

By Senator Avila

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1 A bill to be entitled
2 An act relating to a property tax exemption and
3 assessment limitation on long-term leased property;
4 creating s. 193.1553, F.S.; providing that property
5 that receives a certain tax exemption shall be
6 assessed in a specified manner; providing that
7 changes, additions, and improvements to such
8 properties shall be assessed in a specified manner;
9 providing exceptions and alternative assessments;
10 providing construction; requiring property that no
11 longer meets eligibility requirements to be assessed
12 in an alternative manner; amending s. 196.011, F.S.;
13 requiring the submission of an application containing
14 specified information before receiving a specified tax
15 exemption; amending s. 196.034, F.S.; providing
16 specified tax exemptions for property that meets
17 certain eligibility requirements; providing that
18 certain damaged or destroyed property is eligible for
19 the exemption if specified conditions are met;
20 providing that if such conditions are not met, such
21 property shall be considered abandoned for a specified
22 purpose; amending ss. 193.1554 and 194.032, F.S.;
23 conforming provisions to changes made by the act;
24 providing a contingent effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:

27
28 Section 1. Section 193.1553, Florida Statutes, is created
29 to read:

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30 193.1553 Assessment of certain residential property subject
31 to a long-term lease.-

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

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

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

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

48 (3) If the assessed value of the property as calculated
49 under subsection (2) exceeds the just value, the assessed value
50 of the property shall be lowered to the just value of the
51 property.

52 (4) Property assessed under this section shall be assessed
53 at just value as of January 1 of the year following a change of
54 ownership. Thereafter, the annual changes in the assessed value
55 of the property are subject to the limitations in subsections
56 (2) and (3). For purposes of this subsection, the term "change
57 of ownership" means any sale, foreclosure, or transfer of legal
58 title or beneficial title in equity to any person, except if any

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59 of the provisions of s. 193.155(3) (a) apply.

60 (5) (a) Except as provided in paragraph (b) and s. 193.624,
61 changes, additions, or improvements to property subject to this
62 section shall be assessed at just value as of the first January
63 1 after the changes, additions, or improvements are
64 substantially completed.

65 (b)1. Changes, additions, or improvements that replace all
66 or a portion of property assessed under this section, including
67 ancillary improvements, that are damaged or destroyed by
68 misfortune or calamity shall be assessed upon substantial
69 completion as provided in this paragraph. Such assessment must
70 be calculated using the property's assessed value as of the
71 January 1 immediately before the date on which the damage or
72 destruction was sustained, subject to the assessment limitations
73 in subsections (2) and (3), when:

74 a. The square footage of the property as changed or
75 improved does not exceed 110 percent of the square footage of
76 the property before the damage or destruction; or

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

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

84 3. Property damaged or destroyed by misfortune or calamity
85 which, after being changed or improved, has a square footage of
86 less than 100 percent of the property's total square footage
87 before the damage or destruction shall be assessed pursuant to

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88 subsection (6).

89 4. Changes, additions, or improvements assessed pursuant to
90 this paragraph must be reassessed pursuant to subsection (2) in
91 subsequent years. This paragraph applies to changes, additions,
92 or improvements commenced within 5 years after the January 1
93 following the damage or destruction of the property.

94 (c) Changes, additions, or improvements include
95 improvements made to common areas or other improvements made to
96 property other than to the property by the owner or by an owner
97 association, which improvements directly benefit the property.
98 Such changes, additions, or improvements shall be assessed at
99 just value, and the just value shall be apportioned among the
100 parcels benefiting from the improvement.

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

105 (7) Only property that meets the conditions of subsection
106 (1) is subject to this section. Any portion of property that is
107 assessed solely on the basis of character or use pursuant to s.
108 193.461 or s. 193.501, or assessed pursuant to s. 193.505, is
109 not subject to this section. When property is assessed under s.
110 193.461, s. 193.501, or s. 193.505 and contains a residence
111 under the same ownership, the portion of the property consisting
112 of the residence and curtilage must be assessed separately,
113 pursuant to s. 193.011, for the assessment to be subject to the
114 limitation in this section.

