

THE FLORIDA SENATE
2016 SUMMARY OF LEGISLATION PASSED
Committee on Community Affairs

CS/HB 277 — County and Municipality Homestead Tax Exemption

by Finance and Tax Committee; and Rep. Avila and others (CS/CS/SB 488 by Finance and Tax Committee; Community Affairs Committee; and Senators Flores and Margolis)

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. To determine the ad valorem tax of a property, a property appraiser determines the just value of a property and then applies relevant exclusions, assessment limitations, and exemptions to determine the property's taxable value. The Legislature may only grant property tax exemptions that are authorized in the Florida Constitution, and any modifications to existing property tax exemptions must be consistent with the constitutional provision authorizing the exemption.

Every person having legal and equitable title to real estate and who maintains a permanent residence on the real estate (homestead property) is eligible for a \$25,000 tax exemption applicable to all ad valorem tax levies, including levies by school districts. An additional \$25,000 exemption applies to homestead property value between \$50,000 and \$75,000. This exemption does not apply to ad valorem taxes levied by school districts.

Since 2013, counties and municipalities have been authorized to also exempt the entire assessed value of a low-income senior's homestead with a just value less than \$250,000 if the low-income senior has maintained that homestead for not less than 25 years. Taxpayers who initially receive the exemption are denied the exemption in a later year if the just value of their homestead exceeds \$250,000.

The bill provides that for purposes of the long-term, low-income senior exemption for homesteads with a just value under \$250,000, the \$250,000 limitation is measured at the time the property owner first applies and is eligible for the exemption.

In addition, individuals who were granted the exemption in prior years, but became ineligible for the exemption because the just value of the individual's homestead rose above \$250,000, may regain the exemption by reapplying for the exemption. The just value determination for such person shall be the just value as determined in the first tax year that the owner applied for and was eligible for the exemption, regardless of the current just value of his or her homestead property.

Individuals who received the exemption prior to the effective date of the bill may apply to the tax collector for a refund, pursuant to s. 197.182, F.S., for any prior year in which the exemption was denied solely because the just value of the homestead property was greater than \$250,000. The refund for a given year is equal to the difference between the previous tax liability for that year without the exemption and their tax liability with the exemption.

This act shall take effect on the same date that CS/HJR 275 takes effect, if such joint resolution is approved by the electors at the general election to be held in November 2016, and shall apply

retroactively to the 2013 tax roll for any person who received the exemption under s. 196.075(2)(b), F.S., before the effective date of this act.

Vote: Senate 36-0; House 111-0