

1 A bill to be entitled
2 An act relating to a property tax benefits for
3 residential properties; creating s. 193.1553, F.S.;
4 providing that property that receives a certain tax
5 exemption shall be assessed in a specified manner;
6 providing that changes, additions, and improvements to
7 such property shall be assessed in a specified manner;
8 providing exceptions and alternative assessments;
9 providing construction; requiring property that no
10 longer meets eligibility requirements to be assessed
11 in an alternative manner; providing that erroneous
12 assessments of property may be corrected in a
13 specified manner; requiring the property appraiser to
14 remove certain assessment limitations and exemptions
15 in specified circumstances; requiring the property
16 appraiser to assess certain property and recalculate
17 taxes; requiring payment of certain back taxes,
18 penalties, and interest; requiring the property
19 appraiser to serve notice upon an owner and file a
20 lien in certain circumstances; requiring a specified
21 time period before a lien may be filed; amending s.
22 196.011, F.S.; requiring the submission of an
23 application containing specified information before
24 receiving specified tax exemptions; creating s.
25 196.034, F.S.; providing specified tax exemptions for

property that meets certain eligibility requirements; providing that certain damaged or destroyed property is eligible for the exemption if specified conditions are met; providing that if such conditions are not met, such property shall be considered abandoned for a specified purpose; creating s. 196.078, F.S.; defining the term "first-time Florida homesteader"; providing construction; providing that every first-time Florida homesteader is entitled to an additional homestead exemption; providing the method for calculating such exemption; providing the duration of such exemption; requiring the exemption to decrease by a specified percentage each year; prohibiting more than one exemption; providing applicability; providing that the property appraiser shall require a person claiming an exemption to complete a certain form by a specified date; requiring a person added to the title to submit certain information to retain such exemption; providing applicability; authorizing the Department of Revenue to adopt emergency rules; providing that such rules are effective for a specified period of time and may be renewed in certain circumstances; providing for future expiration; amending ss. 193.1554 and 194.032, F.S.; conforming provisions to changes made by the act; providing a contingent effective date.

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

Section 1. Section 193.1553, Florida Statutes, is created to read:

193.1553 Assessment of certain residential property subject to a long-term lease.—

(1) Property that receives the exemption under s. 196.034 shall be assessed under this section.

(2) Except as provided in subsection (4), property that meets the conditions of subsection (1) shall be assessed pursuant to this section as of January 1 of any year for which the property is eligible for assessment under this section, using the prior year's assessed value as the basis for any change in assessment. Any change resulting from such assessment shall not exceed the lower of the following:

(a) Three percent of the assessed value of the property for the prior year; or

(b) The percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

(3) If the assessed value of the property as calculated under subsection (2) exceeds the just value, the assessed value

76 of the property shall be lowered to the just value of the
77 property.

78 (4) Property assessed under this section shall be assessed
79 at just value as of January 1 of the year following a change of
80 ownership, or as of January 1 of the year following abandonment
81 of homestead on a property that becomes eligible for assessment
82 under this section, but no sooner than the January 1 following
83 the certification to the property appraiser required by s.
84 193.155(8)(i)2. Thereafter, the annual changes in the assessed
85 value of the property are subject to the limitations in
86 subsections (2) and (3). For purposes of this subsection, the
87 term "change of ownership" means any sale, foreclosure, or
88 transfer of legal title or beneficial title in equity to any
89 person, except if any of the provisions of s. 193.155(3)(a)
90 apply.

91 (5)(a) Except as provided in paragraph (b) and s. 193.624,
92 changes, additions, or improvements to property subject to this
93 section shall be assessed at just value as of the first January
94 1 after the changes, additions, or improvements are
95 substantially completed.

96 (b)1. Changes, additions, or improvements that replace all
97 or a portion of property assessed under this section, including
98 ancillary improvements, that are damaged or destroyed by
99 misfortune or calamity shall be assessed upon substantial
100 completion as provided in this paragraph. Such assessment must

101 be calculated using the property's assessed value as of the
102 January 1 immediately before the date on which the damage or
103 destruction was sustained, subject to the assessment limitations
104 in subsections (2) and (3), when:

105 a. The square footage of the property as changed or
106 improved does not exceed 110 percent of the square footage of
107 the property before the damage or destruction; or

108 b. The total square footage of the property as changed or
109 improved does not exceed 1,500 square feet.

110 2. The property's assessed value must be increased by the
111 just value of that portion of the changed or improved property
112 which is in excess of 110 percent of the square footage of the
113 property before the damage or destruction or of that portion
114 exceeding 1,500 square feet.

115 3. Property damaged or destroyed by misfortune or calamity
116 which, after being changed or improved, has a square footage of
117 less than 100 percent of the property's total square footage
118 before the damage or destruction shall be assessed pursuant to
119 subsection (6).

