

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

Prepared By: The Professional Staff of the Committee on Appropriations

**BILL:** PCS/SB 1026 (342350)

**INTRODUCER:** Appropriations Committee (Recommended by Appropriations Subcommittee on Finance and Tax); and Senator Thrasher

**SUBJECT:** Tax Collectors

**DATE:** April 20, 2013      **REVISED:** \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Toman	Yeatman	CA	<b>Favorable</b>
2.	Babin	Diez-Arguelles	AFT	<b>Fav/CS</b>
3.	Babin	Hansen	AP	<b>Pre-meeting</b>
4.				
5.				
6.				

**Please see Section VIII. for Additional Information:**

- A. COMMITTEE SUBSTITUTE.....  Statement of Substantial Changes
- B. AMENDMENTS.....  Technical amendments were recommended
- Amendments were recommended
- Significant amendments were recommended

**I. Summary:**

Tax collectors are currently authorized to collect a tax deed application fee of \$75. PCS/SB 1026 authorizes tax collectors to also charge fees as reimbursement for the cost to process tax deed applications electronically. If the tax deed application fee and the cost reimbursement exceed \$75, the tax deed applicant has the option to not use the electronic tax deed application process.

The Revenue Estimating Conference (REC) has not yet determined the revenue impact of this bill. Staff estimates that this bill will increase tax collector revenue by an indeterminate amount.

This bill amends section 197.502, Florida Statutes.

## II. Present Situation:

### Tax Certificates

Property taxes are due and payable on November 1 of each year or as soon thereafter as the certified tax roll is received by the tax collector and tax notices are mailed to taxpayers notifying them of the amount of taxes due and any discounts that are available to them.<sup>1</sup> Taxes are considered delinquent if they are not paid by April 1 following the year in which they are assessed.<sup>2</sup> By April 30, the tax collector must mail an additional tax notice to each taxpayer whose payment has not been received, notifying the taxpayer that a tax certificate on the property will be sold for delinquent taxes that are not paid in full.<sup>3</sup>

On or before June 1, tax collectors are required to hold tax certificate auctions to sell tax certificates on properties with delinquent taxes.<sup>4</sup> Tax certificates are issued to the person who will pay the taxes, interest, cost and charges and demands the lowest rate of interest.<sup>5</sup>

A tax certificate is a legal document, representing unpaid delinquent real property taxes, non-ad valorem assessments, including special assessments, interest, and related costs and charges, issued in accordance with ch. 197, F.S., against a specific parcel of real property.<sup>6</sup> Tax certificates that are not sold are issued to the county at the maximum interest rate (18 percent).<sup>7</sup> The sale of the tax certificate acts as first lien on the property that is superior to all other liens, but it does not convey any property rights to the investor.<sup>8</sup>

A property owner can redeem a tax certificate anytime before a tax deed is issued or the property is placed on the list of lands available for sale. The person redeeming or purchasing the tax certificate is required to pay the investor or county all taxes, interest, costs, charges, and a \$6.25 fee to the tax collector.<sup>9</sup>

### Tax Deeds

If the property owner has not redeemed the tax certificate, a tax certificate holder may apply for a tax deed on the property on or after the second year following the sale of the certificate and before the expiration of seven years from issuance.<sup>10</sup> The holder files an application for tax deed with the county tax collector and pays all amounts required for redemption or purchase of all other outstanding tax certificates, any omitted taxes or delinquent taxes, and any current taxes due, plus interest.<sup>11</sup> The tax collector is authorized to collect a tax deed application fee of \$75 at

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<sup>1</sup> Sections 197.322 and 197.333, F.S.

<sup>2</sup> Section 197.333, F.S.

<sup>3</sup> Section 197.343(1), F.S.

<sup>4</sup> Section 197.402, F.S. For tax rolls that are not completed timely, tax certificate sales begin 60 days after the date of delinquency.

<sup>5</sup> Section 197.432(5), F.S.

<sup>6</sup> Section 197.102(3), F.S.

<sup>7</sup> Section 197.432(6), F.S.

<sup>8</sup> Section 197.122, F.S., *see also* s. 197.432, F.S.

<sup>9</sup> Section 197.472, F.S.

<sup>10</sup> Sections 197.502 and 197.482, F.S.

<sup>11</sup> Section 197.502(2), F.S.

the time of application for the tax deed.<sup>12</sup> The property is then placed on the list of lands available for sale and sold to the highest bidder at a public auction held by the clerk of the circuit court.<sup>13</sup> If property placed on the list of lands available for sale is not sold within three years after the public auction, the land escheats to the county in which the property is located, free and clear of all liens.<sup>14</sup> Tax certificates that are not redeemed or, for which a tax deed has not been applied for within seven years, become null and void.<sup>15</sup>

### III. Effect of Proposed Changes:

**Section 1** amends s. 197.502, F.S., to authorize the tax collector to charge fees as reimbursement for the cost to process tax deed applications electronically. If the tax deed application fee and the cost reimbursement exceed \$75, the tax deed applicant has the option to not use the electronic tax deed application process.

**Section 2** provides an effective date of July 1, 2013.

### IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

### V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The REC has not reviewed the impact of this bill. Staff estimates that it will increase tax collector revenue by an indeterminate amount.

B. Private Sector Impact:

Tax certificate holders may be required to pay additional fees to apply for a tax deed.

C. Government Sector Impact:

Tax collectors will be able to more efficiently process tax deed applications.

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<sup>12</sup> Section 197.502(1), F.S.

<sup>13</sup> Section 197.542(1), F.S.

<sup>14</sup> Section 197.502(8), F.S.

<sup>15</sup> Section 197.482(1), F.S.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**Recommended CS by Appropriations Subcommittee on Finance and Tax on April 17, 2013:**

The committee substitute:

- Authorizes the tax collector to charge fees to recover the costs of processing tax deed applications electronically.
- Authorizes tax deed applicants to opt out of an electronic tax deed application process when the total fees for the tax deed application exceed \$75.

- B. **Amendments:**

None.