

Senate Bill No. 4-D

An act relating to ad valorem taxation; authorizing the Department of Revenue to adopt emergency rules; providing for application and renewal thereof; requiring the Department of Revenue to report to the Legislature the results of implementing ch. 2007-321, Laws of Florida, relating to ad valorem taxation; requiring that the department report those governments that are not in compliance with requirements limiting certain millage rates; providing legislative intent with respect to the information reported to the department; requiring the department to report certain recommendations of the Revenue Estimating Conference and identify needed additional resources; amending s. 196.002, F.S.; revising certain reporting requirements for the property appraiser in order to conform to changes made by the act; amending s. 193.114, F.S.; providing additional requirements for assessment rolls; amending s. 193.155, F.S.; providing for the assessment of homestead property following a change of ownership based on the difference between just value and assessed value of the immediate prior homestead; providing for determining the just value of the new homestead; providing for assessing a homestead established by two or more persons who held prior homestead property; providing requirements for applying for such an assessment; requiring that the Department of Revenue provide by rule for documenting entitlement to the assessment; amending s. 196.031, F.S.; increasing the amount of the exemption provided for homestead property; providing for an additional exemption for levies other than school district levies; deleting obsolete provisions; deleting a requirement that property appraisers compile information concerning the loss of certain tax revenues and submit a copy to the Department of Revenue; amending s. 197.252, F.S., relating to the homestead tax deferral; conforming provisions to changes made by the act; creating s. 196.183, F.S.; exempting each tangible personal property tax return from a specified amount of assessed value; limiting a single business operation within a county to one exemption; providing a procedure for waiving the requirement to file an annual tangible personal property tax return if the taxpayer is entitled to the exemption; providing penalties for failure to file a return as required or to claim more exemptions than allowed; providing that the exemption does not apply to certain mobile homes; providing for an annual distribution of funds to fiscally constrained counties in proportion to the reduction in total ad valorem tax revenue resulting from a constitutional revision; providing requirements for fiscally constrained counties in applying to participate in the distribution; creating s. 193.1554, F.S.; limiting the annual increase in the assessed value of nonhomestead residential property, including vacant property zoned and platted for residential use, for all levies other than school district levies; providing a definition; providing for the assessment of property at just value following certain changes of ownership or control; specifying certain actions that do not constitute a change of ownership; providing for the assessment of changes,

additions, or improvements to nonhomestead residential property; limiting the amount of increase in the property's assessed value following a change, addition, or improvement to replace nonhomestead residential property damaged or destroyed by misfortune or calamity; providing a procedure for correcting erroneous assessments; providing for the property appraiser to record a tax lien if it is determined that a person or entity was not entitled to the property assessment limitation granted to nonhomestead residential property; creating s. 193.1555, F.S.; limiting the annual increase in the assessed value of nonresidential real property for all levies other than school district levies; providing a definition; providing for the assessment of nonresidential real property at just value following a qualifying improvement or change of ownership or control; specifying actions that constitute an improvement or change of ownership or control; providing for the assessment of changes, additions, or improvements to nonresidential real property; limiting the amount of increase in the property's assessed value following a change, addition, or improvement to replace nonresidential real property damaged or destroyed by misfortune or calamity; providing a procedure for correcting erroneous assessments; providing for the property appraiser to record a tax lien if it is determined that a person or entity was not entitled to the property assessment limitation granted to nonresidential real property; creating s. 193.1556, F.S.; providing procedures for a person or entity to apply for the assessment of property as provided in s. 193.1554 or s. 193.1555, F.S.; requiring the Department of Revenue to prescribe forms; providing a procedure for reapplication; requiring the property appraiser to annually mail a renewal application to the applicant; providing a procedure for filing a petition with the value adjustment requesting assessment of property under s. 193.1554 or s. 193.1555, F.S.; providing for waiver of the requirement for annual application upon approval by a majority of the governing body of the county; providing a penalty if a property owner fails to notify the property appraiser of certain changes in status or condition; providing for a tax lien against property owned by such person; providing that certain provisions of the act apply retroactively; providing effective dates, one of which is contingent.

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

Section 1. (1) The executive director of the Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules under ss. 120.536(1) and 120.54(4), Florida Statutes, for the purpose of implementing this act.

(2) In anticipation of implementing this act, the executive director of the Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules under ss. 120.536(1) and 120.54(4), Florida Statutes, for the purpose of making necessary changes and preparations so that forms, methods, and data records, electronic or otherwise, are ready and in place if sections 3 through 9 and sections 10, 12, and 14 or sections 11, 13, and 14 of this act become law.

(3) Notwithstanding any other provision of law, such emergency rules shall remain in effect for 18 months after the date of adoption and may be renewed during the pendency of procedures to adopt rules addressing the subject of the emergency rules.

