

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 Military and Veterans Affairs, Space, and Domestic Security

BILL: SPB 7052

INTRODUCER: Military and Veterans Affairs, Space, and Domestic Security Committee

SUBJECT: Ad Valorem Tax Exemption for Deployed Servicemembers

DATE: March 16, 2015

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Sanders	Ryon		Submitted as Committee Bill

I. Summary:

SPB 7052 amends s. 196.173, F.S., to update the designated operations for which deployed servicemembers may qualify for an additional ad valorem tax exemption. The changes are based upon the report required to be delivered by the Department of Military Affairs to the Legislature of all known and unclassified military operations outside the continental United States, Alaska, or Hawaii for which servicemembers based in the continental United States have been deployed during the previous calendar year. The bill adds the following to the statutory list of operations:

- Operation Joint Guardian
- Operation Octave Shield
- Operation Trans-Sahara Counterterrorism Partnership
- Operation Nomad Shadow
- Operation U.S. Airstrikes Al Qaeda in Somalia
- Operation Objective Voice
- Operation Georgia Deployment Program
- Operation Copper Dune
- Operation Observant Compass
- Operation Juniper Shield
- Operation Inherent Resolve

The bill provides an exception to the March 1 application deadline in s. 196.173(5), F.S., for 2015 only, by establishing June 1, 2015, as the deadline for an eligible servicemember to apply for an additional tax exemption for qualifying deployment during the 2014 calendar year.

The bill is effective upon becoming law and first applies to ad valorem tax rolls for 2015.

II. Present Situation:

Ad Valorem Exemption for Deployed Servicemembers

Section 196.173, F.S., provides an additional ad valorem tax exemption for homestead property owned by a military servicemember¹ deployed outside of the continental United States, Alaska, or Hawaii in support of military operations designated by the Legislature. The tax relief provided by the exemption is equal to the taxable value of the homestead of the servicemember on January 1 of the year in which the exemption is sought multiplied by the number of days that the servicemember was on a qualifying deployment in the preceding calendar year and divided by the number of days in that year.²

Eligible Military Operations

The exemption is currently available to servicemembers who were deployed during the previous calendar year on active duty outside the continental United State, Alaska, or Hawaii in support of:

- Operation Noble Eagle, which began on September 15, 2001;
- Operation Enduring Freedom, which began on October 7, 2001;
- Operation Iraqi Freedom, which began on March 19, 2003, and ended on August 31, 2010;
- Operation New Dawn, which began September 1, 2010, and ended on December 15, 2011; or
- Operation Odyssey Dawn, which began on March 19, 2011, and ended on October 31, 2011.³

Annual Report of All Known and Unclassified Military Operations

By January 15 of each year, the Department of Military Affairs must submit to the President of the Senate, the Speaker of the House of Representatives, and the tax committees of each house of the Legislature a report of all known and unclassified military operations outside the continental United States, Alaska, or Hawaii for which servicemembers based in the continental United States have been deployed during the previous calendar year.⁴

To the extent possible, the report must include:

- The official and common names of the military operations;
- The general location and purpose of each military operation;
- The date each military operation commenced; and
- The date each military operation terminated, unless the operation is ongoing.⁵

Exemption Application

A servicemember who seeks to claim the additional tax exemption must file an application for exemption with the property appraiser on or before March 1 of the year following the year of the

¹ The term “servicemember” is defined as a member or former member of any branch of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard. *See* s. 196.173(7), F.S.

² Section 196.173(4), F.S.

³ Section 196.173(2), F.S.

⁴ Section 196.173(3), F.S.

⁵ *Id.*

qualifying deployment.⁶ The application for the exemption must be made on a form prescribed by the Department of Revenue and furnished by the property appraiser.⁷ The servicemember must provide with the application:

- Proof of a qualifying deployment;
- The dates of the qualifying deployment; and
- Other information necessary to verify eligibility for and the amount of the exemption.⁸

The property appraiser must consider a servicemember's application for the exemption within 30 days after receipt of the application or within 30 days after receiving notice of the designation of qualifying deployments by the Legislature, whichever is later.⁹ If a servicemember's application is denied, the property appraiser must send a notice of disapproval no later than July 1, citing the reason for disapproval and advising the servicemember of the right to appeal the decision to the value adjustment board (VAB) along with the procedures for filing such appeal.¹⁰

III. Effect of Proposed Changes:

SPB 7052 amends s. 196.173, F.S., to add eleven unclassified military operations for which deployed servicemembers may qualify for an additional ad valorem tax exemption. These eleven operations are identified in the statutorily required report submitted to the Legislature by the Department of Military Affairs¹¹ and includes the following operations:

- Operation Joint Guardian, which began on June 12, 1999;
- Operation Octave Shield, which began in 2000;
- Operation Trans-Sahara Counterterrorism Partnership, which began in June 2005;
- Operation Nomad Shadow, which began in 2007;
- Operation U.S. Airstrikes Al Qaeda in Somalia, which began in January 2007;
- Operation Objective Voice, which began in 2009;
- Operation Georgia Deployment Program, which began in August 2009;
- Operation Copper Dune, which began in 2010;
- Operation Observant Compass, which began in October 2011;
- Operation Juniper Shield, which began in 2013; and
- Operation Inherent Resolve, which began on August 8, 2014.

The bill provides an exception to the March 1 application deadline in s. 196.173(5), F.S., for 2015 only, by establishing June 1, 2015, as the deadline for an eligible servicemember to file an application with the property appraiser for an additional tax exemption for qualifying deployment during the 2014 calendar year.

Any applicant who fails to meet the June 1 deadline may subsequently submit a petition to the property appraiser on or before the 25th day following the mailing by the property appraiser of

⁶ Section 196.173(5)(1), F.S.

⁷ *Id.*

⁸ *Id.*

⁹ Section 196.173(6), F.S.

¹⁰ Section 194.015, F.S.

¹¹ Report on file with the Senate Military and Veterans Affairs, Space, and Domestic Security Committee.

the notices required under s. 194.011(1), F.S. Upon receipt of the petition, the property appraiser may grant the tax exemption if:

- The applicant files an application for the exemption on or before the 25th day after the mailing by the property appraiser;
- The applicant is qualified for the exemption; or
- The applicant produces sufficient evidence, as determined by the property appraiser, which demonstrates that the applicant was unable to apply for the exemption in a timely manner or otherwise demonstrates extenuating circumstances that warrant granting the exemption.

If the property appraiser denies an application, the applicant may file a petition to the value adjustment board (VAB) to request that the exemption be granted. The VAB must receive the petition on or before the 25th day after the mailing by the property appraiser required by s. 194.011(1), F.S.

The bill is effective upon becoming law and first applies to ad valorem tax rolls for 2015.

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 Revenue Estimating Conference has determined that SPB 7052 will reduce local governments' revenues by \$200,000 in Fiscal Year 2015-2016, with a negative \$200,000 recurring impact on local governments.¹²

B. Private Sector Impact:

If the proposed bill becomes law, servicemembers deployed to one of the aforementioned military operations could receive property tax relief.

C. Government Sector Impact:

None.

¹² Revenue Estimating Conference, *Deployed Service Members Exemptions, Proposed Language*. March 3, 2015.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 196.173 of the Florida Statutes.

This bill creates an undesignated section of the Florida Law.

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.

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