvements that do
27 not cause the total to exceed 110 percent of the total square
28 footage of the real ~~homestead~~ property before the damage or
29 destruction or that do not cause the total to exceed 1,500
30 total square feet shall be reassessed as provided under
31 subsection (1). The real ~~homestead~~ property's assessed value

1 shall be increased by the just value of that portion of the
2 changed or improved real ~~homestead~~ property which is in excess
3 of 110 percent of the square footage of the real ~~homestead~~
4 property before the damage or destruction or of that portion
5 exceeding 1,500 square feet. Real ~~Homestead~~ property damaged
6 or destroyed by misfortune or calamity which, after being
7 changed or improved, has a square footage of less than 100
8 percent of the ~~homestead~~ property's total square footage
9 before the damage or destruction shall be assessed pursuant to
10 subsection (5). This paragraph applies to changes, additions,
11 or improvements commenced within 3 years after the January 1
12 following the damage or destruction of the property ~~homestead~~.

13 (c) Changes, additions, or improvements that replace
14 all or a portion of real property that was damaged or
15 destroyed by misfortune or calamity shall be assessed upon
16 substantial completion as if such damage or destruction had
17 not occurred and in accordance with paragraph (b). ~~if the~~
18 ~~owner of such property:~~

19 1. ~~Was permanently residing on such property when the~~
20 ~~damage or destruction occurred;~~

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

23 3. ~~Applies for and receives homestead exemption on~~
24 ~~such property the following year.~~

25 (d) Changes, additions, or improvements include
26 improvements made to common areas or other improvements made
27 to property other than to the owner's real ~~homestead~~ property
28 by the owner or by an owner association, which improvements
29 directly benefit the owner's real ~~homestead~~ property. Such
30 changes, additions, or improvements shall be assessed at just
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1 value, and the just value shall be apportioned among the
2 parcels benefiting from the improvement.

3 (5) When property is destroyed or removed and not
4 replaced, the assessed value of the parcel shall be reduced by
5 the assessed value attributable to the destroyed or removed
6 property.

7 ~~(6) Only property that receives a homestead exemption~~
8 ~~is subject to this section. No portion of property that is~~
9 ~~assessed solely on the basis of character or use pursuant to~~
10 ~~s. 193.461 or s. 193.501, or assessed pursuant to s. 193.505,~~
11 ~~is subject to this section. When property is assessed under s.~~
12 ~~193.461, s. 193.501, or s. 193.505 and contains a residence~~
13 ~~under the same ownership, the portion of the property~~
14 ~~consisting of the residence and curtilage must be assessed~~
15 ~~separately, pursuant to s. 193.011, for the assessment to be~~
16 ~~subject to the limitation in this section.~~

17 ~~(7) If a person received a homestead exemption limited~~
18 ~~to that person's proportionate interest in real property, the~~
19 ~~provisions of this section apply only to that interest.~~

20 (6)(8) Erroneous assessments of real homestead
21 property assessed under this section may be corrected in the
22 following manner:

23 (a) If errors are made in arriving at any assessment
24 under this section due to a material mistake of fact
25 concerning an essential characteristic of the property, the
26 just value and assessed value must be recalculated for every
27 such year, including the year in which the mistake occurred.

28 (b) If changes, additions, or improvements are not
29 assessed at just value as of the first January 1 after they
30 were substantially completed, the property appraiser shall
31 determine the just value for such changes, additions, or

1 improvements for the year they were substantially completed.
2 Assessments for subsequent years shall be corrected, applying
3 this section if applicable.

4 (c) If back taxes are due pursuant to s. 193.092, the
5 corrections made pursuant to this subsection shall be used to
6 calculate such back taxes.

7 ~~(7)(9)~~ If the property appraiser determines that for
8 any year or years within the prior 10 years a person who was
9 not entitled to the ~~homestead~~ property assessment limitation
10 granted under this section was granted the homestead property
11 assessment limitation, the property appraiser making such
12 determination shall record in the public records of the county
13 a notice of tax lien against any property owned by that person
14 in the county, and such property must be identified in the
15 notice of tax lien. Such property that is situated in this
16 state is subject to the unpaid taxes, plus a penalty of 50
17 percent of the unpaid taxes for each year and 15 percent
18 interest per annum. However, when a person entitled to
19 exemption pursuant to s. 196.031 inadvertently receives the
20 limitation pursuant to this section following a change of
21 ownership, the assessment of such property must be corrected
22 as provided in paragraph ~~(6)(a)(8)(a)~~, and the person need
23 not pay the unpaid taxes, penalties, or interest.

24 Section 2. This act shall take effect on the effective
25 date of an amendment to Section 4 of Article VII of the State
26 Constitution which applies limitations on assessments of real
27 property to all real property rather than to homestead
28 property only.

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SENATE SUMMARY

Applies to all real property the limitations on the annual increase in property assessments which presently apply only to homestead property under the provision commonly known as the "Save Our Homes" amendment.