Section 2. The Department of Revenue shall report by March 1, 2008, to the President of the Senate and the Speaker of the House of Representatives the results of the implementation of chapter 2007-321, Laws of Florida. The report must include the millage rates adopted by municipalities, counties, and independent special districts compared to prior year millage rates, rolled-back rates, and majority-vote rates as established by s. 200.185, Florida Statutes. The department shall report on those local governments that were not in compliance with the requirements of s. 200.185, Florida Statutes. The department shall provide the emergency rules adopted pursuant to s. 9 of chapter 2007-321, Laws of Florida. The department shall report on issues that arose in the implementation of chapter 2007-321, Laws of Florida, which may need to be addressed. It is the intent of the Legislature that the information reported to the department should be sufficient to allow the performance of the oversight functions outlined in chapters 195 and 200, Florida Statutes, for the local government budget and millage adoption process and the tax roll submittal and approval process. The department shall identify any improvements in the information required to be provided by local governments, property appraisers, and tax collectors. The department shall include in the report recommendations of the Revenue Estimating Conference for information from local governments, property appraisers, and tax collectors which would improve the ability to forecast revenues or estimate impacts of proposed changes to the property tax system. The department shall identify any additional resources necessary to efficiently and effectively administer the oversight functions outlined in chapters 195 and 200, Florida Statutes.

Section 3. Section 196.002, Florida Statutes, is amended to read:

196.002 Legislative intent.—For the purposes of assessment roll record-keeping and reporting,:

~~(1) The increase in the homestead exemption provided in s. 196.031(3)(d) shall be reported separately for those persons entitled to exemption under paragraph (a) or paragraph (b) of s. 196.031(3) and for those persons entitled to exemption under s. 196.031(1) but not under said paragraphs; and~~

~~(2) the exemptions authorized by each provision of this chapter shall be reported separately for each category of exemption in each such provision, both as to total value exempted and as to the number of exemptions granted.~~

Section 4. Subsection (2) of section 193.114, Florida Statutes, is amended to read:

193.114 Preparation of assessment rolls.—

(2) The department shall promulgate regulations and forms for the preparation of the real property assessment roll to reflect:

(a) A brief description of the property for purposes of location and, effective January 1, 1996, a market area code established according to department guidelines. However, if a property appraiser uses a neighborhood code, beginning in 1994, the property appraiser shall provide the neighborhood code to the department.

(b) The just value (using the factors set out in s. 193.011) of all property. The assessed value for school district levies and for nonschool district levies shall be separately listed.

(c) When property is wholly or partially exempt, a categorization of such exemption. There shall be a separate listing on the roll for exemptions pertaining to assessed value for school district levies and for nonschool district levies.

(d) When property is classified so that it is assessed other than under s. 193.011, the value according to its classified use and its value as assessed under s. 193.011.

(e) The owner or fiduciary responsible for payment of taxes on the property, his or her address, and an indication of any fiduciary capacity (such as executor, administrator, trustee, etc.) as appropriate.

(f) The millage levied on the property, including separately, school district millage and nonschool district millage.

(g) A separate listing for taxable value for school district levies and for nonschool district levies. The tax shall be determined by multiplying the millages by the taxable values for school district levies and nonschool district levies value.

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 unless the provisions of subsection (8) apply.

(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 or subsection (8), 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 of 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 to:

1. The transfer of title is to correct an error;
2. The transfer is between legal and equitable title; or
3. The change or transfer is by means of an instrument in which the owner is listed as both grantor and grantee of the real property and one or more other individuals are additionally named as grantee. However, if any individual who is additionally named as a grantee applies for a homestead exemption on the property, the application shall be considered a change of ownership;

(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) Except as provided in paragraph (b), 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 that replace all or a portion of homestead property damaged or destroyed by misfortune or calamity shall not increase the homestead property's assessed value when the square footage of the homestead property as changed or improved does not exceed 110 percent of the square footage of the homestead property before the damage or destruction. Additionally, the homestead property's assessed value shall not increase if the total square footage of the homestead property as changed or improved does not exceed 1,500 square feet. Changes, additions, or improvements that do not cause the total to exceed 110 percent of the total square footage of the homestead property before the damage or destruction or that do not cause the total to exceed 1,500 total square feet shall be reassessed as provided under subsection (1). The homestead property's assessed value shall be increased by the just value of that portion of the changed or improved homestead property which is in excess of 110 percent of the square footage of the homestead property before the damage or destruction or of that portion exceeding 1,500 square feet. Homestead property

damaged or destroyed by misfortune or calamity which, after being changed or improved, has a square footage of less than 100 percent of the homestead property's total square footage before the damage or destruction shall be assessed pursuant to subsection (5). This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the homestead.