120 4. Changes, additions, or improvements assessed pursuant
121 to this paragraph must be reassessed pursuant to subsection (2)
122 in subsequent years. This paragraph applies to changes,
123 additions, or improvements commenced within 5 years after the
124 January 1 following the damage or destruction of the property.

125 (c) Changes, additions, or improvements include

improvements made to common areas or other improvements made to property other than to the property by the owner or by an owner association, which improvements directly benefit the property. Such changes, additions, or improvements shall be assessed at just value, and the just value shall be apportioned among the parcels benefiting from the improvement.

(6) When property is destroyed or removed and not replaced, the assessed value of the parcel shall be reduced by the assessed value attributable to the destroyed or removed property.

(7) Only property that meets the conditions of subsection (1) is subject to this section. Any portion of property that is assessed solely on the basis of character or use pursuant to s. 193.461 or s. 193.501, or assessed pursuant to s. 193.505, is not subject to this section.

(8)(a) If, after meeting the conditions of subsection (1) and receiving the benefit of the assessment limitation in subsections (2) and (3), the property does not meet the conditions of subsection (1) on January 1 of any subsequent year, the property shall instead be assessed pursuant to s. 193.155(1) and (2), or s. 193.1554(3) and (4), as applicable, beginning with such year.

1. Any change in assessment in the first year the property is assessed pursuant to s. 193.1554 shall use the most recent year's assessed value under this section as the basis for

151 adjustment, and may not revert to just value, unless the
152 property experiences a change of ownership or control as
153 provided in s. 193.1554.

154 2. Any change in assessment in the first year the property
155 is assessed pursuant to s. 193.155 shall use the just value of
156 the property, as adjusted pursuant to s. 193.155(8), if
157 applicable.

158 (b)1. If the property meets the conditions of subsection
159 (1) on January 1 of a subsequent year, this section shall apply
160 beginning with such year, and the application of the limitation
161 in subsection (2) shall use the most recent year's assessed
162 value as the basis for adjustment if the property was assessed
163 in the most recent year pursuant to s. 193.1554.

164 2. If the property meets the conditions of subsection (1)
165 on January 1 of a subsequent year and the property was assessed
166 as the homestead of the owner in the prior year pursuant to s.
167 193.155, then the application of the limitation in subsection
168 (2) shall use the just value of the property, rather than the
169 prior year's assessment, for the first year's assessment
170 limitation in subsection (2). A property that was abandoned as a
171 homestead is only eligible under this section if the property
172 appraiser in the county in which the abandoned homestead
173 property is located provides the certification to the property
174 appraiser in the county in which the new homestead is located as
175 required by s. 193.155(8)(i)2., stating that the property has

176 been or will be reassessed at just value.

177 (9) Erroneous assessments of property assessed under this
178 section may be corrected in the following manner:

179 (a) If errors are made in arriving at any assessment under
180 this section due to a material mistake of fact concerning an
181 essential characteristic of the property, the just value and
182 assessed value must be recalculated for every such year,
183 including the year in which the mistake occurred.

184 (b) If changes, additions, or improvements are not
185 assessed at just value as of the first January 1 after they were
186 substantially completed, the property appraiser shall determine
187 the just value for such changes, additions, or improvements for
188 the year they were substantially completed. Assessments for
189 subsequent years shall be corrected, applying this section if
190 applicable.

191 (c) When a person entitled to exemption pursuant to s.
192 196.034 inadvertently receives the limitation pursuant to this
193 section following a change of ownership, the assessment of such
194 property must be corrected as provided in paragraph (a), and the
195 person need not pay the unpaid taxes, penalties, or interest.

196 (d) If the property appraiser improperly grants the
197 property assessment limitation as a result of a clerical mistake
198 or an omission, the person or entity improperly receiving the
199 property assessment limitation may not be assessed a penalty or
200 interest. Back taxes shall apply only as follows:

201 1. If the person who received the limitation as a result
202 of a clerical mistake or omission voluntarily discloses to the
203 property appraiser that he or she was not entitled to the
204 limitation before the property appraiser notifies the owner of
205 the mistake or omission, no back taxes shall be due.

206 2. If the person who received the limitation as a result
207 of a clerical mistake or omission does not voluntarily disclose
208 to the property appraiser that he or she was not entitled to the
209 limitation before the property appraiser notifies the owner of
210 the mistake or omission, back taxes shall be due for any year or
211 years that the owner was not entitled to the limitation within
212 the 5 years before the property appraiser notified the owner of
213 the mistake or omission.

214 (e) If back taxes are due pursuant to s. 193.092, the
215 corrections made pursuant to this subsection shall be used to
216 calculate such back taxes.

