

By the Committee on Finance and Tax; and Senator Bean

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1 A bill to be entitled
2 An act relating to ad valorem assessments; amending s.
3 193.155, F.S.; adding exceptions to the definition of
4 the term "change of ownership" for purposes of a
5 certain homestead assessment limitation; providing
6 that changes, additions, or improvements, including
7 ancillary improvements, to homestead property damaged
8 or destroyed by misfortune or calamity must be
9 assessed upon substantial completion; specifying that
10 the assessed value of the replaced homestead property
11 must be calculated using the assessed value of the
12 homestead property on a certain date before the date
13 on which the damage or destruction was sustained;
14 providing that certain changes, additions, or
15 improvements must be reassessed at just value in
16 subsequent years; amending s. 193.1554, F.S.;
17 providing that changes, additions, or improvements,
18 including ancillary improvements, to nonhomestead
19 residential property damaged or destroyed by
20 misfortune or calamity must be assessed upon
21 substantial completion; specifying that the assessed
22 value of the replaced nonhomestead residential
23 property must be calculated using the assessed value
24 of the nonhomestead residential property on a certain
25 date before the date on which the damage or
26 destruction was sustained; providing that certain
27 changes, additions, or improvements must be reassessed
28 at just value in subsequent years; amending s.
29 193.1555, F.S.; providing that changes, additions, or

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30 improvements, including ancillary improvements, to
31 certain nonresidential real property damaged or
32 destroyed by misfortune or calamity must be assessed
33 upon substantial completion; specifying that the
34 assessed value of the replaced nonresidential real
35 property shall be calculated using the assessed value
36 of the residential and nonresidential real property on
37 a certain date before the date on which the damage or
38 destruction was sustained; providing that certain
39 changes, additions, or improvements must be reassessed
40 at just value in subsequent years; reenacting s.
41 193.1557, F.S., relating to assessment of property
42 damaged or destroyed by Hurricane Michael, to
43 incorporate amendments made by this act in references
44 thereto; providing construction; requiring the
45 property appraiser to determine assessments for
46 certain changes, additions, or improvements for the
47 year they were substantially completed and recalculate
48 the just and assessed value for subsequent years under
49 certain circumstances; providing applicability;
50 providing an effective date.

51
52 Be It Enacted by the Legislature of the State of Florida:

53
54 Section 1. Paragraph (a) of subsection (3) and paragraph
55 (b) of subsection (4) of section 193.155, Florida Statutes, are
56 amended to read:

57 193.155 Homestead assessments.—Homestead property shall be
58 assessed at just value as of January 1, 1994. Property receiving

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59 the homestead exemption after January 1, 1994, shall be assessed
60 at just value as of January 1 of the year in which the property
61 receives the exemption unless the provisions of subsection (8)
62 apply.

63 (3) (a) Except as provided in this subsection or subsection
64 (8), property assessed under this section shall be assessed at
65 just value as of January 1 of the year following a change of
66 ownership. Thereafter, the annual changes in the assessed value
67 of the property are subject to the limitations in subsections
68 (1) and (2). For the purpose of this section, a change of
69 ownership means any sale, foreclosure, or transfer of legal
70 title or beneficial title in equity to any person, except if any
71 of the following apply:

72 1. Subsequent to the change or transfer, the same person is
73 entitled to the homestead exemption as was previously entitled
74 and:

75 a. The transfer of title is to correct an error;

76 b. The transfer is between legal and equitable title or
77 equitable and equitable title and no additional person applies
78 for a homestead exemption on the property;

79 c. The change or transfer is by means of an instrument in
80 which the owner is listed as both grantor and grantee of the
81 real property and one or more other individuals are additionally
82 named as grantee. However, if any individual who is additionally
83 named as a grantee applies for a homestead exemption on the
84 property, the application is considered a change of ownership;

85 ~~or~~

86 d. The change or transfer is by means of an instrument in
87 which the owner entitled to the homestead exemption is listed as

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88 both grantor and grantee of the real property and one or more
89 other individuals, all of whom held title as joint tenants with
90 rights of survivorship with the owner, are named only as
91 grantors and are removed from the title; or

92 e. The person is a lessee entitled to the homestead
93 exemption under s. 196.041(1).

