

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 399 Millage Notices
SPONSOR(S): DiCeglie
TIED BILLS: IDEN./SIM. **BILLS:** SB 564

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	13 Y, 0 N	Darden	Miller
2) Ways & Means Committee			
3) State Affairs Committee			

SUMMARY ANALYSIS

Section 200.069, F.S., requires each property appraiser to prepare and deliver a “notice of proposed property taxes and non-ad valorem assessments” to each taxpayer listed on the current year’s assessment roll. This notice is commonly referred to as a “truth-in-millage notice” or “TRIM notice.” The notice informs the taxpayer of the property taxes and millage rate assessed against the property for the present year, the property taxes and millage rate under the proposed budget of each taxing authority, the property taxes and millage rate if the taxing authority made no budget changes from the previous year, and the date, time, and meeting location at which the taxing authority will adopt the rate for the upcoming year.

The bill authorizes the property appraiser of each county to elect to post TRIM notices on the property appraiser’s website in lieu of providing notice by first-class mail. The property appraiser must conduct an informational presentation at a public meeting of the county commission before posting TRIM notices on the website. The property appraiser’s website must give taxpayers the option to receive an email notification within three business days after the most recent notice is posted or to continue to request and receive notices by mail.

The bill requires the property appraisers electing to provide TRIM notices on their respective websites to mail a notice to each taxpayer on the current year’s assessment roll for the first three years stating the web-based notice system is in operation, informing the taxpayer that TRIM notices are available online instead of being mailed. The notice must also inform the taxpayer of email notification and mail options, as well as provide information on how to appeal the valuation or exemption status applied to the property. The bill requires this notice to be sent by mail to any new owners of the property in the county.

The bill makes conforming changes to statutes that reference the mailing of the TRIM notice.

The bill provides an effective date of July 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Ad Valorem Taxation

The Florida Constitution reserves to local governments the authority to levy ad valorem taxes on real and tangible personal property.¹ Ad valorem taxes are levied annually by counties, cities, school districts, and some special districts based on the value of real and tangible personal property as of January 1 of each year.² The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes,³ and provides for specified assessment limitations, property classifications, and exemptions.⁴ After the property appraiser considers any assessment limitation or use classification affecting the just value of a parcel of real property, an assessed value is produced. The assessed value is then reduced by any exemptions to produce the taxable value.⁵

Determination of Millage

Each property appraiser must complete an assessment of the value of all property within the appraiser's jurisdiction and certify to the taxing authorities the taxable value of such property no later than July 1 of each year, unless extended for good cause by the Department of Revenue.⁶ The taxable value of a parcel includes both the value of structures and other improvements on the parcel and the value of the land on which those structures and improvements sit.⁷ The property appraiser also ensures that all real property is listed on the real property assessment roll.⁸ The certification from the property appraiser to each taxing authority must include the procedure for calculating the "rolled-back rate"⁹ as well as the maximum millage rate.¹⁰

Each taxing authority uses the taxable value provided by the property appraiser to prepare a proposed millage rate that is levied on each parcel's taxable value.¹¹ Each taxing authority must compute proposed or final millage rates based on utilizing at least 95 percent of the taxable value of the property

¹ Art. VII, ss. 1(a), 9(a), Fla. Const.

² S. 192.001(12), F.S., defines "real property" as land, buildings, fixtures, and all other improvements to land. The terms "land," "real estate," "realty," and "real property" may be used interchangeably. S. 192.001(11)(d), F.S., defines "tangible personal property" as all goods, chattels, and other articles of value (but does not include the vehicular items enumerated in Art. VII, s. 1(b) of the Florida Constitution and elsewhere defined) capable of manual possession and whose chief value is intrinsic to the article itself.

³ Art. VII, s. 4, Fla. Const.

⁴ Art. VII, ss. 3, 4, and 6, Fla. Const.

⁵ S. 196.031, F.S.

⁶ S. 193.023(1), F.S.

⁷ See *The Appraisal Process and Your Taxes*, Hillsborough County Property Appraiser, available at <http://www.hcpaf1.org/Property-Info/The-Appraisal-Process-Your-Taxes> (last visited Jan. 31, 2019) (process for calculating property tax values).

⁸ S. 193.085(1), F.S.

⁹ The "rolled-back rate" is defined as "[A] millage rate which, exclusive of new construction, additions to structures, deletions, increases in the value of improvements that have undergone a substantial rehabilitation which increased the assessed value of such improvements by at least 100 percent, property added due to geographic boundary changes, total taxable value of tangible personal property within the jurisdiction in excess of 115 percent of the previous year's total taxable value, and any dedicated increment value, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year less the amount, if any, paid or applied as a consequence of an obligation measured by the dedicated increment value." S. 200.065(1), F.S.