217 (10)(a) If the property appraiser determines that for any
218 year or years within the prior 10 years a person was granted a
219 limitation under this section due to an application that was
220 fraudulent at the time the application was submitted to the
221 property appraiser's office, the property appraiser shall remove
222 all assessment limitations and exemptions under s. 196.034 on
223 the property for the year such fraud occurred and assess the
224 property for that year at just value, then recalculate the value
225 for all subsequent years using applicable limitations and

226 exemptions. The owner shall be liable for back taxes for the
227 year the fraud occurred and all subsequent years through the
228 current year, a penalty of 100 percent of the unpaid taxes for
229 each year, and 15 percent interest per annum.

230 (b) The property appraiser shall serve upon an owner who
231 owes back taxes under this subsection a notice of intent to
232 record in the public records of the county a notice of tax lien
233 against any property owned by that person in the county, and
234 such property must be identified in the notice of tax lien. The
235 property appraiser must include with such notice information
236 explaining why the owner is not entitled to the limitation, the
237 years for which unpaid taxes are due, and the manner in which
238 unpaid taxes have been calculated. Before a lien may be filed,
239 the person or entity so notified must be given 30 days to pay
240 the taxes.

241 **Section 2. Paragraph (b) of subsection (1) of section**
242 **196.011, Florida Statutes, is amended, and subsection (14) is**
243 **added to that section, to read:**

244 196.011 Annual application required for exemption.—

245 (1)

246 (b) The form to apply for an exemption under s. 196.031,
247 s. 196.034, s. 196.078, s. 196.081, s. 196.091, s. 196.101, s.
248 196.102, s. 196.173, or s. 196.202 must include a space for the
249 applicant to list the social security number of the applicant
250 and of the applicant's spouse, if any. If an applicant files a

timely and otherwise complete application, and omits the required social security numbers, the application is incomplete. In that event, the property appraiser shall contact the applicant, who may refile a complete application by April 1. Failure to file a complete application by that date constitutes a waiver of the exemption privilege for that year, except as provided in subsection (7) or subsection (9).

(14) Notwithstanding paragraphs (7)(a) and (10)(a), an applicant who is eligible to receive an exemption under s. 196.034 must file an application each year by March 1. Such application must include the address of the property at which the owner currently receives a homestead exemption, and an executed copy of the lease for the property to be exempted under s. 196.034.

Section 3. Section 196.034, Florida Statutes, is created to read:

196.034 Exemption of certain residential property subject to a long-term lease.—

(1)(a) Property that meets the following conditions is entitled to an exemption from all taxation up to the assessed valuation of \$25,000:

1. The owner of the property holds the legal or equitable title to a separate parcel that receives the exemption under s. 196.031 and such parcel is his or her permanent residence.

2. The property is owned through sole ownership or joint

276 ownership with a spouse, or indirectly through a limited
277 liability company that holds legal or equitable title to such
278 real estate if such limited liability company is owned solely or
279 jointly with a spouse.

280 3. As of January 1 of the taxable year, the property is
281 rented by the owner to one or more natural persons for
282 residential use under a bona fide written lease that has a
283 continuous duration of 6 months or more and, by the terms of the
284 lease, may not be subleased during the rental period.

285 4. The entire parcel of property would otherwise qualify
286 for a homestead exemption under s. 196.031 if the property were
287 the owner's permanent residence.

288 5. The property is classified under s. 195.073(1)(a)1.,
289 2., or 4.

290 6. The lessee of the property is not married to the owner
291 of the property.

292 (b) Every property that qualifies to receive the exemption
293 provided in paragraph (a) is entitled to an additional exemption
294 of up to \$25,000 on the assessed valuation greater than \$50,000
295 for all levies other than school district levies.

296 (c) Any property that does not meet the conditions of
297 paragraph (a) for a given year may not receive the benefits
298 provided in paragraphs (a) and (b) for such year unless
299 subsection (2) applies, but the property may receive the
300 benefits in paragraphs (a) and (b) in any future year for which

all conditions in paragraph (a) are met.

(2) For purposes of this section, when property exempted under this section is damaged or destroyed by misfortune or calamity and the property is uninhabitable on the January 1 after the damage or destruction occurs, the property shall be considered to be subject to a long-term lease on January 1 and an existing exemption under this section shall continue if the property is otherwise qualified and if the property owner notifies the property appraiser that he or she intends to repair or rebuild the property and the existing or another lessee will resume residency after the property is repaired or rebuilt. Failure by the property owner to commence the repair or rebuilding of the property within 5 years after the January 1 following the property's damage or destruction constitutes abandonment of the property as exempt under this section. After the 5-year period, the expiration, lapse, nonrenewal, or revocation of a building permit issued to the property owner for such repairs or rebuilding also constitutes abandonment of the property under this section.