(c) Changes, additions, or improvements that replace all or a portion of real property that was damaged or destroyed by misfortune or calamity shall be assessed upon substantial completion as if such damage or destruction had not occurred and in accordance with paragraph (b) if the owner of such property:

1. Was permanently residing on such property when the damage or destruction occurred;
2. Was not entitled to receive homestead exemption on such property as of January 1 of that year; and
3. Applies for and receives homestead exemption on such property the following year.

(d) 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) Property assessed under this section shall be assessed at less than just value following a change of ownership when the person who establishes a new homestead has received a homestead exemption as of January 1 of either of the two immediately preceding years. A person who establishes a new homestead as of January 1, 2008, is entitled to have the new homestead assessed at less than just value only if that person received a homestead exemption on January 1, 2007, and only if this subsection applies retroactive

to January 1, 2008. The assessed value of the newly established homestead shall be determined as provided in this subsection.

(a) If the just value of the new homestead as of January 1 is greater than or equal to the just value of the immediate prior homestead as of January 1 of the year in which the immediate prior homestead was abandoned, the assessed value of the new homestead shall be the just value of the new homestead minus an amount equal to the lesser of \$500,000 or the difference between the just value and the assessed value of the immediate prior homestead as of January 1 of the year in which the prior homestead was abandoned. Thereafter, the homestead shall be assessed as provided in this section.

(b) If the just value of the new homestead as of January 1 is less than the just value of the immediate prior homestead as of January 1 of the year in which the immediate prior homestead was abandoned, the assessed value of the new homestead shall be equal to the just value of the new homestead divided by the just value of the immediate prior homestead and multiplied by the assessed value of the immediate prior homestead. However, if the difference between the just value of the new homestead and the assessed value of the new homestead calculated pursuant to this paragraph is greater than \$500,000, the assessed value of the new homestead shall be increased so that the difference between the just value and the assessed value equals \$500,000. Thereafter, the homestead shall be assessed as provided in this section.

(c) If two or more persons who have each received a homestead exemption as of January 1 of either of the two immediately preceding years and who would otherwise be eligible to have a new homestead property assessed under this subsection establish a single new homestead, the reduction in just value is limited to the higher of the difference between the just value and the assessed value of either of the prior eligible homesteads as of January 1 of the year in which either of the eligible prior homesteads was abandoned, but may not exceed \$500,000.

(d) If two or more persons abandon jointly owned and jointly titled property that received a homestead exemption as of January 1 of either of the two immediately preceding years, and one or more such persons establish a new homestead that would otherwise be eligible for assessment under this subsection, each person establishing a new homestead is entitled to a reduction in just value for the new homestead equal to the just value of the prior homestead minus the assessed value of the prior homestead divided by the number of owners of the prior homestead. The total reduction in just value for all new homesteads established under this paragraph may not exceed \$500,000. There shall be no reduction in assessed value of any new homestead unless the prior homestead is reassessed under subsection (3) or this subsection as of January 1 after the abandonment occurs.

(e) In order to have his or her homestead property assessed under this subsection, a person must provide to the property appraiser a copy of his or her notice of proposed property taxes for an eligible prior homestead or other similar documentation at the same time he or she applies for the homestead

exemption, and must sign a sworn statement, on a form prescribed by the department, attesting to his or her entitlement to the assessment.

The department shall require by rule that the required documentation be submitted with the homestead exemption application under the timeframes and processes set forth in chapter 196 to the extent practicable, and that the filing of the statement be supported by copies of such notices.

(9)(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 assessment under this section due to a material mistake of fact concerning an essential characteristic of the property, the just value and assessed value 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.

(10)(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 (9)(a) ~~(8)(a)~~, and the person need not pay the unpaid taxes, penalties, or interest.

Section 6. Section 196.031, Florida Statutes, is amended to read:

196.031 Exemption of homesteads.—

(1)(a) Every person who, on January 1, has the legal title or beneficial title in equity to real property in this state and who resides thereon and in good faith makes the same his or her permanent residence, or the permanent residence of another or others legally or naturally dependent upon such person, is entitled to an exemption from all taxation, except for assessments for special benefits, up to the assessed valuation of \$25,000 ~~\$5,000~~ on the residence and contiguous real property, as defined in s. 6, Art. VII of the State Constitution. Such title may be held by the entireties, jointly, or in common with others, and the exemption may be apportioned among such of

the owners as shall reside thereon, as their respective interests shall appear. If only one of the owners of an estate held by the entirety or held jointly with the right of survivorship resides on the property, that owner is allowed an exemption of up to the assessed valuation of ~~\$25,000~~ \$5,000 on the residence and contiguous real property. However, no such exemption of more than ~~\$25,000~~ \$5,000 is allowed to any one person or on any one dwelling house, except that an exemption up to the assessed valuation of ~~\$25,000~~ \$5,000 may be allowed on each apartment or mobile home occupied by a tenant-stockholder or member of a cooperative corporation and on each condominium parcel occupied by its owner. Except for owners of an estate held by the entirety or held jointly with the right of survivorship, the amount of the exemption may not exceed the proportionate assessed valuation of all owners who reside on the property. Before such exemption may be granted, the deed or instrument shall be recorded in the official records of the county in which the property is located. The property appraiser may request the applicant to provide additional ownership documents to establish title.

