

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 658

INTRODUCER: Senator Albritton

SUBJECT: Property Assessment Administration

DATE: March 23, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Toman	Yeatman	CA	Pre-meeting
2.			AEG	
3.			AP	

I. Summary:

SB 658 requires the Department of Revenue to pay the costs of furnishing ad valorem tax-related aerial photographs and maps to property appraisers from fiscally constrained counties for the purposes of ensuring accuracy in property assessments. Florida Statutes currently require the Department of Revenue to pay the costs of furnishing such items to property appraisers in the 16 counties of the state with populations of 25,000 or fewer. The provisions of SB 658 would add 13 more counties entitled to such gratis aerial photographs and maps.

II. Present Situation:

Aerial Photography of Real Property

Chapter 195, F.S., entrusts the Department of Revenue (DOR) with general supervision of the assessment and valuation of property in the state. This supervision consists primarily of aiding and assisting county officers in the assessing and collection functions, with particular emphasis on the more technical aspects.¹ Rule 12D-1.009, F.A.C., requires each property appraiser to maintain aerial photography suitable for appraisal needs. Section 195.022, F.S., requires the DOR to furnish aerial photographs of each county to property appraisers at least once every three years to help assure that all real property is listed on assessment rolls.

According to the DOR, aerial photography is useful for locating and analyzing real property, especially vacant land, and can be used to identify previously undiscovered improved property by comparing recent photographs with those of a prior period.² For field inspections and appraisal research, it is helpful to have aerial photographs accurately overlaid with property

¹ Section 195.002(1), F.S.

² See Florida Department of Revenue Property Tax Administration Program, *The Florida Real Property Appraisal Guidelines*, 16-25 (Nov. 26, 2002) available at <http://floridarevenue.com/property/Documents/FLrpg.pdf> (last visited Mar. 23, 2019).

ownership maps.³ Section 195.022, F.S., directs the DOR to prescribe ad valorem tax forms used by county property appraisers including the triennial prescription and provision of aerial photographs and non-property ownership maps to insure that all properties are correctly listed on the county tax rolls. Through established flight schedules, approximately one-third of the state is flown once every three years for photography and mapping purposes.⁴

Pursuant to Florida Statutes, the costs for aerial photographs and maps furnished to counties with a population of 25,000 or fewer are paid for by the DOR.⁵ In counties with a population greater than 25,000, the DOR furnishes these items at the property appraiser’s expense.⁶ Funds the DOR collects for providing aerial photographs and maps to the larger counties are deposited into the Certification Program Trust Fund.⁷

The most recent Office of Economic and Demographic Research county population estimates as of April 1, 2018, identifies 16 Florida counties with populations of less than 25,000.⁸ The 16 counties are:

<i>Bradford</i>	<i>Gulf</i>	<i>Madison</i>
<i>Calhoun</i>	<i>Hamilton</i>	<i>Taylor</i>
<i>Dixie</i>	<i>Holmes</i>	<i>Union</i>
<i>Franklin</i>	<i>Jefferson</i>	<i>Washington</i>
<i>Gilchrist</i>	<i>Lafayette</i>	
<i>Glades</i>	<i>Liberty</i>	

In four of the last five General Appropriations Acts, non-recurring funds have been appropriated from General Revenue to provide aerial photographs and maps for counties with a population of 50,000 or less.⁹ In 2017, the non-recurring funds were specified for counties with a population of 25,000 or less, pursuant to s. 195.022, F.S.

Local Government Half-Cent Sales Tax and Fiscally Constrained Counties

Authorized in 1982,¹⁰ the Local Government Half-cent Sales Tax Program generates the largest amount of revenue for local governments among the state-shared revenue sources currently

³ *Id.* Property ownership maps are known as cadastral maps, scale maps showing the legal description boundary, parcel identifier, and related information on each parcel of real property in each county for assessment purposes.

⁴ Florida Department of Revenue, *Presentation for the Florida House of Representatives Government Operations and Technology Appropriations Subcommittee* (Feb. 21, 2019) (on file with the Senate Committee on Community Affairs). The DOR has qualified 11 aerial photography and mapping vendors that are available for DOR and county use.

⁵ Section 195.022, F.S. DOR requests funds to pay for these smaller counties each year in its Legislative Budget Request.

⁶ *Id.* The DOR may incur reasonable expenses for aerial photographs and maps which may then be translated into a fee equal to the cost incurred. According to the DOR, property appraisers can elect to use one of the qualified vendors or secure their own vendor.

⁷ See s. 195.022, F.S. Created in 1990, this trust fund was formed for the purpose of paying the DOR’s expenses to upgrade assessment and collection skills for local government officials at training schools and programs..

