

**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.)

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Prepared By: The Professional Staff of the Committee on Community Affairs

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BILL: SB 806

INTRODUCER: Senator Bradley

SUBJECT: Value Adjustment Board Proceedings

DATE: March 3, 2014

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	White	Yeatman	CA	<b>Favorable</b>
2.			AFT	
3.			AP	

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**I. Summary:**

SB 806 alters the process for petitioning a value adjustment board to review tax assessments. The bill allows a taxpayer to file a single petition for multiple items of tangible personal property of a similar nature. Additionally, the bill requires that petition forms be made available by value adjustment boards. The bill also requires that the property appraiser's property record card be in the evidence list prior to the hearing.

**II. Present Situation:**

**Value Adjustment Boards**

Chapter 194, F.S., provides for administrative and judicial review of tax assessments. Each county in Florida has a value adjustment board (VAB) composed of five members<sup>1</sup> that reviews appeals of the ad valorem tax decisions made by county property appraisers.<sup>2</sup> The VAB hears evidence from both petitioners and property appraisers as to whether properties are appraised at their fair market value, as well as issues related to tax exemptions, deferments, and portability.<sup>3</sup>

**Petition Process for VAB Hearing**

Property appraisers establish the value of taxable property by January 1 each year, and review and apply exemptions, assessment limitations, and classifications that may reduce a property's taxable value.<sup>4</sup> VABs have no authority to review, by their own motion, the determinations of the

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<sup>1</sup> Section 194.015, F.S.

<sup>2</sup> Section 194.011, F.S.

<sup>3</sup> Additionally, VABs appoint special magistrates, who are qualified real estate appraisers, personal property appraisers or attorneys, to act as impartial agents in conducting hearings and making recommendations on all petitions.

<sup>4</sup> For timeframes and instructions on filing, see Dep't of Revenue, *Petitions to the Value Adjustment Board*, <http://dor.myflorida.com/dor/property/brochures/pt101.pdf> (last visited Feb. 27, 2014).

property appraiser.<sup>5</sup> Rather, the property owner files a petition to initiate a review, which may cost up to \$15 per petition.<sup>6</sup>

The Florida Department of Revenue (DOR), in their property tax oversight role, maintains a calendar indicating when the petition process begins (early March), and when petitions must be received by (mid-September), each year.<sup>7</sup> VAB petitions may be found at the DOR website,<sup>8</sup> the County Property Appraiser's office, and in most counties at the office or website of the VAB Clerk. The clerk of the value adjustment board<sup>9</sup> is responsible for receiving completed petitions, acknowledging receipt to the taxpayer, sending a copy of the petition to the property appraiser, and scheduling appearances before the value adjustment board.

Prior to the hearing, an exchange of evidence can take place between the petitioner and the property appraiser, if so requested in writing. Regardless of whether petitioners initiate an evidence exchange, the property appraiser is required to provide the property record card<sup>10</sup> to petitioners on receipt of the petition, unless the property record card is available online from the property appraiser.<sup>11</sup>

### **Filing Fees and Joint Petitions**

The cost to file a petition is capped at \$15 by statute. There is no fee for timely-filed petitions appealing homestead exemption denials. All other petitions, including late-filed homestead exemption petitions, must be filed with a non-refundable \$15 filing fee. Cash, money orders, checks (made payable to the Clerk of Court) and credit cards (plus a 3.5 percent service fee) are accepted by most Clerks of Court. The VAB waives the filing fee of a petitioner who demonstrates at the time of filing that the petitioner is an eligible recipient of temporary assistance under ch. 414, s. 194.013(2), F.S.<sup>12</sup> All filing fees are allocated and utilized to defray costs incurred in connection with the operation of the VAB.<sup>13</sup>

Owners of "contiguous, undeveloped parcels" may file a single, joint petition if the Property Appraiser determines such parcels are substantially similar in nature. Condominium, cooperative, or homeowners' associations may file a single joint petition on behalf of any association members who own parcels of property that the "Property Appraiser determines are substantially similar with respect to location, proximity to amenities, number of rooms, living area, and condition." A single filing fee for joint petitions is to be charged, and the fee must not

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<sup>5</sup> See Chapter 2013-95, ss. 1-4, Laws of Fla. (CS/HB 1193).