115 (8) (a) If, after meeting the conditions of subsection (1)
116 and receiving the benefit of the assessment limitation in

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117 subsections (2) and (3), the property does not meet the
118 conditions of subsection (1) on January 1 of any year, the
119 property shall instead be assessed pursuant to s. 193.1554(3)
120 and (4) or s. 193.1555(3) and (4), as applicable, beginning with
121 such year. Any change in assessment in the first year the
122 property is assessed pursuant to s. 193.1554 or s. 193.1555
123 shall use the most recent year's assessed value under this
124 section as the basis for adjustment, and may not revert to just
125 value unless such property experiences a change of ownership or
126 control as provided in s. 193.1554 or s. 193.1555.

127 (b) If the property meets the conditions of subsection (1)
128 in a subsequent year, this section shall apply beginning with
129 such year, and the application of the limitation in subsection
130 (2) shall use the most recent year's assessed value as the basis
131 for adjustment, even if the property was assessed in that year
132 pursuant to s. 193.1554 or s. 193.1555.

133 Section 2. Paragraph (b) of subsection (1) of section
134 196.011, Florida Statutes, is amended, and subsection (14) is
135 added to that section, to read:

136 196.011 Annual application required for exemption.—

137 (1)

138 (b) The form to apply for an exemption under s. 196.031, s.
139 196.034, s. 196.081, s. 196.091, s. 196.101, s. 196.102, s.
140 196.173, or s. 196.202 must include a space for the applicant to
141 list the social security number of the applicant and of the
142 applicant's spouse, if any. If an applicant files a timely and
143 otherwise complete application, and omits the required social
144 security numbers, the application is incomplete. In that event,
145 the property appraiser shall contact the applicant, who may

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146 refile a complete application by April 1. Failure to file a
 147 complete application by that date constitutes a waiver of the
 148 exemption privilege for that year, except as provided in
 149 subsection (7) or subsection (9).

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

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

158 196.034 Exemption of certain residential property subject
 159 to a long-term lease.-

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

163 1. The owner of the property holds the legal or equitable
 164 title to a separate parcel that receives the exemption under s.
 165 196.031 and such parcel is his or her permanent residence.

166 2. As of January 1 of the taxable year, the property is
 167 rented by the owner to one or more persons for residential use
 168 under a written lease that has a duration of 6 months or more.

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

173 (c) Any property that does not meet the conditions of
 174 paragraph (a) for a given year may not receive the benefits

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175 provided in paragraphs (a) and (b) for such year unless
176 subsection (2) applies, but the property may receive the
177 benefits in paragraphs (a) and (b) in any future year for which
178 all conditions in paragraph (a) are met.

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

197 Section 4. Subsection (1) of section 193.1554, Florida
198 Statutes, is amended to read:

199 193.1554 Assessment of nonhomestead residential property.—

200 (1) As used in this section, the term "nonhomestead
201 residential property" means residential real property that
202 contains nine or fewer dwelling units, including vacant property
203 zoned and platted for residential use, and that does not receive

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204 the exemption under s. 196.031 or s. 196.034.

205 Section 5. Paragraph (a) of subsection (1) of section
206 194.032, Florida Statutes, is amended to read:

207 194.032 Hearing purposes; timetable.—

208 (1) (a) The value adjustment board shall meet not earlier
209 than 30 days and not later than 60 days after the mailing of the
210 notice provided in s. 194.011(1); however, no board hearing
211 shall be held before approval of all or any part of the
212 assessment rolls by the Department of Revenue. The board shall
213 meet for the following purposes:

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

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

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

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

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

227 Section 6. This act shall take effect on the effective date
228 of the amendment to the State Constitution proposed by SJR 1510
229 or a similar joint resolution having substantially the same
230 specific intent and purpose, if such amendment is approved at
231 the next general election.