

## Committee Substitute for Senate Bill No. 1576

An act relating to ad valorem tax administration; amending s. 195.096, F.S.; requiring the Department of Revenue to document and retain records used in the review of assessment rolls; amending s. 195.096, F.S., effective for the 2003 tax rolls and subsequent tax rolls; requiring the Department of Revenue to study assessment groups or market areas to assure the representativeness of ratio-study samples; amending s. 197.502, F.S.; authorizing the tax collector to contract with a title abstract company to provide information concerning property described in a tax certificate; authorizing the tax collector to pay a reasonable fee for this information; providing that the amount of any fee paid for this information must be added to the opening bid for a tax deed for the property; amending s. 200.069, F.S.; changing the presentation of independent special districts' debt-service levies on notices of proposed property taxes; amending s. 193.155, F.S.; revising provisions governing assessment of homestead property; amending s. 197.343, F.S.; changing the date for an additional tax notice; amending s. 192.0105, F.S.; conforming a cross-reference; amending s. 197.212, F.S.; increasing the allowable minimum property tax; creating the Property Tax Administration Task Force; providing purposes and membership of the task force; requiring periodic reports to the Department of Revenue; amending s. 196.1975, F.S., relating to exemptions for nonprofit homes for the aged; specifying that the exemption applicable to such homes the residents of which meet certain income limitations applies to individual units or apartments of such homes; providing for application of a residency affidavit requirement to applicants for such an exemption; clarifying provisions relating to qualification for the alternative exemption provided by that section for those portions of a home in which the residents do not meet the income limitations; providing that s. 196.195, F.S., relating to requirements and criteria for determining the profit or nonprofit status of an applicant for exemption, and s. 196.196, F.S., relating to criteria for determining whether property is entitled to a charitable, religious, scientific, or literary exemption, do not apply to that section; creating an advisory committee on property and other public facility taxation; providing purposes and membership; requiring a report; providing an appropriation; providing an effective date.

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

Section 1. Paragraph (c) of subsection (2) of section 195.096, Florida Statutes, is amended to read:

195.096 Review of assessment rolls.—

(2) The department shall conduct, no less frequently than once every 2 years, an in-depth review of the assessment rolls of each county. The department need not individually study every use-class of property set forth in s.

195.073, but shall at a minimum study the level of assessment in relation to just value of each classification specified in subsection (3). Such in-depth review may include proceedings of the value adjustment board and the audit or review of procedures used by the counties to appraise property.

(c) In conducting assessment ratio studies, the department must use a representative or statistically reliable sample of properties in tests of each classification, stratum, or roll made the subject of a ratio study published by it. The department shall document and retain records of the measures of representativeness of the properties studied in compliance with this section. Such documentation must include a record of findings used as the basis for the approval or disapproval of the tax roll in each county pursuant to s. 193.1142. For purposes of this section, the department shall rely primarily on an assessment-to-sales-ratio study in conducting assessment ratio studies in those classifications of property specified in subsection (3) for which there are adequate market sales. The department shall compute the median and the value-weighted mean for each classification or subclassification studied and for the roll as a whole.

Section 2. Effective January 1, 2003, paragraph (c) of subsection (2) of section 195.096, Florida Statutes, as amended by section 1 of this act, is amended to read:

195.096 Review of assessment rolls.—

(2) The department shall conduct, no less frequently than once every 2 years, an in-depth review of the assessment rolls of each county. The department need not individually study every use-class of property set forth in s. 195.073, but shall at a minimum study the level of assessment in relation to just value of each classification specified in subsection (3). Such in-depth review may include proceedings of the value adjustment board and the audit or review of procedures used by the counties to appraise property.

(c) In conducting assessment ratio studies, the department must use a representative or statistically reliable sample of properties in tests of each classification, stratum, or roll made the subject of a ratio study published by it. The department shall document and retain records of the measures of representativeness of the properties studied in compliance with this section. Such documentation must include a record of findings used as the basis for the approval or disapproval of the tax roll in each county pursuant to s. 193.1142. In addition, to the greatest extent practicable, the department shall study assessment roll strata by value groups or market areas for each classification, subclassification, or stratum to be studied, to assure the representativeness of ratio study samples. For purposes of this section, the department shall rely primarily on an assessment-to-sales-ratio study in conducting assessment ratio studies in those classifications of property specified in subsection (3) for which there are adequate market sales. The department shall compute the median and the value-weighted mean for each classification or subclassification studied and for the roll as a whole.

