

# FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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**BILL #:** [HB 761](#)

**TITLE:** Deferred and Unpaid Taxes

**SPONSOR(S):** Casello

**COMPANION BILL:** [SB 882](#) (Berman)

**LINKED BILLS:** None

**RELATED BILLS:** None

## Committee References

[Ways & Means](#)

18 Y, 0 N



[Intergovernmental Affairs](#)



[State Affairs](#)

## SUMMARY

### **Effect of the Bill:**

The bill establishes a limit on properties eligible for the deferment of ad valorem taxes, non-ad valorem assessments, and interest, restricting eligibility to properties with a just value of \$1 million or less. The bill also increases the threshold for tax certificates that cannot be sold at public auction or by electronic sale from \$250 to \$500 for properties with a homestead exemption in the year the delinquent taxes were assessed.

### **Fiscal or Economic Impact:**

The Revenue Estimating Conference has not estimated the impact of this bill on state and local government revenues.

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## ANALYSIS

### **EFFECT OF THE BILL:**

The bill amends [s. 197.252, F.S.](#), which allows certain persons who claims a homestead tax exemption to [defer](#) payments on their ad valorem taxes and non-ad valorem assessments plus interest accumulated on a [tax certificate](#). The bill limits this provision to homestead properties with a just value of \$1 million or less. (Section [1](#))

The bill also amends [s. 197.432, F.S.](#), to increase the threshold for tax certificates that cannot be sold at public auction or by electronic sale from \$250 to \$500 for properties with a homestead exemption in the year the delinquent taxes were assessed. This value represents delinquent taxes and accrued interest. (Section [2](#))

The bill is effective July 1, 2025. (Section [3](#))

### **FISCAL OR ECONOMIC IMPACT:**

#### LOCAL GOVERNMENT:

The Revenue Estimating Conference has not estimated the impact of this bill. Staff estimates that the impacts to local government revenues, if any, will be primarily related to timing issues.

## RELEVANT INFORMATION

### **SUBJECT OVERVIEW:**

#### [Tax Certificates](#)

**STORAGE NAME:** h0761a.WMC

**DATE:** 3/27/2025

Chapter 197, F.S., and Rule 12D-13, F.A.C., govern the process used for the collection of unpaid taxes. The right to due process before the government takes property from a citizen is a constitutional right, and these statutes and rules help ensure that adequate procedures are in place to avoid infringing upon this right.<sup>1</sup>

A tax certificate is a legal document, issued by counties against a specific parcel of real property for unpaid delinquent real property taxes, non-ad valorem assessments, special assessments, interest, and related costs and charges.<sup>2</sup> A tax certificate is a lien against the real property which can lead to public sale of the property. The tax collector can sell these tax certificates to individuals or entities that will pay the taxes, interest, costs, and charges and will demand the lowest rate of interest.<sup>3</sup> This allows the local government to raise funds for current expenditures and provides the certificateholder with the right to collect the value of the certificate, which is secured by certain rights against the property.<sup>4</sup>

When a tax certificate is redeemed (paid by the property owner), the certificateholder will receive the amount of his or her investment (the tax certificate face amount) plus the interest accrued up to the date of redemption. A tax certificate can be redeemed any time before a tax deed is issued or the property is placed on the list of lands available for sale either by redeeming a tax certificate from the investor or by purchasing a county-held tax certificate. The person redeeming or purchasing the tax certificate is required to pay the face amount of the certificate, plus costs and charges and all interest due, which is either the interest rate due on the certificate or a 5 percent mandatory minimum interest, whichever is greater.<sup>5</sup> The tax collector then pays the certificate owner the amount received by the tax collector, less the redemption fee.<sup>6</sup>

A tax certificate having a value of less than \$250 in delinquent taxes on property that has been granted a homestead exemption for the year in which the delinquent taxes were assessed may not be sold at public auction.<sup>7</sup> Instead, the tax collector must issue the tax certificate to the county at the maximum rate of interest allowed. The county may not sell the county-held tax certificate for these tax certificates that are valued under \$250, nor can the county apply for a tax deed.<sup>8</sup>

The holder of a tax certificate may file an application for a tax deed on the property two years after the issuance of the certificate, potentially leading to the purchase of the property.<sup>9</sup>

### **Homestead Property Tax Deferral**

Section [197.252, F.S.](#), provides that any person entitled to claim homestead exemption may apply to defer payment of a portion of the combined total of the ad valorem taxes, non-ad valorem assessment and interest accumulated on a tax certificate to a future date under specific circumstances.<sup>10</sup>

To qualify, an applicant must be entitled to claim a homestead exemption on the property. Other eligibility requirements include:<sup>11</sup>

- The total amount of deferred taxes, non-ad valorem assessments, interest and unsatisfied liens is less than 85% of the just value of the property.
- The primary mortgage financing is less than 70% of the just value of the property.

