

1 A bill to be entitled
 2 An act relating to homestead property assessments;
 3 amending s. 193.155, F.S.; providing additional
 4 limitations on annual changes in assessments of homestead
 5 real property; providing an effective date.

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

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

11 193.155 Homestead assessments.--~~Homestead property shall~~
 12 ~~be assessed at just value as of January 1, 1994.~~ Property
 13 receiving the homestead exemption ~~after January 1, 1994,~~ shall
 14 be assessed at just value as of January 1 of the year in which
 15 the property receives the exemption.

16 (1) Beginning in ~~1995,~~ or the year after following the
 17 year the property receives a homestead exemption, ~~whichever is~~
 18 ~~later,~~ the property shall be reassessed annually on January 1 as
 19 follows:

20 (a) If the just value of the homestead property decreases
 21 from the prior year, the change in the assessment shall decrease
 22 by the percentage decrease in just value.

23 (b) If the just value of the homestead property remains
 24 the same from the prior year, the assessment shall not change.

25 (c) If the just value of the homestead property increases
 26 from the prior year, the ~~Any~~ change resulting from such
 27 reassessment shall not exceed the lower of ~~the following:~~

28 1.~~(a)~~ Three percent of the assessed value of the property
 29 for the prior year; or

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

35 (2) If the assessed value of the property as calculated
 36 under subsection (1) exceeds the just value, the assessed value
 37 of the property shall be lowered to the just value of the
 38 property.

39 (3) Except as provided in this subsection, property
 40 assessed under this section shall be assessed at just value as
 41 of January 1 of the year following a change of ownership.
 42 Thereafter, the annual changes in the assessed value of the
 43 property are subject to the limitations in subsections (1) and
 44 (2). For the purpose of this section, a change in ownership
 45 means any sale, foreclosure, or transfer of legal title or
 46 beneficial title in equity to any person, except as provided in
 47 this subsection. There is no change of ownership if:

48 (a) Subsequent to the change or transfer, the same person
 49 is entitled to the homestead exemption as was previously
 50 entitled and:

- 51 1. The transfer of title is to correct an error;
- 52 2. The transfer is between legal and equitable title; or
- 53 3. The change or transfer is by means of an instrument in
 54 which the owner is listed as both grantor and grantee of the
 55 real property and one or more other individuals are additionally

56 | named as grantee. However, if any individual who is additionally
 57 | named as a grantee applies for a homestead exemption on the
 58 | property, the application shall be considered a change of
 59 | ownership;

60 | (b) The transfer is between husband and wife, including a
 61 | transfer to a surviving spouse or a transfer due to a
 62 | dissolution of marriage;

63 | (c) The transfer occurs by operation of law under s.
 64 | 732.4015; or

65 | (d) Upon the death of the owner, the transfer is between
 66 | the owner and another who is a permanent resident and is legally
 67 | or naturally dependent upon the owner.

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

72 | (b) Changes, additions, or improvements that replace all
 73 | or a portion of homestead property damaged or destroyed by
 74 | misfortune or calamity shall not increase the homestead
 75 | property's assessed value when the square footage of the
 76 | homestead property as changed or improved does not exceed 110
 77 | percent of the square footage of the homestead property before
 78 | the damage or destruction. Additionally, the homestead
 79 | property's assessed value shall not increase if the total square
 80 | footage of the homestead property as changed or improved does
 81 | not exceed 1,500 square feet. Changes, additions, or
 82 | improvements that do not cause the total to exceed 110 percent
 83 | of the total square footage of the homestead property before the

84 damage or destruction or that do not cause the total to exceed
 85 1,500 total square feet shall be reassessed as provided under
 86 subsection (1). The homestead property's assessed value shall be
 87 increased by the just value of that portion of the changed or
 88 improved homestead property which is in excess of 110 percent of
 89 the square footage of the homestead property before the damage
 90 or destruction or of that portion exceeding 1,500 square feet.
 91 Homestead property damaged or destroyed by misfortune or
 92 calamity which, after being changed or improved, has a square
 93 footage of less than 100 percent of the homestead property's
 94 total square footage before the damage or destruction shall be
 95 assessed pursuant to subsection (5). This paragraph applies to
 96 changes, additions, or improvements commenced within 3 years
 97 after the January 1 following the damage or destruction of the
 98 homestead.

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

- 104 1. Was permanently residing on such property when the
- 105 damage or destruction occurred;
- 106 2. Was not entitled to receive homestead exemption on such
- 107 property as of January 1 of that year; and
- 108 3. Applies for and receives homestead exemption on such
- 109 property the following year.

110 (d) Changes, additions, or improvements include
 111 improvements made to common areas or other improvements made to

112 | property other than to the homestead property by the owner or by
 113 | an owner association, which improvements directly benefit the
 114 | homestead property. Such changes, additions, or improvements
 115 | shall be assessed at just value, and the just value shall be
 116 | apportioned among the parcels benefiting from the improvement.

117 | (5) When property is destroyed or removed and not
 118 | replaced, the assessed value of the parcel shall be reduced by
 119 | the assessed value attributable to the destroyed or removed
 120 | property.

121 | (6) Only property that receives a homestead exemption is
 122 | subject to this section. No portion of property that is assessed
 123 | solely on the basis of character or use pursuant to s. 193.461
 124 | or s. 193.501, or assessed pursuant to s. 193.505, is subject to
 125 | this section. When property is assessed under s. 193.461, s.
 126 | 193.501, or s. 193.505 and contains a residence under the same
 127 | ownership, the portion of the property consisting of the
 128 | residence and curtilage must be assessed separately, pursuant to
 129 | s. 193.011, for the assessment to be subject to the limitation
 130 | in this section.

131 | (7) If a person received a homestead exemption limited to
 132 | that person's proportionate interest in real property, the
 133 | provisions of this section apply only to that interest.

134 | (8) Erroneous assessments of homestead property assessed
 135 | under this section may be corrected in the following manner:

136 | (a) If errors are made in arriving at any assessment under
 137 | this section due to a material mistake of fact concerning an
 138 | essential characteristic of the property, the just value and

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139 assessed value must be recalculated for every such year,
140 including the year in which the mistake occurred.

141 (b) If changes, additions, or improvements are not
142 assessed at just value as of the first January 1 after they were
143 substantially completed, the property appraiser shall determine
144 the just value for such changes, additions, or improvements for
145 the year they were substantially completed. Assessments for
146 subsequent years shall be corrected, applying this section if
147 applicable.

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

151 (9) If the property appraiser determines that for any year
152 or years within the prior 10 years a person who was not entitled
153 to the homestead property assessment limitation granted under
154 this section was granted the homestead property assessment
155 limitation, the property appraiser making such determination
156 shall record in the public records of the county a notice of tax
157 lien against any property owned by that person in the county,
158 and such property must be identified in the notice of tax lien.
159 Such property that is situated in this state is subject to the
160 unpaid taxes, plus a penalty of 50 percent of the unpaid taxes
161 for each year and 15 percent interest per annum. However, when a
162 person entitled to exemption pursuant to s. 196.031
163 inadvertently receives the limitation pursuant to this section
164 following a change of ownership, the assessment of such property
165 must be corrected as provided in paragraph (8)(a), and the
166 person need not pay the unpaid taxes, penalties, or interest.

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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Section 2. This act shall take effect January 1, 2009.