

THE FLORIDA SENATE
2016 SUMMARY OF LEGISLATION PASSED

Committee on Community Affairs

CS/CS/HB 499 — Ad Valorem Taxation

by Appropriations Committee; Local and Federal Affairs Committee; and Rep. Avila and others (CS/CS/SB 766 by Appropriations Committee; Finance and Tax Committee; and Senator Flores)

The ad valorem tax or “property tax” is an annual tax levied by counties, cities, school districts, and some special districts. The tax is based on the taxable value of property as of January 1 of each year. The property appraiser annually determines the “just value” of property within the taxing authority and then applies applicable exclusions, assessment limitation, and exemptions to determine the property’s “taxable value.”

Each property appraiser submits the county tax roll to the Department of Revenue (DOR) for review by July 1 of each year for assessments as of the prior January 1. In August, the property appraiser sends a Truth in Millage (TRIM) notice to all taxpayers providing specific tax information about their parcel. Taxpayers who disagree with the property appraiser’s assessment or the denial of an exemption or property classification may:

- Request an informal meeting with the property appraiser;
- Appeal the assessment by filing a petition with the county Value Adjustment Board (VAB); or
- Challenge the assessment in circuit court.

Each county has a VAB, comprised of two members of the governing body of the county, one member of the school board and two citizen members appointed by the governing body of the county. The county clerk acts as the clerk of the VAB. A property owner may initiate a review by filing a petition with the clerk of the VAB within 25 days after the mailing of the TRIM notice.

The clerk of the VAB is responsible for receiving completed petitions, acknowledging receipt to the taxpayer, sending a copy of the petition to the property appraiser, and scheduling hearings.

Current law requires VABs to render a written decision within 20 calendar days after the last day the board is in session. The decision of the VAB must contain findings of fact and conclusions of law and must include reasons for upholding or overturning the determination of the property appraiser. If a special magistrate has been appointed, the recommendations of the special magistrate must be considered by the VAB. The clerk of the VAB, upon issuance of a decision, must notify each taxpayer and the property appraiser of the decision of the VAB. If requested by the DOR, the clerk must provide to the DOR a copy of the decision or information relating to the tax impact of the findings and results of the board as described in s. 194.037, F.S., in the manner and form requested.

The bill makes several changes related to the VAB process. Specifically, the bill:

- Requires the VAB to resolve all petitions by June 1 following the assessment year. The June 1 date is extended to December 1 in any year that the number of petitions increases by more than 10 percent over the prior year.

- Limits the persons who may represent a taxpayer before the VAB to certain licensed professionals, an employee of the taxpayer, a person with power of attorney, or an uncompensated individual with a written authorization.
- Requires that a petition filed by someone other than a licensed professional or employee of the taxpayer be signed by the taxpayer or be accompanied by a power of attorney from the taxpayer or the taxpayer's written authorization for representation. Powers of attorney and written authorizations to petition the VAB are only valid for 1 assessment year.
- Changes the rate of interest for overpayments and underpayments from 12 percent to the bank prime loan rate and requires interest on an overpayment related to a petition to be funded proportionately by each taxing authority that was overpaid.
- Authorizes a petitioner or a property appraiser to reschedule a hearing a single time, for good cause only, and reduces the notice for rehearing from 25 to 15 days when the rehearing is requested by the petitioner.
- Prohibits the imposition of interest or penalty when an owner of nonhomestead residential property or nonresidential property was improperly granted an assessment limitation due to a clerical mistake or omission.
- Clarifies that a property owner may petition the VAB concerning a property appraiser's determination that a change of ownership, change of control, or qualifying improvement has occurred for purposes of resetting the assessment limitation on the property.
- Specifies the property appraiser's treatment of erroneous or incomplete property tax returns, and requires returns to be timely filed in order to be contested before the VAB.

The bill also makes permanent the ability of a school district to levy 75 percent of a school district's most recent prior period funding adjustment millage in the event that the final tax roll is delayed for longer than 1 year.

If approved by the Governor, unless otherwise provided, these provisions take effect July 1, 2016.

Vote: Senate 38-0; House 117-0