⁸ See Florida Legislature, Office of Economic and Demographic Research, *Florida Population Estimates for Counties and Municipalities* (April 1, 2018) available at http://edr.state.fl.us/Content/population-demographics/data/2018_Pop_Estimates_Revised.pdf (last visited Mar. 23, 2019).

⁹ See chs. 2018-9 (line 3014), 2017-70 (line 3034), 2016-66 (line 3000), 2015-232 (line 3015), 2014-51(line 3028), and 2013-40 (line 3004D), Laws of Fla. There are currently 26 counties with populations of 50,000 or less.

¹⁰ Chapter 82-154, Laws of Fla.

authorized by the Legislature.¹¹ It distributes a portion of state sales tax revenue via three separate distributions to eligible county or municipal governments. The program’s primary purpose is to provide relief from ad valorem and utility taxes in addition to providing counties and municipalities with revenues for local programs.¹²

Section 218.67, F.S., outlines procedures for an additional distribution of the half-cent sales tax to participating “fiscally constrained counties.” A fiscally constrained county is 1) one that is entirely within a rural area of opportunity¹³ as designated by the Governor pursuant to the Rural Economic Development Initiative in s. 288.0656, F.S., or 2) one for which the value of a mill will raise no more than \$5 million in revenue, based on the taxable value certified pursuant to the required local effort for school districts in s. 1011.62(4)(a)1.a., F.S., from the previous July 1.¹⁴ The DOR currently identifies 29 fiscally constrained counties pursuant to s. 218.67(1), F.S. (counties listed in *italics* have populations of less than 25,000):¹⁵

Baker	<i>Gulf</i>	<i>Liberty</i>
<i>Bradford</i>	<i>Hamilton</i>	<i>Madison</i>
<i>Calhoun</i>	Hardee	Okeechobee
Columbia	Hendry	Putnam
Desoto	Highlands	Suwannee
<i>Dixie</i>	<i>Holmes</i>	<i>Taylor</i>
<i>Franklin</i>	Jackson	<i>Union</i>
Gadsden	<i>Jefferson</i>	Wakulla
<i>Gilchrist</i>	<i>Lafayette</i>	<i>Washington</i>
<i>Glades</i>	Levy	

III. Effect of Proposed Changes:

Section 1 amends s. 195.022, F.S., to require the DOR to pay the costs of furnishing ad valorem tax-related aerial photographs and maps to property appraisers from fiscally constrained counties. A fiscally constrained county is defined as a county within a rural area of opportunity as designated by the Governor pursuant to s. 288.0656, F.S., or each county for which the value of a mill will raise no more than \$5 million in revenue, based on the certified school taxable value certified pursuant to s. 1011.62(4)(a)1.a., F.S., from the previous July 1.

Section 2 provides that the act will take effect on July 1, 2019.

¹¹ See Florida Legislature, Office of Economic and Demographic Research, *2018 Local Government Financial Information Handbook*, 56-72, available at <http://edr.state.fl.us/Content/local-government/reports/lgh18.pdf> (last visited Feb. 26, 2019).

¹² *Id.*

¹³ See s. 288.0656(1), F.S. A rural area of opportunity is a rural community or region (generally, a county with a population of 75,000 or fewer) that has been adversely affected by an extraordinary economic event, severe distress, natural disaster or that presents a unique economic development opportunity of regional impact, as designated by the Governor

¹⁴ Section 218.67(1), F.S.

¹⁵ See Florida Department of Revenue, Property Tax Oversight, *Map of Fiscally Constrained Counties*, available at <http://floridarevenue.com/property/Documents/fcco081210.pdf> (last visited Mar. 23, 2019). Columbia, Highlands, and Putnam counties have populations greater than 50,000.

Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

IV. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The 13 fiscally constrained counties with populations above 25,000 will no longer incur costs related to aerial photographs and maps provided by the DOR for assessment purposes. The DOR estimates total expenditures to accomplish this of \$1,174,040 for Fiscal Year 2018-2019, \$448,477 for Fiscal Year 2019-2020, \$167,441 for Fiscal Year 2020-2021, and \$1,255,381 for Fiscal Year 2021-2022.¹⁶

V. Technical Deficiencies:

None.

¹⁶ The cost estimates are based on current schedules and pricing for the accepted industry standard of 6 inch resolution photography. See Florida Department of Revenue *2019 Agency Legislative Bill Analysis: SB 658* (March 5, 2019) (on file with the Senate Committee on Community Affairs).

VI. Related Issues:

None.

VII. Statutes Affected:

This bill substantially amends s. 195.022 of the Florida Statutes:

VIII. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