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

(2) As used in subsection (1), the term “cooperative corporation” means a corporation, whether for profit or not for profit, organized for the purpose of owning, maintaining, and operating an apartment building or apartment buildings or a mobile home park to be occupied by its stockholders or members; and the term “tenant-stockholder or member” means an individual who is entitled, solely by reason of his or her ownership of stock or membership in a cooperative corporation, as evidenced in the official records of the office of the clerk of the circuit court of the county in which the apartment building is located, to occupy for dwelling purposes an apartment in a building owned by such corporation or to occupy for dwelling purposes a mobile home which is on or a part of a cooperative unit. A corporation leasing land for a term of 98 years or more for the purpose of maintaining and operating a cooperative thereon shall be deemed the owner for purposes of this exemption.

~~(3)(a) The exemption provided in this section does For every person who is entitled to the exemption provided in subsection (1), who is a permanent resident of this state, and who is 65 years of age or older, the exemption is increased to \$10,000 of assessed valuation for taxes levied by governing bodies of counties, municipalities, and special districts.~~

~~(b) For every person who is entitled to the exemption provided in subsection (1), who has been a permanent resident of this state for the 5 consecutive years prior to claiming the exemption under this subsection, and who qualifies for the exemption granted pursuant to s. 196.202 as a totally and permanently disabled person, the exemption is increased to \$9,500 of assessed valuation for taxes levied by governing bodies of counties, municipalities, and special districts.~~

~~(c) No homestead shall be exempted under both paragraphs (a) and (b). In no event shall the combined exemptions of s. 196.202 and paragraph (a) or paragraph (b) exceed \$10,000.~~

~~(d) For every person who is entitled to the exemption provided in subsection (1) and who is a permanent resident of this state, the exemption is increased to a total of \$25,000 of assessed valuation for taxes levied by governing bodies of school districts.~~

~~(e) For every person who is entitled to the exemption provided in subsection (1) and who is a resident of this state, the exemption is increased to a total of \$25,000 of assessed valuation for levies of taxing authorities other than school districts. However, the increase provided in this paragraph shall not apply with respect to the assessment roll of a county unless and until the roll of that county has been approved by the executive director pursuant to s. 193.1142.~~

~~(4) The property appraisers of the various counties shall each year compile a list of taxable property and its value removed from the assessment rolls of each school district as a result of the excess of exempt value above that amount allowed for nonschool levies as provided in subsections (1) and (3), as well as a statement of the loss of tax revenue to each school district from levies other than the minimum financial effort required pursuant to s. 1011.60(6), and shall deliver a copy thereof to the Department of Revenue upon certification of the assessment roll to the tax collector.~~

~~(4)(5) The exemption provided in this section applies only to those parcels classified and assessed as owner-occupied residential property or only to the portion of property so classified and assessed.~~

~~(5)(6) A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption provided by this section. This subsection does not apply to a person who has the legal or equitable title to real estate in Florida and maintains thereon the permanent residence of another legally or naturally dependent upon the owner.~~

~~(6)(7) When homestead property is damaged or destroyed by misfortune or calamity and the property is uninhabitable on January 1 after the damage or destruction occurs, the homestead exemption may be granted if the property is otherwise qualified and if the property owner notifies the property appraiser that he or she intends to repair or rebuild the property and live in the property as his or her primary residence after the property is repaired or rebuilt and does not claim a homestead exemption on any other property or otherwise violate this section. Failure by the property owner to commence the repair or rebuilding of the homestead property within 3 years after January 1 following the property's damage or destruction constitutes abandonment of the property as a homestead.~~

Section 7. Paragraph (b) of subsection (2) of section 197.252, Florida Statutes, is amended to read:

197.252 Homestead tax deferral.—

(2)

(b) If the applicant is 65 years of age or older ~~entitled to claim the increased exemption by reason of age and residency as provided in s. 196.031(3)(a)~~, approval of the application shall defer that portion of the ad valorem taxes plus non-ad valorem assessments which exceeds 3 percent of the applicant's household income for the prior calendar year. If any applicant's household income for the prior calendar year is less than \$10,000, or is less than the amount of the household income designated for the additional homestead exemption pursuant to s. 196.075, and the applicant is 65 years of age or older, approval of the application shall defer the ad valorem taxes plus non-ad valorem assessments in their entirety.

