

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2286

SPONSOR: Senator Forman

SUBJECT: Ad Valorem Tax Exemption

DATE: March 17, 1999

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CA</u>	<u>Favorable</u>
2.	_____	_____	<u>FR</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill increases the income limitation with respect to the total property tax exemption for the homestead of a paraplegic, hemiplegic, or other totally and permanently disabled person who must use a wheelchair for mobility or who is legally blind.

This bill amends the following section of the Florida Statutes: s. 196.101.

II. Present Situation:

Section 3(b), Art. VII of the State Constitution, exempts not less than \$500 worth of property, as specified in general law, owned by widows and widowers, blind persons, and totally and permanently disabled persons.

Section 196.101, F.S., exempts from taxation all real estate owned and used as a homestead by blind persons, and the homesteads of paraplegics, hemiplegics, or other totally and permanently disabled persons, as defined in s. 196.012(11), F.S., requiring the use of a wheelchair for mobility. To qualify for the exemption, the applicant must submit to the property appraiser a certificate by two licensed physicians of this state who are professionally unrelated or by the U.S. Department of Veterans Affairs or its predecessor, that they are "totally and permanently disabled." In addition, the applicant must verify, that they are a permanent resident of the state and that the annual household income does not exceed \$14,500 (adjusted annually since January 1, 1990 by the Consumer Price Index, and is now correctly \$19,076). The applicant must annually submit a sworn statement of gross income to the property appraiser to maintain the exemption.

III. Effect of Proposed Changes:

Section 1 amends s. 196.101, F.S., to increase the income limitation with respect to the property tax exemption for the homestead of a paraplegic, hemiplegic, or other totally and permanently disabled person who must use a wheelchair for mobility or who is legally blind, from \$14,500 adjusted annually for inflation (\$19,076 in 1999), to the median income in the state for the previous calendar year. The median income in Florida for 1999 is \$34,060. In addition, the exemption recipient will be required to submit a sworn statement of gross income every third calendar year, beginning in 2001, rather than annually as required by current law.

Section 2 provides that the bill will take effect January 1, 2000.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

This bill falls under subsection (b) of section 18 of Article VII, Florida Constitution. Subsection (b) requires a two-thirds vote of the membership of each house of the Legislature in order to enact a general law reducing the authority that municipalities and counties had on February 1, 1989, to raise revenues in the aggregate. By increasing the income threshold to qualify for the property tax exemption for disabled persons, the bill has the effect of reducing local revenue-raising authority. None of the exemptions apply. Therefore, this bill may only take effect if passed by a 2/3 vote of each house.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

In 1997, 4,091 exceptions were granted under s. 196.101, F.S., for a total value of \$303.4 million. The average homestead value was \$74,157. To the extent that previously unqualified disabled persons will now qualify for the total homestead property tax exemption, the tax burden will further shift from newly qualified exemption recipients to the general property tax paying public.

The Revenue Impact Conference estimates the fiscal impact of this bill for FY1999/2000 to be \$8.6 million.

B. Private Sector Impact:

To the extent that previously unqualified disabled persons will now qualify for the total homestead property tax exemption, they will benefit from this legislation.

C. Government Sector Impact:

Property appraisers will likely process more applications for this exemption.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
