

**HOUSE OF REPRESENTATIVES  
FINAL BILL ANALYSIS**

<b>BILL #:</b>	CS/HB 837	<b>FINAL HOUSE FLOOR ACTION:</b>	
<b>SPONSOR(S):</b>	Local & Federal Affairs Committee and Mayfield	116 Y's	0 N's
<b>COMPANION BILLS:</b>	CS/SB 1026	<b>GOVERNOR'S ACTION:</b>	Approved

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**SUMMARY ANALYSIS**

Florida law authorizes tax collectors to issue tax certificates against parcels of real property for delinquent taxes. When a tax certificate is not redeemed by a property owner, the certificate holder may apply for a tax deed on the property. Under current law tax collectors may charge a tax deed application fee of \$75.

CS/HB 837 allows tax collectors to recover the costs for providing online tax deed application services. Under this bill, if the tax collector charges a combined fee in excess of \$75 for tax deed applications and the online service, applicants for tax deeds have the option to not use the electronic service.

The bill was approved by the Governor on June 7, 2013, ch. 2013-148, L.O.F., and will become effective on July 1, 2013.

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

#### **Present Situation**

Chapter 197, F.S., governs tax collections, sales and liens.

#### Tax Certificates

A tax certificate is a legal document, representing unpaid delinquent real property taxes, non-ad valorem assessments, including special assessments, interest, and related costs and charges, issued in accordance with ch.197, F.S., against a specific parcel of property.<sup>1</sup>

Property taxes are due and payable on November 1 of each year or as soon thereafter as the certified tax roll is received by the tax collector and tax notices are mailed to taxpayers notifying them of the amount of taxes due and any available discounts.<sup>2</sup> Taxes are considered delinquent if not paid by April 1 following the year in which assessed.<sup>3</sup> By April 30, the tax collector mails an additional tax notice to each taxpayer whose payment has not been received, notifying the taxpayer that a tax certificate on the property will be sold for delinquent taxes that are not paid in full.<sup>4</sup>

On or before June 1 or 60 days after the date of delinquency, tax collectors are required to hold tax certificate auctions to sell tax certificates on properties with delinquent taxes to the person who will pay the taxes, interest, cost and charges, and demand the lowest rate of interest under the maximum rate of interest. Tax certificates that are not sold are issued to the county at the maximum interest rate (18 percent).<sup>5</sup> The sale of the tax certificate acts as a first lien on the property that is superior to all other liens, but does not convey any property rights to the investor.<sup>6</sup>

A property owner may redeem a tax certificate any time before a tax deed is issued or the property is placed on the "list of lands available for sale." The person redeeming or purchasing the tax certificate is required to pay the investor or county "all taxes, interest, costs, charges, and [any] omitted taxes" and a \$6.25 fee to the tax collector.<sup>7</sup>

#### Tax Deeds

If the property owner does not redeem the tax certificate, a tax certificate holder may apply for a tax deed on the property on or after the second year following the sale of the certificate and before the expiration of seven years from issuance, by filing the certificate with the county tax collector and paying all amounts required for redemption or purchase of all other outstanding tax certificates, any omitted taxes or delinquent taxes, and any current taxes due, plus interest. The tax collector is authorized to collect a fee of \$75 at the time of application for the tax deed.<sup>8</sup> The property is then placed on the list of lands available for sale and sold to the highest bidder at a public auction held by the clerk of the circuit court.<sup>9</sup> If property is not sold within three years after the public auction, the land escheats to the county

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<sup>1</sup> Section 197.102(1) (f), F.S.

<sup>2</sup> Section 197.322, F.S.

<sup>3</sup> Section 197.333, F.S.

<sup>4</sup> Section 197.343(1), F.S.

<sup>5</sup> Sections 197.402, 197.432 and 197.172, F.S.

<sup>6</sup> Sections 197.122 and 197.432, F.S.

<sup>7</sup> Sections 197.472 and 197.4725, F.S.

<sup>8</sup> Section 197.502, F.S.

<sup>9</sup> Section 197.542(1), F.S.

in which the property is located free and clear of all liens.<sup>10</sup> Tax certificates that are not redeemed or for which a tax deed has not been applied for after a period of seven years become null and void.<sup>11</sup>

### Electronic Tax Certificate and Tax Deed Sales, and Tax Deed Applications

Tax collectors are authorized pursuant to s. 197.432, F.S., to conduct the sale of tax certificates by electronic means. A tax collector who chooses to conduct electronic tax certificate sales may receive electronic deposits and payments related to the sales.

Additionally, s. 197.542(4)(a), F.S., provides that circuit court clerks may conduct electronic tax deed sales, and add the cost of this process to the sale. The cost is paid by the certificate holder when filing a tax deed application. The clerk is required to provide access to the electronic sale by computer terminals open to the public at a designated location.

Currently, there is no statutory provision regarding electronic tax deed applications. Tax collectors who use online tax deed application programs do not have authority to charge an additional fee for this service.

### **Effect of Proposed Changes**

CS/HB 837 amends s. 197.502, F.S., to provide authorization for tax collectors to receive reimbursement for electronic tax deed application services. When a tax certificate holder applies for a tax deed electronically, the fee will be added to the application and paid for by the applicant.

Under this bill, if the tax collector charges a combined fee in excess of \$75 for tax deed applications and the online service, applicants for tax deeds have the option to not use the electronic service.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

#### 1. Revenues:

None.

#### 2. Expenditures:

None.

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

#### 1. Revenues:

The Revenue Estimating Conference has not estimated the revenue impact of this bill. Tax collectors would be authorized to charge for reimbursement of costs associated with providing an electronic tax deed application service under specified circumstances.

#### 2. Expenditures:

None.

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<sup>10</sup> Section 197.502(8), F.S.

<sup>11</sup> Section 197.482, F.S.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Individuals applying for tax deeds electronically may be charged for the costs of providing this service.

D. FISCAL COMMENTS:

None.