

HB 409

2016

1 A bill to be entitled

2 An act relating to sales of tax certificates for  
3 unpaid taxes; amending s. 197.432, F.S.; prohibiting a  
4 bidder from placing multiple bids during the sale of  
5 certain tax certificates by a tax collector; providing  
6 penalties; providing definitions; specifying what  
7 constitutes multiple bidders or entities; amending s.  
8 197.172, F.S.; authorizing individual counties to set  
9 the interest rate on real property taxes; requiring  
10 each county to set the interest rate on tax  
11 certificates annually; establishing the interest rate  
12 for certain tax delinquencies; providing an effective  
13 date.

14  
15 Be It Enacted by the Legislature of the State of Florida:

16  
17 Section 1. Subsection (6) of section 197.432, Florida  
18 Statutes, is amended to read:

19 197.432 Sale of tax certificates for unpaid taxes.—

20 (6) Each certificate shall be awarded to the person who  
21 will pay the taxes, interest, costs, and charges and will demand  
22 the lowest rate of interest, not in excess of the maximum rate  
23 of interest allowed by this chapter. The tax collector shall  
24 accept bids in even increments and in fractional interest rate  
25 bids of one-quarter of 1 percent only. An individual bidder or  
26 corporate bidder entity may not submit more than one bid for

27 each certificate and may not use multiple federal employer  
28 identification numbers to submit multiple bids. An individual  
29 bidder or corporate bidder entity who violates this protocol is  
30 barred from bidding in any county tax certificate sales for 2  
31 consecutive years after identification and verification of the  
32 bidding violation. If multiple bidders offer the same lowest  
33 rate of interest, the tax collector shall determine the method  
34 of selecting the bidder to whom the certificate will be awarded.  
35 Acceptable methods include the bid received first or use of a  
36 random-number generator. If a certificate is not purchased, the  
37 certificate shall be struck to the county, at an interest rate  
38 set by the county, up to ~~at~~ the maximum rate of interest allowed  
39 by this chapter. For purposes of this subsection, the term  
40 "individual bidder" or "corporate bidder entity" means an  
41 individual, corporation, partnership, joint venture, limited  
42 liability company, association, cooperative, joint venture,  
43 estate, trust, or any other type of individual, commercial  
44 entity, group, or combination thereof, whether domestic or  
45 foreign and whether for profit or not for profit. For purposes  
46 of this section, multiple bidders or entities that share a  
47 contractual, legal, or financial relationship are considered  
48 part of the same individual bidder or entity, which relationship  
49 is deemed to exist if they display any of the following  
50 characteristics:  
51 (a) Sharing a single taxpayer identification number;  
52 (b) Filing a single tax return, jointly or as a dependent;

- 53        (c) Sharing common employees;
- 54        (d) Owning common assets;
- 55        (e) Displaying noncompetitive bidding behavior;
- 56        (f) Sharing a common pool of capital for the purchase of
- 57 certificates;
- 58        (g) Employing a bidding or registration strategy meant to
- 59 gain an advantage when determining the winner among tie bids; or
- 60        (h) Exhibiting ownership of each other.

61        Section 2. Subsections (1), (2), and (3) of section  
 62 197.172, Florida Statutes, are amended to read:

63        197.172 Interest rate; calculation and minimum.—

64        (1) Real property taxes shall bear interest at a rate set  
 65 by the county upon which the property resides ~~the rate of 18~~  
 66 ~~percent per year~~ from the date of delinquency until a  
 67 certificate is sold, except that the minimum charge for  
 68 delinquent taxes paid prior to the sale of a tax certificate  
 69 shall be 3 percent.

70        (2) Each county shall annually set the ~~maximum~~ rate of  
 71 interest on a tax certificate for the following calendar year ~~is~~  
 72 ~~18 percent per year~~. However, a tax certificate may not bear  
 73 interest, and the mandatory interest as provided by s.  
 74 197.472(2) may not be levied during the 60-day period following  
 75 the date of delinquency, except for the 3 percent mandatory  
 76 interest charged under subsection (1).

77        (3) Personal property taxes shall bear interest at the  
 78 rate set by the jurisdictional county for the year of

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79 | delinquency, ~~of 18 percent per year~~ from the date of delinquency  
80 | until paid or barred under chapter 95.

81 |       Section 3. This act shall take effect July 1, 2016.