Section 8. Section 196.183, Florida Statutes, is created to read:

196.183 Exemption for tangible personal property.—

(1) Each tangible personal property tax return is eligible for an exemption from ad valorem taxation of up to \$25,000 of assessed value. A single return must be filed for each site in the county where the owner of tangible personal property transacts business. Owners of freestanding property placed at multiple sites, other than sites where the owner transacts business, must file a single return, including all such property located in the county. Freestanding property placed at multiple sites includes vending and amusement machines, LP/propane tanks, utility and cable company property, billboards, leased equipment, and similar property that is not customarily located in the offices, stores, or plants of the owner, but is placed throughout the county. Railroads, private carriers, and other companies assessed pursuant to s. 193.085 shall be allowed one \$25,000 exemption for each county to which the value of their property is allocated.

(2) The requirement that an annual tangible personal property tax return pursuant to s. 193.052 be filed for taxpayers owning taxable property the value of which, as listed on the return, does not exceed the exemption provided in this section is waived. In order to qualify for this waiver, a taxpayer must file an initial return on which the exemption is taken. If, in subsequent years, the taxpayer owns taxable property the value of which, as listed on the return, exceeds the exemption, the taxpayer is obligated to file a return. The taxpayer may again qualify for the waiver only after filing a return on which the value as listed on the return does not exceed the exemption. A return filed or required to be filed shall be considered an application filed or required to be filed for the exemption under this section.

(3) The exemption provided in this section does not apply in any year a taxpayer fails to file a return that is not waived pursuant to subsection (2). Any taxpayer who received a waiver pursuant to subsection (2) and who owns taxable property the value of which, as listed on the return, exceeds the exemption in a subsequent year and who fails to file a return with the property appraiser is subject to the penalty contained in s. 193.072(1)(a) calculated without the benefit of the exemption pursuant to this section. Any taxpayer claiming more exemptions than allowed pursuant to subsection (1)

is subject to the taxes exempted as a result of wrongfully claiming the additional exemptions plus 15 percent interest per annum and a penalty of 50 percent of the taxes exempted.

(4) The exemption provided in this section does not apply to a mobile home that is presumed to be tangible personal property pursuant to s. 193.075(2).

Section 9. (1) Beginning in the 2008-2009 fiscal year, the Legislature shall appropriate moneys to offset the reductions in ad valorem tax revenue experienced by fiscally constrained counties, as defined in s. 218.67(1), Florida Statutes, which occur as a direct result of the implementation of the revision of Article VII of the State Constitution approved in a special election held on January 29, 2008, or in the general election held in November of 2008. The moneys appropriated for this purpose shall be distributed among the fiscally constrained counties based on each county's proportion of the total reduction in ad valorem tax revenue resulting from the implementation of the revision.

(2) On or before February 1, each fiscally constrained county shall apply to the Executive Office of the Governor to participate in the distribution of the appropriation and provide documentation supporting the county's estimated reduction in ad valorem tax revenue to the Executive Office of the Governor.

Section 10. If SJR 2-D or HJR 7001-D is approved by a vote of the electors in January of 2008, section 193.1554, Florida Statutes, is created to read:

193.1554 Assessment of nonhomestead residential property.—

(1) As used in this section, the term "nonhomestead residential property" means residential real property that contains nine or fewer dwelling units, including vacant property zoned and platted for residential use, and that does not receive the exemption under s. 196.031.

(2) For all levies other than school district levies, nonhomestead residential property shall be assessed at just value as of January 1, 2008. Property placed on the tax roll after January 1, 2008, shall be assessed at just value as of January 1 of the year in which the property is placed on the tax roll.

(3) Beginning in 2009, or the year following the year the property is placed on the tax roll, whichever is later, the property shall be reassessed annually on January 1. Any change resulting from such reassessment may not exceed 10 percent of the assessed value of the property for the prior year.

(4) If the assessed value of the property as calculated under subsection (3) exceeds the just value, the assessed value of the property shall be lowered to the just value of the property.

(5) 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 or control. Thereafter, the annual changes in the assessed value of the property are subject to the limitations in subsections

(3) and (4). For purpose of this section, a change of ownership or control means any sale, foreclosure, transfer of legal title or beneficial title in equity to any person, or the cumulative transfer of control or of more than 50 percent of the ownership of the legal entity that owned the property when it was most recently assessed at just value, except as provided in this subsection. There is no change of ownership if:

(a) The transfer of title is to correct an error;

(b) The transfer is between legal and equitable title; or

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

(6)(a) Except as provided in paragraph (b), changes, additions, or improvements to nonhomestead residential 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 that replace all or a portion of nonhomestead residential property damaged or destroyed by misfortune or calamity shall not increase the property's assessed value when the square footage of the property as changed or improved does not exceed 110 percent of the square footage of the property before the damage or destruction. Additionally, the property's assessed value shall not increase if the total square footage of the property as changed or improved does not exceed 1,500 square feet. Changes, additions, or improvements that do not cause the total to exceed 110 percent of the total square footage of the property before the damage or destruction or that do not cause the total to exceed 1,500 total square feet shall be reassessed as provided under subsection (3). The property's assessed value shall be increased by the just value of that portion of the changed or improved property which is in excess of 110 percent of the square footage of the property before the damage or destruction or of that portion exceeding 1,500 square feet. Property damaged or destroyed by misfortune or calamity which, after being changed or improved, has a square footage of less than 100 percent of the property's total square footage before the damage or destruction shall be assessed pursuant to subsection (7). This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the property.