Section 3. Subsection (5) of section 197.502, Florida Statutes, is amended to read:

197.502 Application for obtaining tax deed by holder of tax sale certificate; fees.—

(5)(a) The tax collector may contract with a title company or an abstract company at a reasonable fee to provide the minimum information required in subsection (4), consistent with rules adopted by the department. If additional information is required, the tax collector must make a written request to the title or abstract company stating the additional requirements. The tax collector may select any title or abstract company, regardless of its location, as long as the fee is reasonable, the minimum information is submitted, and the title or abstract company is authorized to do business in this state. The tax collector may advertise and accept bids for the title or abstract company if he or she considers it appropriate to do so.

1. The ownership and encumbrance report must be printed or typed on stationery or other paper showing a letterhead of the person, firm, or company that makes the search, and the signature of the person who makes the search or of an officer of the firm must be attached. The tax collector is not liable for payment to the firm unless these requirements are met.

2. The tax collector may not accept or pay for any title search or abstract if no financial responsibility is assumed for the search. However, reasonable restrictions as to the liability or responsibility of the title or abstract company are acceptable.

3. In order to establish uniform prices for ownership and encumbrance reports within the county, the tax collector shall ensure that the contract for ownership and encumbrance reports include all requests for title searches or abstracts for a given period of time.

(b) Any fee paid for any title search or abstract must be collected at the time of application under section (1), and the amount of the fee must be added to the opening bid.

(c) The clerk shall advertise and administer the sale and receive such fees for the issuance of the deed and sale of the property as are provided in s. 28.24.

Section 4. Effective January 1, 2002, section 200.069, Florida Statutes, is amended to read:

200.069 Notice of proposed property taxes and non-ad valorem assessments.—Pursuant to s. 200.065(2)(b), the property appraiser, in the name of the taxing authorities and local governing boards levying non-ad valorem assessments within his or her jurisdiction and at the expense of the county, shall prepare and deliver by first-class mail to each taxpayer to be listed on the current year's assessment roll a notice of proposed property taxes, which notice shall be in substantially the following form. Notwithstanding the provisions of s. 195.022, no county officer shall use a form other than that provided by the department for this purpose, except as provided in ~~subsection (11) and s. 200.065(13).~~

(1) The notice shall read:

NOTICE OF PROPOSED PROPERTY TAXES  
DO NOT PAY—THIS IS NOT A BILL

The taxing authorities which levy property taxes against your property will soon hold PUBLIC HEARINGS to adopt budgets and tax rates for the next year.

The purpose of these PUBLIC HEARINGS is to receive opinions from the general public and to answer questions on the proposed tax change and budget PRIOR TO TAKING FINAL ACTION.

Each taxing authority may AMEND OR ALTER its proposals at the hearing.

(2) The notice shall further contain information applicable to the specific parcel in question. The information shall be in columnar form. There shall be five column headings which shall read: "Taxing Authority," "Your Property Taxes Last Year," "Your Taxes This Year IF PROPOSED Budget Change is Made," "A Public Hearing on the Proposed Taxes and Budget Will be Held:", and "Your Taxes This Year IF NO Budget Change is Made."

(3) There shall be under each column heading an entry for the county; the school district levy required pursuant to s. 236.02(6); other operating school levies; the municipality or municipal service taxing unit or units in which the parcel lies, if any; the water management district levying pursuant to s. 373.503; ~~the a single entry for other independent special districts in which the parcel lies, if any; and, except as provided in subsection (11); and a single entry for all voted levies for debt service applicable to the parcel, if any.~~

(4) For each entry listed in subsection (3), there shall appear on the notice the following:

(a) In the first column, a brief, commonly used name for the taxing authority or its governing body. The entry in the first column for the levy required pursuant to s. 236.02(6) shall be "By State Law." The entry for other operating school district levies shall be "By Local Board." Both school levy entries shall be indented and preceded by the notation "Public Schools:". ~~The entry in the first column for independent special districts other than the water management district shall be "Independent Special Districts," except as provided in subsection (11).~~ For each voted levy levies for debt service, the entry shall be "Voter Approved Debt Payments."

