

**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 Community Affairs

BILL: SB 1026  
 INTRODUCER: Senator Thrasher  
 SUBJECT: Tax Collectors  
 DATE: March 28, 2013      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Toman	Yeatman	CA	<b>Favorable</b>
2.	_____	_____	AFT	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

SB 1026 adds deed application processing as a means for tax collectors to fulfill their duties and obligations to collect delinquent taxes, interest and costs.

The bill also allows tax collectors, in addition to current authority, to collect the cost of contracted services not associated with actions on proceedings to recover delinquent taxes, interest, and costs.

This bill amends section 197.332 of the 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 mails 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>

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

<sup>2</sup> *Id.*

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

On or before June 1 or 60 days after the date of delinquency, tax collectors are required to hold tax certificate auctions to sell tax certificates on properties with delinquent taxes which “shall be struck off to the person who will pay the taxes, interest, cost and charges and will demand the lowest rate of interest under the maximum rate of interest.”<sup>4</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>5</sup> Tax certificates that are not sold are issued to the county at the maximum interest rate (18 percent). 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>6</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 [any] omitted taxes” and a \$6.25 fee to the tax collector.<sup>7</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. The holder files the certificate 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>8</sup> The tax collector is authorized to collect a tax deed application fee of \$75 at the time of application for the tax deed.<sup>9</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>10</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>11</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>12</sup>

### **Duties of Tax Collectors**

Section 197.332(1), F.S., relates to the duties of tax collectors and provides:

The tax collector has the authority and obligation to collect all taxes as shown on the tax roll by the date of delinquency or to collect delinquent taxes, interest, and costs, by sale of tax certificates on real property and by seizure and sale of personal property. In

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<sup>4</sup> Section 197.432(5), F.S.

<sup>5</sup> Section 197.102(3), F.S.

<sup>6</sup> Section 197.122, F.S., *see also* s. 197.432, F.S.

<sup>7</sup> Section 197.472, F.S.

<sup>8</sup> Section 197.502(2), F.S.

<sup>9</sup> Section 197.502(1), F.S.

<sup>10</sup> Section 197.542(1), F.S.

<sup>11</sup> Section 197.502(8), F.S.

<sup>12</sup> Section 197.482(1), F.S.

exercising their powers to contract, the tax collector may perform such duties by use of contracted services or products or by electronic means. The use of contracted services, products, or vendors does not diminish the responsibility or liability of the tax collector to perform such duties pursuant to law. The tax collector may collect the cost of contracted services and reasonable attorney's fees and court costs in actions on proceedings to recover delinquent taxes, interest, and costs.

### III. Effect of Proposed Changes:

**Section 1** amends s. 197.332, F.S., to include that the tax collector's authority and obligation to collect all taxes as shown on the tax roll by the date of delinquency or to collect delinquent taxes, interest, and costs, is done in part "by processing tax deed applications."

The bill also allows tax collectors, in addition to current authority, to collect the cost of contracted services not associated with actions on proceedings to recover delinquent taxes, interest, and costs.

**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:

None.

B. Private Sector Impact:

The Revenue Estimating Conference has not met to review any impact of SB 1026.

C. Government Sector Impact:

The Revenue Estimating Conference has not met to review any impact of SB 1026.

**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.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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