

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 101 Homestead Exemption for First Responders

**SPONSOR(S):** Woodson and others

**TIED BILLS:** IDEN./SIM. BILLS: SB 184

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Ways & Means Committee	24 Y, 0 N	McCain	Aldridge
2) Local Administration, Federal Affairs & Special Districts Subcommittee	15 Y, 0 N	Roy	Darden
3) State Affairs Committee	18 Y, 0 N	Roy	Williamson

### SUMMARY ANALYSIS

Ad valorem taxes are annual taxes levied by counties, cities, school districts, and certain special districts. These taxes are based on the just value of real and tangible personal property as determined by county property appraisers on January 1 of each year.

The Florida Constitution authorizes the Legislature to provide for a full exemption from ad valorem taxes for the surviving spouse of a first responder who died in the line of duty. In order to qualify for the exemption, the first responder and his or her surviving spouse must have been permanent residents of Florida on January 1 of the year in which the first responder died, the real estate must be owned and used by the surviving spouse as a homestead, and the first responder must have been employed by the state of Florida or any political subdivision of Florida at his or her time of death. The surviving spouses of law enforcement officers who were employed by the federal government and died in the line of duty are not eligible for the exemption under the current law.

The Florida Constitution also authorizes the Legislature to provide for a full exemption from ad valorem taxes for first responders who are totally and permanently disabled as a result of an injury sustained in the line of duty. In order to qualify for the exemption, the property must be owned and used as a homestead by a first responder who was injured in the line of duty while working as a first responder for the state of Florida or any political subdivision thereof, and is a permanent resident of the state as of January 1 of the year for which the exemption is claimed. This exemption also carries over to the surviving spouse of the first responder. Under current law, this exemption does not extend to law enforcement officers who were employed by the federal government at the time of their injury or injuries.

The bill revises the definition of "first responder" to include federal law enforcement officers, thereby expanding the ad valorem tax exemption for surviving spouses of first responders who died in the line of duty and the ad valorem tax exemption for first responders rendered totally and permanently disabled as the result of an injury or injuries sustained in the line of duty to include federal law enforcement officers. It does not change any of the other requirements that must be met in order for to qualify for either exemption.

The bill does not appear to have a fiscal impact on state government, but appears to have a negative insignificant fiscal impact on local government revenues.

The bill takes effect on January 1, 2024, and will first apply to the 2024 ad valorem tax roll.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Present Situation

The Florida Constitution reserves ad valorem taxation to local governments and prohibits the state from levying ad valorem taxes on real and tangible personal property.<sup>1</sup> Ad valorem taxes are annual taxes levied by counties, cities, school districts, and certain special districts. These taxes are based on the just value of real and tangible personal property as determined by county property appraisers on January 1 of each year.<sup>2</sup> The just value may be subject to limitations, such as the “save our homes” limitation on homestead property assessment increases.<sup>3</sup> The value arrived at after accounting for applicable limitations is known as the assessed value. Property appraisers then calculate taxable value by reducing the assessed value in accordance with any applicable exemptions, such as the exemptions for homestead property.<sup>4</sup> Each year, local governing boards levy millage rates (i.e. tax rates) on taxable value to generate the property tax revenue contemplated in their annual budgets.

The Florida Constitution authorizes the Legislature to provide for a full exemption from ad valorem taxes for the surviving spouse of a first responder who died in the line of duty.<sup>5</sup> This exemption has been in place since 2012, when the Legislature passed, and voters subsequently approved, an amendment to the constitution authorizing the exemption.<sup>6</sup> In order to qualify for the exemption, the first responder and his or her surviving spouse must have been permanent residents of Florida on January 1 of the year in which the first responder died, the real estate must be owned and used by the surviving spouse as a homestead, and the first responder must have been employed by the state of Florida or any political subdivision of Florida at his or her time of death.<sup>7</sup> The surviving spouse may receive the exemption as long as the spouse holds legal or beneficial title to the homestead, resides permanently thereon, and does not remarry.<sup>8</sup> If the surviving spouse sells the property and purchases a new homestead property, the spouse may transfer the exemption to the new property, capped at the amount granted under the most recent ad valorem tax roll.<sup>9</sup> The surviving spouses of law enforcement officers who were employed by the federal government and died in the line of duty are not eligible for the exemption.