(b) In the second column, the gross amount of ad valorem taxes levied against the parcel in the previous year. If the parcel did not exist in the previous year, the second column shall be blank.

(c) In the third column, the gross amount of ad valorem taxes proposed to be levied in the current year, which amount shall be based on the proposed millage rates provided to the property appraiser pursuant to s. 200.065(2)(b) or, in the case of voted levies for debt service, the millage rate previously authorized by referendum, and the taxable value of the parcel as shown on the current year's assessment roll.

(d) In the fourth column, the date, the time, and a brief description of the location of the public hearing required pursuant to s. 200.065(2)(c). ~~However:~~

~~1. No entry shall be made in the fourth column for the line showing independent special districts other than water management districts if that line represents more than one district;~~

~~2. For the line showing voted levies for debt service pursuant to paragraph (a), the following statement shall appear: "Includes debt of ...(list of brief, commonly used names for each taxing authority whose debt service levy is included on this line)..."; and~~

~~3. For the line showing totals, the following statement shall appear: "For details on independent special districts and voter-approved debt, contact your Tax Collector at ...(phone number)...." If the option in subsection (11) is utilized, the phrase "independent special districts and" shall be deleted.~~

(e) In the fifth column, the gross amount of ad valorem taxes which would apply to the parcel in the current year if each taxing authority were to levy the rolled-back rate computed pursuant to s. 200.065(1) or, in the case of voted levies for debt service, the amount previously authorized by referendum.

(f) For special assessments collected utilizing the ad valorem method pursuant to s. 197.363, the previous year's assessment amount shall be added to the ad valorem taxes shown in the second and fifth columns, and the amount proposed to be imposed for the current year shall be added to the ad valorem taxes shown in the third column.

(5) The amounts shown on each line preceding each the entry for voted levies for debt service shall include the sum of all ad valorem levies of the applicable unit of local government for operating purposes, including those of dependent special districts (except for municipal service taxing units, which shall be listed on the line for municipalities), and all nonvoted or nondebt service special assessments imposed by the applicable unit of local government to be collected utilizing the ad valorem method. ~~Voted levies for debt service for all units of local government shall be combined and shown on a single line, including voter-approved special assessments for debt service if collected utilizing the ad valorem method.~~

(6) Following the entries for each taxing authority, a final entry shall show: in the first column, the words "Total Property Taxes:" and in the second, third, and fifth columns, the sum of the entries for each of the individual taxing authorities. The second, third, and fifth columns shall, immediately below said entries, be labeled Column 1, Column 2, and Column 3, respectively. Below these labels shall appear, in boldfaced type, the statement: SEE REVERSE SIDE FOR EXPLANATION.

(7) The notice shall further show a brief legal description of the property and the name and mailing address of the owner of record.

(8) The notice shall further read:

	Market Value	Assessed Value	Exemp- tions	Taxable Value
Your Property Value Last Year	\$ . . . . .	\$ . . . . .	\$ . . . . .	\$ . . . . .
Your Property Value This Year	\$ . . . . .	\$ . . . . .	\$ . . . . .	\$ . . . . .

If you feel that the market value of your property is inaccurate or does not reflect fair market value, contact your county property appraiser at ...(phone number)... or ...(location)...

If the property appraiser's office is unable to resolve the matter as to market value, you may file a petition for adjustment with the Value Adjustment Board. Petition forms are available from the county property appraiser and must be filed ON OR BEFORE ...(date)...

(9) The reverse side of the form shall read:

EXPLANATION

**\*COLUMN 1—"YOUR PROPERTY TAXES LAST YEAR"**

This column shows the taxes that applied last year to your property. These amounts were based on budgets adopted last year and your property's previous taxable value.

**\*COLUMN 2—"YOUR TAXES IF PROPOSED BUDGET CHANGE IS MADE"**

This column shows what your taxes will be this year under the BUDGET ACTUALLY PROPOSED by each local taxing authority. The proposal is NOT final and may be amended at the public hearings shown on the front side of this notice.