94 2. Legal or equitable title is changed or transferred
95 between husband and wife, including a change or transfer to a
96 surviving spouse or a transfer due to a dissolution of marriage;

97 3. The transfer occurs by operation of law to the surviving
98 spouse or minor child or children under s. 732.401; ~~or~~

99 4. Upon the death of the owner, the transfer is between the
100 owner and another who is a permanent resident and who is legally
101 or naturally dependent upon the owner; or

102 5. The transfer occurs with respect to a property where all
103 of the following apply:

104 a. Multiple owners hold title as joint tenants with rights
105 of survivorship;

106 b. One or more owners were entitled to and received the
107 homestead exemption on the property;

108 c. The death of one or more owners occurs; and

109 d. Subsequent to the transfer, the surviving owner or
110 owners previously entitled to and receiving the homestead
111 exemption continue to be entitled to and receive the homestead
112 exemption.

113 (4)

114 (b)1. Changes, additions, or improvements that replace all
115 or a portion of homestead property, including ancillary
116 improvements, damaged or destroyed by misfortune or calamity

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117 shall be assessed upon substantial completion as provided in
118 this paragraph. Such assessment must be calculated using ~~shall~~
119 ~~not increase~~ the homestead property's assessed value as of the
120 January 1 immediately before the date on which the damage or
121 destruction was sustained, subject to the assessment limitations
122 in subsections (1) and (2), when:

123 a. The square footage of the homestead property as changed
124 or improved does not exceed 110 percent of the square footage of
125 the homestead property before the damage or destruction; or-

126 b. ~~Additionally, the homestead property's assessed value~~
127 ~~shall not increase if~~ The total square footage of the homestead
128 property as changed or improved does not exceed 1,500 square
129 feet. ~~Changes, additions, or improvements that do not cause the~~
130 ~~total to exceed 110 percent of the total square footage of the~~
131 ~~homestead property before the damage or destruction or that do~~
132 ~~not cause the total to exceed 1,500 total square feet shall be~~
133 ~~reassessed as provided under subsection (1).~~

134 2. The homestead property's assessed value must ~~shall~~ be
135 increased by the just value of that portion of the changed or
136 improved homestead property which is in excess of 110 percent of
137 the square footage of the homestead property before the damage
138 or destruction or of that portion exceeding 1,500 square feet.

139
140 Changes, additions, or improvements assessed pursuant to this
141 paragraph must be reassessed pursuant to subsection (1) in
142 subsequent years.

143 3. Homestead property damaged or destroyed by misfortune or
144 calamity which, after being changed or improved, has a square
145 footage of less than 100 percent of the homestead property's

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146 total square footage before the damage or destruction shall be
147 assessed pursuant to subsection (5).

148 4. This paragraph applies to changes, additions, or
149 improvements commenced within 3 years after the January 1
150 following the damage or destruction of the homestead.

151 Section 2. Paragraph (b) of subsection (6) of section
152 193.1554, Florida Statutes, is amended to read:

153 193.1554 Assessment of nonhomestead residential property.-

154 (6)

155 (b)1. Changes, additions, or improvements that replace all
156 or a portion of nonhomestead residential property, including
157 ancillary improvements, damaged or destroyed by misfortune or
158 calamity must be assessed upon substantial completion as
159 provided in this paragraph. Such assessment must be calculated
160 using shall not increase the nonhomestead property's assessed
161 value as of the January 1 immediately before the date on which
162 the damage or destruction was sustained, subject to the
163 assessment limitations in subsections (3) and (4), when:

164 a. The square footage of the property as changed or
165 improved does not exceed 110 percent of the square footage of
166 the property before the damage or destruction; or-

167 b. ~~Additionally, the property's assessed value shall not~~
168 ~~increase if~~ The total square footage of the property as changed
169 or improved does not exceed 1,500 square feet. ~~Changes,~~
170 ~~additions, or improvements that do not cause the total to exceed~~
171 ~~110 percent of the total square footage of the property before~~
172 ~~the damage or destruction or that do not cause the total to~~
173 ~~exceed 1,500 total square feet shall be reassessed as provided~~
174 ~~under subsection (3).~~

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175 2. The property's assessed value must ~~shall~~ be increased by
176 the just value of that portion of the changed or improved
177 property which is in excess of 110 percent of the square footage
178 of the property before the damage or destruction or of that
179 portion exceeding 1,500 square feet.