<sup>6</sup> Section 190.013, F.S.

<sup>7</sup> See the most recent calendar for exact dates. Dep't of Revenue, *Value Adjustment Board Calendar*, <http://dor.myflorida.com/dor/property/cofficials/pdf/pt902020.pdf> (last visited Feb. 27, 2014).

<sup>8</sup> See Florida Administrative Code (FAC) 12D-9.015; Dep't of Revenue, *Value Adjustment Board Forms and Calendar*, <http://dor.myflorida.com/dor/property/forms/index.html#11> (last visited Feb. 27, 2014) (listed as Form DR-486).

<sup>9</sup> The county clerk usually serves as the clerk of the value adjustment board. Section 194.015, F.S.

<sup>10</sup> A property record card contains relevant information used in computing the petitioner's current assessment.

<sup>11</sup> Section 194.032(2)(a), F.S.; see Chapter 2013-109, s. 8, Laws of Fla. (SB 556).

<sup>12</sup> To be eligible for the waiver, the petitioner must submit appropriate documentation issued by the Department of Children and Family Services along with the petition. Section 194.013(2), F.S.

<sup>13</sup> Section 194.013(4), F.S.

exceed \$5 per parcel, but will be no less than \$15 per petition, and is to be proportionately paid by affected parcel owners.<sup>14</sup>

### III. Effect of Proposed Changes:

The bill alters the process for petitioning a value adjustment board to review tax assessments made by a county property appraiser.

**Section 1** amends s. 194.011, F.S., to allow a taxpayer seeking resolution from a VAB to file a single petition for multiple items of tangible personal property of a similar nature, instead of submitting multiple petitions and associated fees. Current law requires anyone who owns tangible personal property<sup>15</sup> on January 1 and who has a proprietorship, partnership, or corporation, or is a self-employed agent or a contractor, to file a tangible personal property return to the property appraiser by April 1 each year.<sup>16</sup> Property owners who lease, lend or rent property must also file. The bill would help them consolidate their filings onto one petition.

Several VABs currently exercise their discretion to offer petition forms on their websites or in their offices. The bill would require that all VABs have petition forms and distribute them.

It is currently unclear whether a situation could arise wherein a property appraiser's property record card is not included in the evidence list due to lack of transmission by the clerk. The bill removes that contingency, and thus requires that the property appraiser's property record card be in the evidence list prior to the hearing.

**Section 2** provides an effective date of July 1, 2014.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

Article VII, section 18(b) of the Florida Constitution requires any general law that reduces a local government's authority to raise revenues in the aggregate to be passed by a two-thirds vote of the membership of each house of the Legislature.<sup>17</sup> However, the bill appears to be exempt under article VII, section 18(d) of the Florida Constitution.<sup>18</sup>

#### B. Public Records/Open Meetings Issues:

None.

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<sup>14</sup> Section 194.013(1), F.S.

<sup>15</sup> Examples are computers, furniture, tools, machinery, signs, equipment, leasehold improvements, supplies, and leased equipment.

<sup>16</sup> Section 193.062, F.S.

<sup>17</sup> FLA. CONST. art. VII, s. 18(b).

<sup>18</sup> An insignificant fiscal impact means an amount not greater than ten cents times the average statewide population for the applicable fiscal year. FLA. CONST. art. VII, s. 18(d); Revenue Estimating Conference, *Analysis of HB651/SB806* (adopted Feb. 14, 2014).

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

The bill may make the petition process less costly, and more available to taxpayers. The Revenue Estimating Conference reports that the bill will have an impact of less than \$200,000, annually, on the amount of fees collected by clerks of VABs.<sup>19</sup>

B. Private Sector Impact:

By allowing the use of a single petition for multiple items of tangible personal property, the bill may alleviate the burden of multiple \$15 filings for taxpayers who file petitions for a VAB hearing.

C. Government Sector Impact:

While the DOR reports no significant operational impact to the DOR,<sup>20</sup> it is undetermined whether the bill will have an impact on the overall number of additional petitions filed.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 194.011 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of 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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<sup>19</sup> Revenue Estimating Conference, *Analysis of HB651/SB806* (adopted Feb. 14, 2014).

<sup>20</sup> DOR, *Legislative Bill Analysis for SB 806* (Feb. 18, 2014).