Section 4. Section 196.078, Florida Statutes, is created to read:

196.078 Additional homestead exemption for a first-time Florida homesteader.—

(1) As used in this section, the term "first-time Florida homesteader" means a person who establishes the right to receive

326 the homestead exemption provided in s. 196.031 within 1 year
327 after purchasing the homestead property and who has not owned
328 property to which the homestead exemption provided in s.
329 196.031(1)(a) applied in the 4 calendar years before such
330 purchase.

331 (2) For purposes of this section, the date on which the
332 deed or other transfer instrument was signed and notarized or
333 otherwise executed shall be considered the date a property was
334 purchased.

335 (3) Every first-time Florida homesteader is entitled to an
336 additional homestead exemption in an amount equal to 50 percent
337 of the homestead property's just value on January 1 of the year
338 the homestead is established, for all levies other than school
339 district levies. The additional exemption may not exceed the
340 median just value for homestead property during the calendar
341 year immediately preceding January 1 of the year the homestead
342 is established in the county where such property is located. The
343 additional exemption applies for a period of 5 years or until
344 the year the property is sold, whichever occurs first. The
345 amount of the additional exemption shall be reduced in each
346 subsequent year by an amount equal to 20 percent of the amount
347 of the additional exemption received in the year the homestead
348 was established. Only one exemption provided under this
349 subsection is allowed per homestead property. The additional
350 exemption applies to property purchased on or after January 1,

2027, but the additional exemption is not available in the sixth and subsequent years after it is first received.

(4) The property appraiser shall require a first-time Florida homesteader claiming an exemption under this section to submit, not later than March 1 on a form prescribed by the Department of Revenue, a sworn statement attesting that the taxpayer, and each other person who holds legal or equitable title to the property, has not owned property to which the homestead exemption provided in s. 196.031(1)(a) applied in the 4 calendar years before such purchase. In order for the exemption to be retained upon the addition of another person to the title to the property, the person added must also submit, not later than the subsequent March 1 on a form prescribed by the department, a sworn statement attesting that he or she has not owned property to which the homestead exemption provided in s. 196.031(1)(a) applied in the 4 calendar years before being added to the title.

(5) Sections 196.131, 196.151, and 196.161 apply to the exemption provided in this section.

Section 5. (1) The Department of Revenue may, and all conditions are deemed met to, adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, for the purpose of implementing ss. 193.1553, 196.034, and 196.078, Florida Statutes, as created by this act. Notwithstanding any other law, emergency rules adopted pursuant to this section are effective for 6 months

376 after adoption and may be renewed during the pendency of
377 procedures to adopt permanent rules addressing the subject of
378 the emergency rules.

379 (2) This section shall take effect the day after the
380 Department of State certifies, pursuant to s. 102.112, Florida
381 Statutes, the approval of the amendment to the State
382 Constitution proposed by HJR 1257 or a similar joint resolution
383 having substantially the same specific intent and purpose, if
384 such amendment is approved at the next general election, and
385 shall expire July 1, 2029.

386 **Section 6. Subsection (1) of section 193.1554, Florida**
387 **Statutes, is amended to read:**

388 193.1554 Assessment of nonhomestead residential property.—

389 (1) As used in this section, the term "nonhomestead
390 residential property" means residential real property that
391 contains nine or fewer dwelling units, including vacant property
392 zoned and platted for residential use, and that does not receive
393 the exemption under s. 196.031 or s. 196.034.

394 **Section 7. Paragraph (a) of subsection (1) of section**
395 **194.032, Florida Statutes, is amended to read:**

396 194.032 Hearing purposes; timetable.—

397 (1)(a) The value adjustment board shall meet not earlier
398 than 30 days and not later than 60 days after the mailing of the
399 notice provided in s. 194.011(1); however, no board hearing
400 shall be held before approval of all or any part of the

assessment rolls by the Department of Revenue. The board shall meet for the following purposes:

1. Hearing petitions relating to assessments filed pursuant to s. 194.011(3).

2. Hearing complaints relating to homestead exemptions as provided for under s. 196.151.

3. Hearing appeals from exemptions denied, or disputes arising from exemptions granted, upon the filing of exemption applications under s. 196.011.

4. Hearing appeals concerning ad valorem tax deferrals and classifications.

5. Hearing appeals from determinations that a change of ownership under s. 193.155(3), a change of ownership or control under s. 193.1553(4), s. 193.1554(5), or s. 193.1555(5), or a qualifying improvement under s. 193.1555(5) has occurred.

Section 8. This act shall take effect on the effective date of the amendment to the State Constitution proposed by HJR 1257 or a similar joint resolution having substantially the same specific intent and purpose, if such amendment is approved at the next general election.