¹⁰ S. 200.065(1), F.S. The "maximum millage rate" is the millage rate a local government may levy by a simple majority vote of its governing body. S. 200.065(5), F.S.

¹¹ S. 200.065(2)(a)1., F.S.

within the boundaries of the taxing authority. Each taxing authority must prepared and submit its tentative budget in accordance with applicable law.¹²

Within 35 days of the certification of value by the property appraiser, each taxing authority must inform the property appraiser of its proposed millage rate, its rolled-back rate, and the date, time, and location of the public hearing to be held to consider the proposed millage rate and tentative budget.¹³ This information is used by the property appraiser to prepare notices of proposed property taxes.¹⁴ The notice must be mailed by the later of 55 days after the certification of value by the property appraiser or 10 days after the tax roll is approved or interim roll procedures under s. 193.1145, F.S. have been instituted. If the notice is not mailed until 10 days after the tax roll is approved or interim roll procedures are instituted, all deadlines under s. 200.065 are extended by a number of days equal to the difference between the deadline for the mailing of proposed notices and 55 days after the certification of value. If a taxing authority fails to provide timely notice to the property appraiser, the taxing authority is prohibited from levying a millage rate higher than the rolled-back rate for the upcoming fiscal year.

Between 65 and 80 days after the certification of value, the governing body of each taxing authority must hold a public hearing on the tentative budget and proposed millage rate.¹⁵ During the meeting, the governing body of the taxing authority may amend the tentative budget, adopt the amended tentative budget, recompute the proposed millage rate, and publicly announce the percentage (if any) by which the recomputed millage rate exceeds the rolled-back rate. If the recomputed millage rate exceeds the rolled-back rate, the percentage difference is included in the notice of proposed tax increase issued pursuant to s. 200.065(3)(a), F.S.¹⁶

Truth-in-Millage (TRIM) Notice

The property appraiser must provide each taxpayer listed on the current year's assessment roll a notice of proposed property taxes and non-ad valorem assessments by first-class mail.¹⁷ This notice, more commonly known as a truth-in-millage, or TRIM, notice, is sent on behalf of all taxing authorities levying ad valorem taxes and non-ad valorem assessments on each parcel listed on the current year's assessment roll.¹⁸ TRIM notices are prepared using a standardized form specified by statute. The property appraiser may not alter the contents of the form; however, the Department of Revenue may adjust the spacing and placement of elements on the form as necessitated by the needs of local taxing authorities.

The first page of the TRIM notice states that the notice is a "notice of proposed property taxes" and that the notice is not a bill.¹⁹ The notice must inform the taxpayer that the taxing authorities which levy property taxes on the property will soon hold public hearings to adopt budgets and tax rates for the following year. The notice must include a brief legal description of the property, the name and mailing address of the owner of record, and the tax information applicable to the specific parcel in question.²⁰

The notice must include seven columns labeled:²¹

- "Taxing Authority;"
- "Your Property Taxes Last Year,"

¹² See s. 200.065(2)(a)2.-4., F.S. (requiring county commissions to prepare and submit budgets in accordance with s. 129.03, F.S., requiring school districts to prepare and submit budgets in accordance with Ch. 1011, F.S., and requiring other taxing authorities to prepare and consider budgets in accordance with s. 200.065 and other provisions of law).

¹³ S. 200.065(2)(b), F.S.

¹⁴ This notice is commonly referred to as a truth-in-millage, or TRIM, notice.

¹⁵ S. 200.065(2)(c), F.S.

¹⁶ See s. 200.065(2)(c), F.S.

¹⁷ S. 200.069, F.S.

¹⁸ See *Your TRIM Notice Explained*, Marion County, available at <https://www.marioncountyfl.org/home/showdocument?id=7990> (last visited Jan. 31, 2019).

¹⁹ S. 200.069(1), F.S.

²⁰ S. 200.069(2)(a), F.S.

²¹ *Id.*

- “Last Year’s Adjusted Tax Rate (Millage),”²²
- “Your Taxes This Year IF NO Budget Change Is Adopted,”
- “Tax Rate This Year IF PROPOSED Budget Is Adopted (Millage),”
- “Your Taxes This Year IF PROPOSED Budget Change Is Adopted,” and
- “A Public Hearing on the Proposed Taxes and Budget Will Be Held.”

Under each column, the notice must include an entry for:²³

- the county;
- the school district levy required pursuant to s. 1011.60(6), F.S.;
- other operating school levies;
- the municipality or municipal service taxing unit or units in which the parcel lies (if any);
- the water management district levying pursuant to s. 373.503, F.S.;
- the independent special districts in which the parcel lies (if any); and
- all voted levies for debt service applicable to the parcel (if any).

