

By Senator Bennett

21-03398-08

20082506__

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.
6

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

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

10 193.155 Homestead assessments.--~~Homestead property shall be~~
11 ~~assessed at just value as of January 1, 1994.~~ Property receiving
12 the homestead exemption ~~after January 1, 1994,~~ shall be assessed
13 at just value as of January 1 of the year in which the property
14 receives the exemption.

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

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

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

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

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

21-03398-08

20082506__

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

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

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

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

- 50 1. The transfer of title is to correct an error;
- 51 2. The transfer is between legal and equitable title; or
- 52 3. The change or transfer is by means of an instrument in
53 which the owner is listed as both grantor and grantee of the real
54 property and one or more other individuals are additionally named
55 as grantee. However, if any individual who is additionally named
56 as a grantee applies for a homestead exemption on the property,
57 the application shall be considered a change of ownership;

21-03398-08

20082506__

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

61 (c) The transfer occurs by operation of law under s.
62 732.4015; or

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

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

70 (b) Changes, additions, or improvements that replace all or
71 a portion of homestead property damaged or destroyed by
72 misfortune or calamity shall not increase the homestead
73 property's assessed value when the square footage of the
74 homestead property as changed or improved does not exceed 110
75 percent of the square footage of the homestead property before
76 the damage or destruction. Additionally, the homestead property's
77 assessed value shall not increase if the total square footage of
78 the homestead property as changed or improved does not exceed
79 1,500 square feet. Changes, additions, or improvements that do
80 not cause the total to exceed 110 percent of the total square
81 footage of the homestead property before the damage or
82 destruction or that do not cause the total to exceed 1,500 total
83 square feet shall be reassessed as provided under subsection (1).
84 The homestead property's assessed value shall be increased by the
85 just value of that portion of the changed or improved homestead
86 property which is in excess of 110 percent of the square footage

21-03398-08

20082506__

87 | of the homestead property before the damage or destruction or of
88 | that portion exceeding 1,500 square feet. Homestead property
89 | damaged or destroyed by misfortune or calamity which, after being
90 | changed or improved, has a square footage of less than 100
91 | percent of the homestead property's total square footage before
92 | the damage or destruction shall be assessed pursuant to
93 | subsection (5). This paragraph applies to changes, additions, or
94 | improvements commenced within 3 years after the January 1
95 | following the damage or destruction of the homestead.

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

101 | 1. Was permanently residing on such property when the
102 | damage or destruction occurred;

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

105 | 3. Applies for and receives homestead exemption on such
106 | property the following year.

107 | (d) Changes, additions, or improvements include
108 | improvements made to common areas or other improvements made to
109 | property other than to the homestead property by the owner or by
110 | an owner association, which improvements directly benefit the
111 | homestead property. Such changes, additions, or improvements
112 | shall be assessed at just value, and the just value shall be
113 | apportioned among the parcels benefiting from the improvement.

21-03398-08

20082506__

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

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

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

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

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

137 (b) If changes, additions, or improvements are not assessed
138 at just value as of the first January 1 after they were
139 substantially completed, the property appraiser shall determine
140 the just value for such changes, additions, or improvements for
141 the year they were substantially completed. Assessments for

21-03398-08

20082506__

142 subsequent years shall be corrected, applying this section if
143 applicable.

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

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

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