The Florida Constitution also authorizes the Legislature to provide for a full exemption from ad valorem taxes for first responders who are totally and permanently disabled as a result of an injury or injuries sustained in the line of duty.<sup>10</sup> This exemption carries over to the benefit of the surviving spouse as long as the spouse holds legal or beneficial title to the homestead, resides permanently thereon, and does not remarry.<sup>11</sup> In order to qualify for the exemption, the first responder must provide documentation to the property appraiser supporting their claim of total and permanent disability.<sup>12</sup> These documents may include documentation from the Social Security Administration stating the applicant is totally and permanently disabled, a certificate from the organization that employed the applicant as a first responder at the time of the injury or injuries containing the details of the injury that caused the disability, and a certification from a physician certifying the total and permanent disability of the applicant. This exemption is currently available to first responders as the term is defined in 196.081, F.S., meaning that it is only available to those first responders who were employed by the state or any

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<sup>1</sup> Art. VII, s. 1(a), Fla. Const.

<sup>2</sup> Art. VII, s. 4, Fla. Const.

<sup>3</sup> S. 193.155(1), F.S.

<sup>4</sup> S. 196.031, F.S.

<sup>5</sup> Art. VII, s. 6(f), Fla. Const., implemented by s. 196.081, F.S.

<sup>6</sup> CS/HJR 93 (2012).

<sup>7</sup> S. 196.081(6), F.S.

<sup>8</sup> S. 196.081(6)(b), F.S.

<sup>9</sup> *Id.*

<sup>10</sup> Art. VII, s. 6(f), Fla. Const., and s. 196.101, F.S.

<sup>11</sup> S. 196.102(8), F.S.

<sup>12</sup> S. 196.102(5), F.S.

political subdivision thereof at the time of their injury or injuries sustained in the line of duty resulting in total and permanent disability.

The Florida Constitution defines a “first responder” as “a law enforcement officer, a correctional officer, a firefighter, an emergency medical technician, or a paramedic,”<sup>13</sup> while the statute implementing the amendment defines a “first responder” as “a law enforcement officer or correctional officer as defined in s. 943.10, a firefighter as defined in s. 633.102, or an emergency medical technician or a paramedic as defined in s. 401.23 who is a full-time paid employee, part-time paid employee, or unpaid volunteer.” The definition of “law enforcement officer” provided in s. 943.10, F.S., does not include federal law enforcement officers.

**Effect of Proposed Changes**

The bill revises the definition of “first responder” to include federal law enforcement officers as defined in s. 901.1505(1), F.S., thereby expanding the ad valorem tax exemption for surviving spouses of first responders who died in the line of duty and the ad valorem tax exemption for first responders rendered totally and permanently disabled as the result from an injury or injuries sustained in the line of duty to include federal law enforcement officers. Applicants for the exemption must still meet all other requirements.

The bill takes effect on January 1, 2024, and will first apply to the 2024 ad valorem tax roll.

**B. SECTION DIRECTORY:**

Section 1: Amends s. 196.081, F.S., expanding the tax exemption for surviving spouses of first responders who died in the line of duty and the tax exemption for first responders rendered totally and permanently disabled in the line of duty to include federal law enforcement officers.

Section 2: Provides the amendments made by this bill first apply to the 2024 ad valorem tax roll.

Section 3: Provides an effective date of January 1, 2024.

**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 estimates that the bill will have zero cash impact and a negative insignificant recurring impact on local government revenues in Fiscal Year 2023-24.

2. Expenditures:

None.

<sup>13</sup> Art. VII, s. 6(e), Fla. Const.  
**STORAGE NAME:** h0101e.SAC  
**DATE:** 3/23/2023

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Qualifying individuals will have a reduction in their property tax liability.

D. FISCAL COMMENTS:

None.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, s. 18 of the Florida Constitution may apply because this bill may reduce the authority of counties or municipalities have to raise revenues in the aggregate; however, an exception appears to apply as the fiscal impact is insignificant.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

None.