**\*COLUMN 3—"YOUR TAXES IF NO BUDGET CHANGE IS MADE"**

This column shows what your taxes will be this year IF EACH TAXING AUTHORITY DOES NOT INCREASE ITS PROPERTY TAX LEVY. These amounts are based on last year's budgets and your current assessment. The difference between columns 2 and 3 is the tax change proposed by each local taxing authority and is NOT the result of higher assessments.

ASSESSED VALUE means:

For homestead property: value as limited by the State Constitution;

For agricultural and similarly assessed property: classified use value;

For all other property: market value.

\*Note: Amounts shown on this form do NOT reflect early payment discounts you may have received or may be eligible to receive. (Discounts are a maximum of 4 percent of the amounts shown on this form.)

(10) The front side of the form required pursuant to this section shall approximate in all essential respects the facsimile set forth in this subsection as it appears in s. 26, chapter 80-274, Laws of Florida, except for amendments subsequent to 1980.

~~(11) If authorized by resolution of the governing body of the county prior to July 1, and with the written concurrence of the property appraiser, the notice specified in this section shall contain a separate line entry for each independent special taxing district in the jurisdiction of which the parcel lies. Each such district shall be identified by name. The form used for this purpose shall be identical to that supplied by the department and shall be delivered to the property appraiser not later than July 31, except that a larger space shall be provided for listing the columnar information specified in subsections (2), (3), (4), and (5). If the executive director of the department grants written permission, the form may be printed only on one side. The governing body of the county shall bear the expense of procuring such form.~~

~~(11)~~(12) The bottom portion of the notice shall further read in bold, conspicuous print:

“Your final tax bill may contain non-ad valorem assessments which may not be reflected on this notice such as assessments for roads, fire, garbage, lighting, drainage, water, sewer, or other governmental services and facilities which may be levied by your county, city, or any special district.”

~~(12)~~(13)(a) If requested by the local governing board levying non-ad valorem assessments and agreed to by the property appraiser, the notice specified in this section may contain a notice of proposed or adopted non-ad valorem assessments. If so agreed, the notice shall be titled:

NOTICE OF PROPOSED PROPERTY TAXES  
AND PROPOSED OR ADOPTED  
NON-AD VALOREM ASSESSMENTS  
DO NOT PAY—THIS IS NOT A BILL

There must be a clear partition between the notice of proposed property taxes and the notice of proposed or adopted non-ad valorem assessments. The partition must be a bold, horizontal line approximately 1/8-inch thick. By rule, the department shall provide a format for the form of the notice of proposed or adopted non-ad valorem assessments which meets the following minimum requirements:

1. There must be subheading for columns listing the levying local governing board, with corresponding assessment rates expressed in dollars and cents per unit of assessment, and the associated assessment amount.
2. The purpose of each assessment must also be listed in the column listing the levying local governing board if the purpose is not clearly indicated by the name of the board.
3. Each non-ad valorem assessment for each levying local governing board must be listed separately.

4. If a county has too many municipal service benefit units or assessments to be listed separately, it shall combine them by function.

5. A brief statement outlining the responsibility of the tax collector and each levying local governing board as to any non-ad valorem assessment must be provided on the form, accompanied by directions as to which office to contact for particular questions or problems.

(b) If the notice includes all adopted non-ad valorem assessments, the provisions contained in subsection (11) ~~(12)~~ shall not be placed on the notice.

Section 5. Section 193.155, Florida Statutes, is amended to read:

193.155 Homestead assessments.—Homestead property shall be assessed at just value as of January 1, 1994. Property receiving the homestead exemption after January 1, 1994, shall be assessed at just value as of January 1 of the year in which the property receives the exemption. ~~Thereafter, determination of the assessed value of the property is subject to the following provisions:~~

(1) Beginning in 1995, or the year following the year the property receives homestead exemption, whichever is later, the property shall be reassessed annually on January 1. Any change resulting from such reassessment 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.

(2) If the assessed value of the property as calculated under subsection (1) exceeds the just value, the assessed value of the property shall be lowered to the just value of the property.