The “taxing authority” column contains the brief, commonly used name for each taxing authority or its governing body.²⁴ The school district levies are indented and preceded by “Public Schools” with the school district levy required pursuant to s. 1011.60(6), F.S. labeled as “by state law,” while other operating school levies are labeled as “by local board.”

The “public hearing” column states the times and places for local government board meetings at which tentative budgets and proposed tax rates are to be considered, prior to final approval.²⁵

The bottom of the notice contains a final entry labeled “Total Property Taxes,” listing the total amount of taxes due to all taxing authorities levying ad valorem taxes on the property for the present year, if the rolled-back rate is adopted, and under the proposed budget.²⁶

The second page of the notice states the property’s market value, value of exemptions, and taxable values for the previous and current year for each taxing authority that is levying ad valorem tax against the property.²⁷ The second page also provides the taxpayer notice of how to challenge the assessed value of the property.²⁸ A taxpayer wishing to challenge the assessed value in front of the value adjustment board (VAB) must submit a petition to the VAB no later than the 25th day following the mailing of the TRIM notice by the property appraiser.²⁹

If a local governing board is levying non-ad valorem assessments against the property, this information may be included in the notice, but must be clearly delineated from information concerning proposed property taxes.³⁰

Effect of Proposed Changes

The bill authorizes the property appraiser of each county to make TRIM notices available on the property appraiser’s website in place of delivering a copy of the notice by first-class mail to each taxpayer listed on the current year’s assessment roll. If the property appraiser elected to make notices

²² “Last years’ adjusted tax rate” is the rolled-back rate. S. 200.069(2)(b), F.S. For voted levies for debt service, “last years’ adjusted tax rate” is the rate authorized by referendum. S. 200.069(4)(c), F.S.

²³ S. 200.069(3), F.S.

²⁴ S. 200.069(4)(a), F.S.

²⁵ S. 200.069(4)(g), F.S.

²⁶ S. 200.069(5), F.S.

²⁷ S. 200.069(6)(a), F.S.

²⁸ S. 200.069(7), F.S.

²⁹ S. 194.011(2)(d), F.S.

³⁰ S. 200.069(10), F.S.

available on the website in lieu of mailing, the property appraiser must announce the intent to do so and present the plan before a public meeting of the county commission for informational purposes.

If a property appraiser posts TRIM notices to the property appraiser's website, the bill requires the website to give taxpayers the option to request and receive an email notification within three business days after the most recent notice is posted or to continue receiving the notice by mail.

The bill requires the property appraiser to mail a notice to each taxpayer listed on the current year's assessment roll for the first three years the web-based noticed system is in use, informing the taxpayer that TRIM notices are no longer delivered by first-class mail, are available online, and that the taxpayer may register for an email alert or may request to continue receiving their TRIM notice by mail. The notice must also include instructions for how the taxpayer may request receiving notices by mail and how the taxpayer may challenge the valuation or exemption status applied to their property. The property appraiser must also provide the notice to the new property owner following any change in property ownership.

The bill revises the deadline for a taxpayer to challenge the assessed value in front of the VAB to the later of the 25th day following the mailing of the TRIM notice by the property appraiser, the posting of the notice on the property appraiser's website, or the e-mail notification of the posting of the notice on the property appraiser's website.

The bill also adds references to the electronic posting of a TRIM notice to other statutes that reference the notice provided under s. 200.069, F.S.

B. SECTION DIRECTORY:

- Section 1: Amends s. 200.069, F.S., to authorize the property appraiser of each county to make notice of proposed property taxes and non-ad valorem assessments available on the property appraiser's website in place of first-class mail.
- Section 2: Amends s. 192.0105, F.S., adding a conforming reference concerning electronic posting of notices to Taxpayer's Bill of Rights.
- Section 3: Amends s. 193.073, F.S., adding a conforming reference concerning electronic posting of notices requiring that the property appraiser issue a notice informing a taxpayer of an erroneous or incomplete statement of personal property.
- Section 4: Amends s. 193.114, F.S., adding a conforming reference concerning electronic posting of notices to required documentation for the preparation of assessment rolls.
- Section 5: Amends s. 193.1142, F.S., adding a conforming reference concerning electronic posting of notices to the requirement that the assessment roll must be approved prior to the issuance of notices.
- Section 6: Amends s. 194.011, F.S., revising the deadline to file a petition to the value adjustment board.
- Section 7: Provides an effective date of July 1, 2019.

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:

None.

2. Expenditures:

The bill would reduce local government expenditures to the extent operating and maintaining a website containing TRIM notices is cheaper than the cost of sending a notice via first-class mail to property owners.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES