

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Policy and Steering Committee on Ways and Means

BILL: CS/SB 800

INTRODUCER: Finance and Tax Committee and Senator Baker

SUBJECT: Property Appraisers/Assessments/Homestead Exemption

DATE: April 21, 2009 **REVISED:** _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|----------|----------------|-----------|------------------------|
| 1. | Molloy | Yeatman | CA | Fav/1 amendment |
| 2. | Fournier | McKee | FT | Fav/CS |
| 3. | Fournier | Kelly | WPSC | Favorable |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

This bill revises the authority of the property appraiser to inspect property for assessment purposes by authorizing the use of image technology in lieu of physical inspection. The process for filing for an exemption when the applicant misses the March 1 filing deadline is revised. A late applicant must first file with the property appraiser and may appeal to the value adjustment board if the property appraiser denies the exemption. The factors to be considered by a property appraiser when determining permanent residency for purposes of determining eligibility for homestead exemption are revised.

The Revenue Estimating Conference noted no discernable economic impacts on state and local government for substantially similar legislation.

This bill substantially amends ss. 193.023, 196.011, and 196.015, of the Florida Statutes.

II. Present Situation:

Assessment of the value of real property

Section 193.023, F.S., requires that the property appraiser complete the assessment of the value of all property not later than July 1 of each year. To ensure that the tax roll meets all legal requirements, the appraiser is required to physically inspect the property at least once every 5 years. At his or her discretion, the appraiser may review image technology but is required to complete a physical inspection at the request of the taxpayer.

Annual application for homestead exemption

Section 196.011(1), F.S., requires that each person who is entitled by law to a property tax exemption shall file an application for such exemption by March 1 of each year. Once the original exemption has been granted, in each succeeding year, on or before February 1, the property appraiser sends a renewal application which is accepted as evidence of the exemption unless the appraiser makes a determination that the application should be denied. If the application or renewal is denied, by July 1, the appraiser must provide the applicant with a notice specifying the grounds for denial. Any applicant denied an exemption may appeal to the value adjustment board.

Subsection (8) of s. 196.011, F.S., provides that an applicant qualified to receive an exemption but who misses the application deadline can file for the exemption and file a petition with the value adjustment board requesting that the exemption be granted. The petition must be filed during the year but not later than 25 days after the Truth in Millage (TRIM) notice is mailed by the property appraiser pursuant to ss. 194.011(1)¹ and 200.069², F.S., and the petitioner must pay a nonrefundable fee of \$15.

Permanent Resident – Factors to be considered by the Property Appraiser

Section 196.015, F.S., establishes the factors to be considered by the property appraiser in making a determination as to the intent of a person claiming a homestead exemption to establish a permanent residence in the state. These factors are:

- Formal declarations and informal statements of the applicants.
- The applicant's place of employment.
- Previous permanent residence status in another state and the date of termination.
- The place where the applicant is registered to vote.
- The place of issuance of the applicant's driver's license and the license tag on the applicant's vehicle.
- The address as listed on federal income tax returns filed by the applicant.

Identification cards

¹ Subsection (1) of s. 194.011, F.S., provides that "each taxpayer who is subject to real or tangible personal ad valorem taxes shall be notified of the assessment of each taxable item of such property, as provided in s. 200.069."

² Section 200.069, F.S., provides for notice of proposed property taxes and non-ad valorem assessments to taxpayers, better known as TRIM notices. Each property appraiser is required to prepare and mail to each taxpayer on the assessment roll a notice of proposed property taxes. The TRIM notice is very specific in what information is required and the form the information is to be presented in. The Department of Revenue is responsible for reviewing TRIM notices to ensure compliance with statutory requirements.

Section 322.051, F.S., provides that any person who is 5 years of age or older, or any person with a disability, regardless of age, who applies for a disabled parking permit under s. 320.0840, F.S., may be issued an identification card by the Department of Highway Safety and Motor Vehicles upon completing an application and paying an application fee of \$10.³ The identification cards must bear a color photographic or digital image of the cardholder and a space is provided on each card for the cardholder to affix his or her signature.

Identification cards issued to persons 5 to 14 years of age expire four years from the date of original issue. Identification cards issued to persons 15 years of age or older expire eight years from the date of original issue. Any person who accepts a Florida driver's license as a valid form of identification must also accept a Florida identification card as proof of identity.

III. Effect of Proposed Changes:

Section 1 amends subsection (2) of s. 193.023, F.S., to provide that in areas where it is geographically suitable and at the property appraiser's discretion, the property appraiser may use image technology in lieu of physical inspection to ensure the tax roll meets all the requirements of law. The Department of Revenue must establish minimum standards for the use of image technology, consistent with standards developed by professionally recognized sources for mass appraisal of real property.

Section 2 amends subsection (8) of s. 196.011, F.S., to provide that the property appraiser may grant a property tax exemption to an applicant who is qualified to receive the exemption but who fails to file an application by March 1. An applicant who misses the exemption filing deadline must file an application with the property appraiser not later than the 25th day after the property appraiser mails the TRIM notice, and the property appraiser may grant the exemption if sufficient evidence exists, as determined by the property appraiser, to demonstrate that the applicant was unable to meet the filing deadline. The applicant is not required to pay a fee.

In cases where the property appraiser does not grant the exemption, the applicant may file a petition with the value adjustment board requesting that the exemption be granted. The petition, which requires the existing nonrefundable \$15 fee, must be filed not later than the 25th day after the TRIM notice has been mailed and the exemption may be granted by the board if the applicant is deemed to have demonstrated particular extenuating circumstances.

Section 3 amends s. 195.015, F.S., to revise the factors to be considered by a property appraiser when determining permanent residency for a homestead exemption. New relevant factors to be considered are:

- An applicant's declaration of domicile must be a formal declaration recorded in the public records of the county where the exemption is being sought.
- Evidence of the location where the applicant's dependent children are registered for school.

³ Section 322.21, F.S., provides that the fee for an original identification card is \$10 and the fee is deposited into the state's General Revenue Fund. The fee for a replacement card is \$10 of which \$9 is deposited into the Highway Safety Operating Trust Fund and \$1 is deposited into the General Revenue Fund. The card renewal fee is \$10 of which \$6 is deposited into the Highway Safety Operating Trust Fund and \$4 is deposited into the General Revenue Fund.

- Proof of voter registration in this state with the voter-identification-card address of the applicant, or other official correspondence from the county supervisor of elections providing proof of voter registration, both of which must match the address of the physical location where the exemption is being sought.
- A valid Florida driver's license or Florida identification card and evidence of relinquishment of driver's licenses from other states.
- The location where the applicant's bank statements and checking accounts are registered.
- Proof of payment for utilities at the property for which permanent residence is being claimed.

Section 4 provides that the act shall take effect July 1, 2009.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

A property owner who misses the March 1 filing deadline for an exemption will not be required to petition the VAB and pay a \$15 fee. The property appraiser is authorized to grant the exemption if the applicant can demonstrate that he or she was unable to timely file for the exemption. If the property appraiser does not believe that granting the exemption is warranted, the owner may still petition the VAB.

C. Government Sector Impact:

The workload of the value adjustment board is reduced by this bill because it will not have to hear every late exemption application. The board may hear cases only after the property appraiser has denied an exemption.

The Department of Revenue reports no impacts to the agency from the provisions of the bill, and in 2008, the Revenue Estimating Impact Conference noted no discernable economic impacts on state and local government for substantially similar legislation.⁴

The Orange County Property Appraiser noted the following impacts related to the use of image technology:

- Property tax value was added to the Orange County tax rolls from imagery review followed by the required field inspection.
- Improved efficiencies related to travel, fuel costs, and staff field time with almost no costs for implementation.
- Reductions in staffing costs because inspections per year for parcels added to the tax base are reduced by imaging.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Finance and Tax Committee on April 2, 2009

The committee substitute requires the Department of Revenue to establish minimum standards for the use of image technology, consistent with standards developed by professionally recognized sources for mass appraisal of real property. It also makes technical corrections to references in the bill relating to the voter information card, Florida driver's licenses, and the Florida identification card.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

⁴ See Senate Bill 1548 as passed by the Community Affairs Committee, Florida Senate, on March 27, 2008.