(3) Except as provided in this subsection, property assessed under this section shall be assessed at just value as of January 1 of the year following a change of ownership. Thereafter, the annual changes in the assessed value of the property are subject to the limitations in subsections (1) and (2). For the purpose of this section, a change in ownership means any sale, foreclosure, or transfer of legal title or beneficial title in equity to any person, except as provided in this subsection. There is no change of ownership if:

(a) Subsequent to the change or transfer, the same person is entitled to the homestead exemption as was previously entitled and:

1. The transfer of title is to correct an error; or
2. The transfer is between legal and equitable title;

(b) The transfer is between husband and wife, including a transfer to a surviving spouse or a transfer due to a dissolution of marriage;



(c) The transfer occurs by operation of law under s. 732.4015; or

(d) Upon the death of the owner, the transfer is between the owner and another who is a permanent resident and is legally or naturally dependent upon the owner.

(4)(a) Changes, additions, or improvements to homestead property shall be assessed at just value as of the first January 1 after the changes, additions, or improvements are substantially completed.

(b) Changes, additions, or improvements do not include replacement of a portion of real property damaged or destroyed by misfortune or calamity when the just value of the damaged or destroyed portion as replaced is not more than 125 percent of the just value of the damaged or destroyed portion. The value of any replaced real property, or portion thereof, which is in excess of 125 percent of the just value of the damaged or destroyed property shall be deemed to be a change, addition, or improvement. Replaced real property with a just value of less than 100 percent of the original property's just value shall be assessed pursuant to subsection (5).

(c) Changes, additions, or improvements include improvements made to common areas or other improvements made to property other than to the homestead property by the owner or by an owner association, which improvements directly benefit the homestead 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.

(5) 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.

(6) Only property that receives a homestead exemption is subject to this section. No 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 subject to this section. When property is assessed under s. 193.461, s. 193.501, or s. 193.505 and contains a residence under the same ownership, the portion of the property consisting of the residence and curtilage must be assessed separately, pursuant to s. 193.011, for the assessment to be subject to the limitation in this section.

(7) If a person received a homestead exemption limited to that person's proportionate interest in real property, the provisions of this section apply only to that interest.

(8) Erroneous assessments of homestead property assessed under this section may be corrected in the following manner:

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

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

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

(9) If the property appraiser determines that for any year or years within the prior 10 years a person who was not entitled to the homestead property assessment limitation granted under this section was granted the homestead property assessment limitation, the property appraiser making such determination shall record in the public records of the county a notice of tax lien against any property owned by that person in the county, and such property must be identified in the notice of tax lien. Such property that is situated in this state is subject to the unpaid taxes, plus a penalty of 50 percent of the unpaid taxes for each year and 15 percent interest per annum. However, when a person entitled to exemption pursuant to s. 196.031 inadvertently receives the limitation pursuant to this section following a change of ownership, the assessment of such property must be corrected as provided in paragraph (8)(a), and the person need not pay the unpaid taxes, penalties, or interest.

Section 6. Subsection (1) of section 197.343, Florida Statutes, is amended to read:

197.343 Tax notices; additional notice required.—

(1) An additional tax notice shall be mailed by April 30 ~~April 10~~ to each taxpayer whose payment has not been received. The notice shall include a description of the property and the following statement: If the taxes for ...(year)... on your property are not paid, a tax certificate will be sold for these taxes, and your property may be sold at a future date. Contact the tax collector's office at once.

Section 7. Paragraph (a) of subsection (1) of section 192.0105, Florida Statutes, is amended to read:

192.0105 Taxpayer rights.—There is created a Florida Taxpayer's Bill of Rights for property taxes and assessments to guarantee that the rights, privacy, and property of the taxpayers of this state are adequately safeguarded and protected during tax levy, assessment, collection, and enforcement processes administered under the revenue laws of this state. The Taxpayer's Bill of Rights compiles, in one document, brief but comprehensive statements that summarize the rights and obligations of the property appraisers, tax collectors, clerks of the court, local governing boards, the Department of Revenue, and taxpayers. The rights afforded taxpayers to assure that their privacy and property are safeguarded and protected during tax levy, assessment, and collection are available only insofar as they are implemented in other parts of the Florida Statutes or rules of the Department of Revenue. The rights so guaranteed to state taxpayers in the Florida Statutes and the departmental rules include:

## (1) THE RIGHT TO KNOW.—

(a) The right to be mailed notice of proposed property taxes and proposed or adopted non-ad valorem assessments (see ss. 194.011(1), 200.065(2)(b) and (d) and (13)(a), and 200.069). The notice must also inform the taxpayer that the final tax bill may contain additional non-ad valorem assessments (see s. 200.069(11) ~~s. 200.069(12)~~).