180
181 Changes, additions, or improvements assessed pursuant to this
182 paragraph shall be reassessed pursuant to subsection (3) in
183 subsequent years.

184 3. Property damaged or destroyed by misfortune or calamity
185 which, after being changed or improved, has a square footage of
186 less than 100 percent of the property's total square footage
187 before the damage or destruction shall be assessed pursuant to
188 subsection (8).

189 4. This paragraph applies to changes, additions, or
190 improvements commenced within 3 years after the January 1
191 following the damage or destruction of the property.

192 Section 3. Paragraph (b) of subsection (6) of section
193 193.1555, Florida Statutes, is amended to read:

194 193.1555 Assessment of certain residential and
195 nonresidential real property.—

196 (6)

197 (b)1. Changes, additions, or improvements that replace all
198 or a portion of nonresidential real property, including
199 ancillary improvements, damaged or destroyed by misfortune or
200 calamity must be assessed upon substantial completion as
201 provided in this paragraph. Such assessment must be calculated
202 using ~~shall not increase~~ the nonresidential real property's
203 assessed value as of the January 1 immediately before the date

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204 on which the damage or destruction was sustained, subject to the
205 assessment limitations in subsections (3) and (4), when:

206 a. The square footage of the property as changed or
207 improved does not exceed 110 percent of the square footage of
208 the property before the damage or destruction; and

209 b. The changes, additions, or improvements do not change
210 the property's character or use. ~~Changes, additions, or~~
211 ~~improvements that do not cause the total to exceed 110 percent~~
212 ~~of the total square footage of the property before the damage or~~
213 ~~destruction and do not change the property's character or use~~
214 ~~shall be reassessed as provided under subsection (3).~~

215 2. The property's assessed value must ~~shall~~ be increased by
216 the just value of that portion of the changed or improved
217 property which is in excess of 110 percent of the square footage
218 of the property before the damage or destruction.

219
220 Changes, additions, or improvements assessed pursuant to this
221 paragraph must be reassessed pursuant to subsection (3) in
222 subsequent years.

223 3. Property damaged or destroyed by misfortune or calamity
224 which, after being changed or improved, has a square footage of
225 less than 100 percent of the property's total square footage
226 before the damage or destruction shall be assessed pursuant to
227 subsection (8).

228 4. This paragraph applies to changes, additions, or
229 improvements commenced within 3 years after the January 1
230 following the damage or destruction of the property.

231 Section 4. For the purpose of incorporating the amendments
232 made by this act to sections 193.155, 193.1554, and 193.1555,

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233 Florida Statutes, in references thereto, section 193.1557,
234 Florida Statutes, is reenacted to read:

235 193.1557 Assessment of certain property damaged or
236 destroyed by Hurricane Michael.—For property damaged or
237 destroyed by Hurricane Michael in 2018, s. 193.155(4)(b), s.
238 193.1554(6)(b), or s. 193.1555(6)(b) applies to changes,
239 additions, or improvements commenced within 5 years after
240 January 1, 2019. This section applies to the 2019-2023 tax rolls
241 and shall stand repealed on December 31, 2023.

242 Section 5. The amendments made by this act to sections
243 193.155(4), 193.1554, and 193.1555, Florida Statutes, are
244 remedial and clarifying in nature, but the amendments may not
245 affect any assessment for tax rolls before 2021 unless the
246 assessment is under review by a value adjustment board or a
247 Florida court as of the effective date of this act. If changes,
248 additions, or improvements that replaced all or a portion of
249 property damaged or destroyed by misfortune or calamity were not
250 assessed in accordance with this act as of the January 1
251 immediately after they were substantially completed, the
252 property appraiser must determine the assessment for the year
253 they were substantially completed and recalculate the just and
254 assessed value for each subsequent year so that the 2021 tax
255 roll and subsequent tax rolls will be corrected.

256 Section 6. This act applies to assessments made on or after
257 January 1, 2021.

258 Section 7. This act shall take effect July 1, 2021.