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

(7) 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.

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

(a) If errors are made in arriving at any assessment under this section due to a material mistake of fact concerning an essential characteristic of the property, the just value and assessed value 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 or entity who was not entitled to the property assessment limitation granted under this section was granted the 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 or entity 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.

Section 11. If SJR 2-D or HJR 7001-D is approved by a vote of the electors in the general election held in November of 2008, section 193.1554, Florida Statutes, is created to read:

193.1554 Assessment of nonhomestead residential property.—

(1) As used in this section, the term “nonhomestead residential property” means residential real property that contains nine or fewer dwelling units, including vacant property zoned and platted for residential use, and that does not receive the exemption under s. 196.031.

(2) For all levies other than school district levies, nonhomestead residential property shall be assessed at just value as of January 1, 2009. Property placed on the tax roll after January 1, 2009, shall be assessed at just value as of January 1 of the year in which the property is placed on the tax roll.

(3) Beginning in 2010, or the year following the year the property is placed on the tax roll, whichever is later, the property shall be reassessed annually on January 1. Any change resulting from such reassessment may not exceed 10 percent of the assessed value of the property for the prior year.

(4) If the assessed value of the property as calculated under subsection (3) exceeds the just value, the assessed value of the property shall be lowered to the just value of the property.

(5) 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 or control. Thereafter, the annual changes in the assessed value of the property are subject to the limitations in subsections (3) and (4). For purpose of this section, a change of ownership or control means any sale, foreclosure, transfer of legal title or beneficial title in equity to any person, or the cumulative transfer of control or of more than 50 percent of the ownership of the legal entity that owned the property when it was most recently assessed at just value, except as provided in this subsection. There is no change of ownership if:

(a) The transfer of title is to correct an error;

(b) The transfer is between legal and equitable title; or

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

(6)(a) Except as provided in paragraph (b), changes, additions, or improvements to nonhomestead residential 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 that replace all or a portion of nonhomestead residential property damaged or destroyed by misfortune or calamity shall not increase the property's assessed value when the square footage of the property as changed or improved does not exceed 110 percent of the square footage of the property before the damage or destruction. Additionally, the property's assessed value shall not increase if the total square footage of the property as changed or improved does not exceed 1,500 square feet. Changes, additions, or improvements that do not cause the total to exceed 110 percent of the total square footage of the property before the damage or destruction or that do not cause the total to exceed 1,500 total square feet shall be reassessed as provided under subsection (3). The property's assessed value shall be increased by the just value of that portion of the changed or improved property which is in excess of 110 percent of the square footage of the property before the damage or destruction or of that portion exceeding 1,500 square feet. Property damaged or destroyed by misfortune or calamity which, after being changed or improved, has a square footage of less than 100 percent of the property's total square footage before the damage or destruction shall be assessed pursuant to subsection (7). This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the property.

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

(7) 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.

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

(a) If errors are made in arriving at any assessment under this section due to a material mistake of fact concerning an essential characteristic of the property, the just value and assessed value 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 or entity who was not entitled to the property assessment limitation granted under this section was granted the 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 or entity 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.

Section 12. If SJR 2-D or HJR 7001-D is approved by a vote of the electors in January of 2008, section 193.1555, Florida Statutes, is created to read:

193.1555 Assessment of certain residential and nonresidential real property.—

(1) As used in this section, the term:

(a) “Nonresidential real property” means real property that is not subject to the assessment limitations set forth in s. 4(a)-(c) or s. 4(f), Art. VII of the State Constitution.

(b) “Improvement” means an addition or change to land or buildings which increases their value and is more than a repair or a replacement.

(2) For all levies other than school district levies, nonresidential real property shall be assessed at just value as of January 1, 2008. Property placed on the tax roll after January 1, 2008, shall be assessed at just value as of January 1 of the year in which the property is placed on the tax roll.

(3) Beginning in 2009, or the year following the year the property is placed on the tax roll, whichever is later, the property shall be reassessed annually on January 1. Any change resulting from such reassessment may not exceed 10 percent of the assessed value of the property for the prior year.

(4) If the assessed value of the property as calculated under subsection (3) exceeds the just value, the assessed value of the property shall be lowered to the just value of the property.

(5) 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 qualifying improvement or change of ownership or control. Thereafter, the annual changes in the assessed value of the property are subject to the limitations in subsections (3) and (4). For purpose of this section:

(a) A qualifying improvement means any substantially completed improvement that increases the just value of the property by at least 25 percent.