Section 8. Section 197.212, Florida Statutes, is amended to read:

197.212 Minimum tax bill.—On the recommendation of the county tax collector, the board of county commissioners may adopt a resolution instructing the collector not to mail tax notices to a taxpayer when the amount of taxes shown on the tax notice is less than an amount up to \$30 \$5. The resolution shall also instruct the property appraiser that he or she shall not make an extension on the tax roll for any parcel for which the tax would amount to less than an amount up to \$30 \$5. The minimum tax bill so established may not exceed an amount up to \$30 \$5.

Section 9. (1) There is created the Property Tax Administration Task Force for the purpose of serving as a forum for bringing issues in property tax administration to the Department of Revenue, of providing and evaluating suggestions for improving the property tax administration process, and of promoting greater understanding of property tax administration issues. The Property Tax Administration Task Force shall consist of members representing business and industry, taxpayer groups, municipalities, counties, school districts, special districts, state government, and elected officials charged with assessing and collecting property taxes. The Executive Director of the Department of Revenue shall appoint the members. The task force shall make periodic reports to the department concerning findings and recommendations in the area of property tax administration.

(2) This section shall take effect upon becoming a law.

Section 10. Effective upon this act becoming a law and applicable to the tax year 2001 and thereafter, section 196.1975, Florida Statutes, is amended to read:

196.1975 Exemption for property used by nonprofit homes for the aged.—Nonprofit homes for the aged are exempt to the extent that they meet the following criteria:

(1) The applicant must be a corporation not for profit pursuant to chapter 617 or a Florida limited partnership, the sole general partner of which is a corporation not for profit pursuant to chapter 617, and the corporation not for profit must have been exempt as of January 1 of the year for which exemption from ad valorem property taxes is requested from federal income taxation by having qualified as an exempt charitable organization under the provisions of s. 501(c)(3) of the Internal Revenue Code of 1954 or of the corresponding section of a subsequently enacted federal revenue act.

(2) A facility will not qualify as a “home for the aged” unless at least 75 percent of the occupants are over the age of 62 years or totally and permanently disabled. For homes for the aged which are exempt from paying

income taxes to the United States as specified in subsection (1), licensing by the Agency for Health Care Administration is required for ad valorem tax exemption hereunder only if the home:

- (a) Furnishes medical facilities or nursing services to its residents, or
- (b) Qualifies as an assisted living facility under part III of chapter 400.

(3) Those portions of the home for the aged which are devoted exclusively to the conduct of religious services or the rendering of nursing or medical services are exempt from ad valorem taxation.

(4)(a) After removing the assessed value exempted in subsection (3), units or apartments in homes for the aged shall be exempt only to the extent that residency in the existing unit or apartment of the applicant home is reserved for or restricted to or the unit or apartment is occupied by persons who have resided in the applicant home and in good faith made this state their permanent residence as of January 1 of the year in which exemption is claimed and who also meet the requirements set forth in one of the following subparagraphs:

1. Persons who have gross incomes of not more than \$7,200 per year and who are 62 years of age or older.

2. Couples, one of whom must be 62 years of age or older, having a combined gross income of not more than \$8,000 per year, or the surviving spouse thereof, who lived with the deceased at the time of the deceased's death in a home for the aged.

3. Persons who are totally and permanently disabled and who have gross incomes of not more than \$7,200 per year.

4. Couples, one or both of whom are totally and permanently disabled, having a combined gross income of not more than \$8,000 per year, or the surviving spouse thereof, who lived with the deceased at the time of the deceased's death in a home for the aged.

However, the income limitations do not apply to totally and permanently disabled veterans, provided they meet the requirements of s. 196.081.

(b) The maximum income limitations permitted in this subsection shall be adjusted, effective January 1, 1977, and on each succeeding year, by the percentage change in the average cost-of-living index in the period January 1 through December 31 of the immediate prior year compared with the same period for the year prior to that. The index is the average of the monthly consumer price index figures for the stated 12-month period, relative to the United States as a whole, issued by the United States Department of Labor.