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<sup>1</sup> See, e.g., *Rosado v. Vosilla*, 909 So. 2d 505 (Fla. 5th DCA 2005), decision approved, 944 So. 2d 289 (Fla. 2006); *Delta Property Management, Inc. v. Profile Investments, Inc.*, 875 So. 2d 443 (Fla. 2004).

<sup>2</sup> Section 197.102(1)(f), F.S.

<sup>3</sup> Section [197.432, F.S.](#)

<sup>4</sup> See [Section 197.432, F.S.](#), and *Smith v. City of Arcadia*, 185 So. 2d 762 (Fla. 2d DCA 1966) (“Tax certificates are only a means of evidencing unpaid taxes and to enable the sale thereof for the purpose of realizing funds for current governmental expenditures.”).

<sup>5</sup> Section [197.472, F.S.](#)

<sup>6</sup> *Id.*

<sup>7</sup> Section [197.432, F.S.](#)

<sup>8</sup> Sections [197.432, F.S.](#); [197.4725, F.S.](#), and [197.502\(3\), F.S.](#)

<sup>9</sup> Section [197.502\(1\), F.S.](#)

<sup>10</sup> Section [197.252\(1\), F.S.](#)

<sup>11</sup> Rule 12D-16.002, F.A.C.

- Certain household gross income limits:
  - If the last year's adjusted gross income for all members of the household was less than \$10,000, the entire tax amount and any non-ad valorem assessments may be deferred.
  - If taxes and assessments are more than 5% of the adjusted gross income of all members of the household for the last calendar year, the taxpayer may defer the amount over the 5%.
  - Under the Age of 65:
    - May defer the portion of their taxes that exceed 5 percent of the household's income from the prior calendar year.<sup>12</sup>
  - Age 65 or Older<sup>13</sup>:
    - May defer the portion of their taxes exceeding 3% the household's income from the prior year; or
    - In its entirety if the applicant's household income:
      - Is less than \$10,000 in the prior calendar year; or
      - Is less than the designated amount for the additional homestead exemption under [s. 196.075, F.S.](#)

A homestead tax deferral becomes a lien against the property.<sup>14</sup> The lien will accrue interest until the deferred tax balance is paid.<sup>15</sup>

A taxpayer seeking a homestead tax deferral must apply with the Tax Collector beginning November 1 of the current tax year and no later than March 31<sup>st</sup> of the following year.<sup>16</sup>

The total amount of deferred taxes and interest for all years becomes due if<sup>17</sup>:

- There is a change of ownership of the property;
- There is a change in the use of the property such that the owner is no longer entitled to a homestead exemption on the property;
- The owner fails to maintain required fire and extended insurance coverage.<sup>18,19</sup>
- There is a year where the total deferred taxes, interest and assessment and other unpaid liens exceed 85 percent of the just value of the homestead property.

## BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<a href="#">Ways &amp; Means Committee</a>	18 Y, 0 N		Aldridge	Hallaian
<a href="#">Intergovernmental Affairs Subcommittee</a>				
<a href="#">State Affairs Committee</a>				

<sup>12</sup> Section [197.252\(2\)\(a\)\(1\), F.S.](#)

<sup>13</sup> Section [197.252\(2\)\(a\)\(2\), F.S.](#)

<sup>14</sup> Section [197.2421\(3\), F.S.](#)

<sup>15</sup> Rule 12D-16.002, F.A.C. The interest rate is equal to the semiannually compounded rate of 1/2% (.5%) plus the average yield to maturity of the long-term fixed-income portion of the Florida Retirement System investments at the end of the quarter before the sale of the deferred payment tax certificates. However, the interest rate may not exceed 7%.

<sup>16</sup> [Section 197.2423\(1\), F.S.](#)

<sup>17</sup> Section [197.263\(1\), F.S.](#)

<sup>18</sup> Section [197.263, F.S.](#)

<sup>19</sup> Section [197.2423, F.S.](#)