(b) A change of ownership or control means any sale, foreclosure, transfer of legal title or beneficial title in equity to any person, or the cumulative transfer of control or of more than 50 percent of the ownership of the legal entity that owned the property when it was most recently assessed at just value, except as provided in this subsection. There is no change of ownership if:

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

(6)(a) Except as provided in paragraph (b), changes, additions, or improvements to nonresidential real 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 that replace all or a portion of nonresidential real property damaged or destroyed by misfortune or calamity shall not increase the property's assessed value when the square footage of the property as changed or improved does not exceed 110 percent of the square footage of the property before the damage or destruction and do not change the property's character or use. Changes, additions, or improvements that do not cause the total to exceed 110 percent of the total square footage of the property before the damage or destruction and do not change the property's character or use shall be reassessed as provided under subsection (3). The property's assessed value shall be increased by the just value of that portion of the changed or improved property which is in excess of 110 percent of the square footage of the property before the damage or destruction. Property damaged or destroyed by misfortune or calamity which, after being changed or improved, has a square footage of less than 100 percent of the property's total square footage before the damage or destruction shall be assessed pursuant to subsection (7). This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the property.

(7) 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.

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

(a) If errors are made in arriving at any assessment under this section due to a material mistake of fact concerning an essential characteristic of

the property, the just value and assessed value 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 or entity who was not entitled to the property assessment limitation granted under this section was granted the 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 or entity 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.

Section 13. If SJR 2-D or HJR 7001-D is approved by a vote of the electors in the general election held in November of 2008, section 193.1555, Florida Statutes, is created to read:

193.1555 Assessment of certain residential and nonresidential real property.—

(1) As used in this section, the term:

(a) “Nonresidential real property” means real property that is not subject to the assessment limitations set forth in s. 4(a)-(c) or s. 4(f), Art. VII of the State Constitution.

(b) “Improvement” means an addition or change to land or buildings which increases their value and is more than a repair or a replacement.

(2) For all levies other than school district levies, nonresidential real property shall be assessed at just value as of January 1, 2009. Property placed on the tax roll after January 1, 2009, shall be assessed at just value as of January 1 of the year in which the property is placed on the tax roll.

(3) Beginning in 2010, or the year following the year the property is placed on the tax roll, whichever is later, the property shall be reassessed annually on January 1. Any change resulting from such reassessment may not exceed 10 percent of the assessed value of the property for the prior year.

(4) If the assessed value of the property as calculated under subsection (3) exceeds the just value, the assessed value of the property shall be lowered to the just value of the property.

(5) 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 qualifying improvement or a change of ownership or control. Thereafter, the annual changes in the assessed value of the property are subject to the limitations in subsections (3) and (4). For purpose of this section:

(a) A qualifying improvement means any substantially completed improvement that increases the just value of the property by at least 25 percent.

(b) A change of ownership or control means any sale, foreclosure, transfer of legal title or beneficial title in equity to any person, or the cumulative transfer of control or of more than 50 percent of the ownership of the legal entity that owned the property when it was most recently assessed at just value, except as provided in this subsection. There is no change of ownership if:

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

(6)(a) Except as provided in paragraph (b), changes, additions, or improvements to nonresidential real 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 that replace all or a portion of nonresidential real property damaged or destroyed by misfortune or calamity shall not increase the property's assessed value when the square footage of the property as changed or improved does not exceed 110 percent of the square footage of the property before the damage or destruction and do not change the property's character or use. Changes, additions, or improvements that do not cause the total to exceed 110 percent of the total square footage of the property before the damage or destruction and do not change the property's character or use shall be reassessed as provided under subsection (3). The property's assessed value shall be increased by the just value of that portion of the changed or improved property which is in excess of 110 percent of the square footage of the property before the damage or destruction. Property damaged or destroyed by misfortune or calamity which, after being changed or improved, has a square footage of less than 100 percent of the property's total square footage before the damage or destruction shall be assessed pursuant to subsection (7). This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the property.

(7) 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.

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

(a) If errors are made in arriving at any assessment under this section due to a material mistake of fact concerning an essential characteristic of the property, the just value and assessed value 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 or entity who was not entitled to the property assessment limitation granted under this section was granted the 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 or entity 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.

Section 14. Section 193.1556, Florida Statutes, is created to read:

193.1556 Annual application required for assessment.—

(1) Every person or entity who, on January 1, has the legal title to real property that is entitled to assessment under s. 193.1554 or s. 193.1555 shall, on or before March 1 of each year, file an application for assessment under s. 193.1554 or s. 193.1555 with the county property appraiser, listing and describing the property for which such assessment is claimed, and certifying its ownership and use. The Department of Revenue shall prescribe the forms upon which the application is made. Failure to make application, when required, on or before March 1 of any year constitutes a waiver of the assessment under s. 193.1554 or s. 193.1555 for that year, except as provided in subsection (4) or subsection (5).