(5) Nonprofit housing projects ~~that which~~ are financed by a mortgage loan made or insured by the United States Department of Housing and Urban Development under s. 202, s. 202 with a s. 8 subsidy, s. 221(d)(3) or (4), or s. 236 of the National Housing Act, as amended, and that which are

subject to the income limitations established by that department ~~are~~ shall be exempt from ad valorem taxation.

(6) For the purposes of this section, gross income includes social security benefits payable to the person or couple or assigned to an organization designated specifically for the support or benefit of that person or couple.

(7) It is ~~hereby~~ declared to be the intent of the Legislature that subsection (3) implements the ad valorem tax exemption authorized in the third sentence of s. 3(a), Art. VII, State Constitution, and the remaining subsections implement s. 6(e), Art. VII, State Constitution, for purposes of granting such exemption to homes for the aged.

(8) Physical occupancy on January 1 is not required in those instances in which a home restricts occupancy to persons meeting the income requirements specified in this section. Those portions of ~~a~~ such property failing to meet those requirements shall qualify for an alternative exemption as provided in subsection (9). In a home in which at least 25 percent of the units or apartments of the home are restricted to or occupied by persons meeting the income requirements specified in this section, the common areas of that home are exempt from taxation.

(9)(a) Each unit or apartment of a home for the aged not exempted in subsection (3) or subsection (4), which is operated by a not for profit corporation and is owned by such corporation or leased by such corporation from a health facilities authority pursuant to part III of chapter 154 or an industrial development authority pursuant to part III of chapter 159, and which property is used by such home for the aged for the purposes for which it was organized, is exempt from all ad valorem taxation, except for assessments for special benefits, to the extent of \$25,000 of assessed valuation of such property for each apartment or unit:

1. Which is used by such home for the aged for the purposes for which it was organized; and
2. Which is occupied, on January 1 of the year in which exemption from ad valorem property taxation is requested, by a person who resides therein and in good faith makes the same his or her permanent home.

(b) Each ~~corporation~~ home applying for an exemption under paragraph (a) ~~of this subsection or paragraph (4)(a)~~ must file with the annual application for exemption an affidavit from each person who occupies a unit or apartment for which an exemption under ~~either of those paragraphs that paragraph~~ is claimed stating that the person resides therein and in good faith makes that unit or apartment his or her permanent residence.

(10) Homes for the aged, or life care communities, however designated, which are financed through the sale of health facilities authority bonds or bonds of any other public entity, whether on a sale-leaseback basis, a sale-repurchase basis, or other financing arrangement, or which are financed without public-entity bonds, are exempt from ad valorem taxation only in accordance with the provisions of this section.

(11) Any portion of such property used for nonexempt purposes may be valued and placed upon the tax rolls separately from any portion entitled to exemption pursuant to this chapter.

(12) When it becomes necessary for the property appraiser to determine the value of a unit, he or she shall include in such valuation the proportionate share of the common areas, including the land, fairly attributable to such unit, based upon the value of such unit in relation to all other units in the home, unless the common areas are otherwise exempted by subsection (8).

(13) Sections 196.195 and 196.196 do not apply to this section.

Section 11. (1) There is created an advisory committee on property taxation, consisting of 8 members, two of whom shall be appointed by the Governor. The President of the Senate shall appoint two members, one of which must be a member of the Senate, and the Speaker of the House shall appoint two members, one of which must be a member of the House of Representatives. The executive director of the Department of Revenue and one property appraiser appointed by the executive director shall also serve on the committee. The advisory committee shall study the taxation of airport and seaport property and may consider taxation of other public facilities and issues related to special districts. The advisory committee shall submit a written report on this issue to the President of the Senate and the Speaker of the House of Representatives on or before October 1, 2001.

(2) The sum of \$100,000 is appropriated to the Department of Revenue from the General Revenue Fund to defray the expenses of the advisory committee.

(3) This section shall take effect upon becoming a law.

Section 12. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2001.

Approved by the Governor June 1, 2001.

Filed in Office Secretary of State June 1, 2001.