(2) The owner of property that was assessed under s. 193.1554 or s. 193.1555 in the prior year, or a property owner who filed an original application that was denied in the prior year solely for not being timely filed, may reapply on a short form as provided by the department. The short form shall require the applicant to affirm that the ownership and use of the property have not changed since the initial application and that no changes, addition, or improvements have been made to the property.

(3) Once an original application for assessment under s. 193.1554 or s. 193.1555 has been granted, in each succeeding year on or before February 1, the property appraiser shall mail a renewal application to the applicant, and the property appraiser shall accept from each such applicant a renewal application on a form to be prescribed by the Department of Revenue. Such renewal application shall be accepted as evidence of eligibility for assessment under s. 193.1554 or s. 193.1555 by the property appraiser unless he or she denies the application. Upon denial, the property appraiser shall serve, on or before July 1 of each year, a notice setting forth the grounds for denial on the applicant by first-class mail. Any applicant objecting to such denial may file a petition as provided for in s. 194.011(3).

(4) The value adjustment board shall grant assessment under s. 193.1544 or s. 193.1555 for an otherwise eligible applicant if the applicant can clearly document that failure to apply by March 1 was the result of postal error.

(5) Any applicant whose property qualifies for assessment under s. 193.1554 or s. 193.1555 and who fails to file an application by March 1, may file an application for such assessment and may file, pursuant to s. 194.011(3), a petition with the value adjustment board requesting that assessment under s. 193.1554 or s. 193.1555 be granted. Such petition may be filed at any time during the taxable year on or before the 25th day following the mailing of the notice by the property appraiser as provided in s. 194.011(1). Notwithstanding the provisions of s. 194.013, such person must pay a nonrefundable fee of \$15 upon filing the petition. Upon reviewing the petition, if the applicant's property qualifies for assessment under s. 193.1554 or s. 193.1555 and the applicant demonstrates particular extenuating circumstances judged by the property appraiser or the value adjustment board to warrant granting such assessment, the property appraiser or the value adjustment board may grant such assessment.

(6) A county may, at the request of the property appraiser and by a majority vote of its governing body, waive the requirement that an annual application or statement be made for assessment of property within the county under s. 193.1554 or s. 193.1555 after an initial application is made and such assessment is granted. Notwithstanding such waiver, refile of an application or statement shall be required when any property assessed under s. 193.1554 or s. 193.1555 is sold or otherwise disposed of; when the ownership changes in any manner; or when any change, addition, or improvement is made to the property. In its deliberations on whether to waive the annual application or statement requirement, the governing body shall consider the possibility of fraudulent claims that may occur due to the waiver of the annual application requirement.

(7) It is the duty of the owner of any property assessed under s. 193.1554 or s. 193.1555 who is not required to file an annual application or statement to notify the property appraiser promptly whenever the use of the property or the status or condition of the owner changes. If any property owner fails to so notify the property appraiser and the property appraiser determines that for any year within the prior 10 years the owner's property was not entitled to assessment under s. 193.1554 or s. 193.1555, the owner of the property is subject to the taxes avoided as a result of such failure plus 15 percent interest per annum and a penalty of 50 percent of the taxes avoided. It is the duty of the property appraiser making such determination to record in the public records of the county a notice of tax lien against any property owned by that person or entity in the county, and such property must be identified in the notice of tax lien. Such property is subject to the payment of all taxes and penalties. Such lien when filed shall attach to any property, identified in the notice of tax lien, owned by the person or entity that illegally or improperly was assessed under s. 193.1554 or s. 193.1555. If such person or entity no longer owns property in that county, but owns property in some other county or counties in the state, it shall be the duty of the property appraiser to record a notice of tax lien in such other county or

counties, identifying the property owned by such person or entity in such county or counties, and it becomes a lien against such property in such county or counties.

Section 15. This act shall take effect upon becoming a law, except that sections 3 through 14 of this act shall take effect only upon the effective date of a revision of the State Constitution contained in Senate Joint Resolution 2-D or House Joint Resolution 7001-D; sections 3 through 9 of this act shall apply retroactively to the 2008 tax roll and sections 10, 12, and 14 shall apply to the 2009 tax roll if the revision of the State Constitution contained in Senate Joint Resolution 2-D or House Joint Resolution 7001-D is approved in a special election held on January 29, 2008; or sections 3 through 9 shall apply to the 2009 tax roll and sections 11, 13, and 14 shall apply to the 2010 tax roll if the revision of the State Constitution contained in Senate Joint Resolution 2-D or House Joint Resolution 7001-D is approved in the general election held in November of 2008.

Approved by the Governor November 13, 2007.

Filed in Office Secretary of State November 13, 2007.