

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 289 Property Taxes

SPONSOR(S): Ways & Means, Agriculture & Property Rights Subcommittee; Donalds and others

TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 226

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|---|---------------------|----------|--|
| 1) Agriculture & Property Rights Subcommittee | 12 Y, 0 N, As CS | Thompson | Smith |
| 2) Ways & Means Committee | 14 Y, 1 N, As CS | Dobson | Langston |
| 3) Commerce Committee | | | |

SUMMARY ANALYSIS

The bill makes changes to various provisions addressing the procedures of the value adjustment board (VAB), homestead tax exemptions, tax lien certificates, the Truth in Millage (TRIM) notification, and claims of adverse possession. Specifically, the bill:

- Requires, as a condition of establishing title by adverse possession, the payment of all “delinquent” taxes instead of all “outstanding” taxes on a parcel of real property;
- Sets a 60 day deadline for late filed petitions to be filed with the VAB;
- Revises the definition of “good cause” as it applies to rescheduling a VAB hearing;
- Amends the statutory provisions that address conflict of interest for special magistrates;
- Specifies circumstances when property appraisers must waive penalties and interest on tax liens for those who receive, but are not entitled to, homestead exemptions, homestead assessment limitations, homestead exemptions for persons age 65 or older, and homestead assessment reductions for parents and grandparents; and
- Restricts information that may be mailed with the yearly TRIM notice.

The Revenue Estimating Conference estimated that the provisions requiring waiver of penalties and interest have a -\$12.1 million impact on local government revenues in the 2017-2018 fiscal year and a recurring impact eventually reaching -\$16.1 million annually.

The bill has an effective date of July 1, 2017.

This bill may be a county or municipality mandate requiring a two-thirds vote of the membership of the House. See Section III. A.1 of the analysis.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Adverse Possession

Present Situation

Adverse possession is the process by which someone occupies another's property without their consent for a period of time, and eventually acquires title to the property. In Florida, this can happen in two ways, with color of title and without. The requirements for adverse possession without color of title in Florida are set out plainly in s. 95.18, F.S. To claim adverse possession without color of title the claimant must have:

- Been in actual continued possession of the property for 7 years;¹
- Paid all outstanding taxes and matured installments of special improvement liens against the property within 1 year of taking possession;²
- Made a return of the property to the assessor within 30 days of paying those taxes and liens;³
- Paid all taxes and matured installments of special improvement liens against the property for all remaining years necessary to establish a claim of adverse possession;⁴ and
- Protected the property by substantial enclosure (typically a fence) or cultivated, maintained or improved in a usual manner.⁵

According to Florida law, all outstanding taxes are due and payable on November 1 of each year, and become delinquent on April 1 following the year in which they are assessed, or after 60 days have expired from the mailing of the original tax notice, whichever is later.⁶

Proposed Changes

The bill requires, as a condition of establishing title by adverse possession, the payment of all "delinquent" taxes instead of all "outstanding" taxes on a parcel of real property. Specifically, the bill amends s. 95.18, F.S., by allowing a property to be held adversely only after the taxes and matured installments of special improvement liens levied against the property within 1 year of taking possession have become delinquent, instead of outstanding.

Value Adjustment Board (VAB)

Present Situation

Part 1 of Chapter 194, F.S., provides for the administrative review of ad valorem tax assessments through local VABs. The VAB hearings are a venue in which taxpayers can present their case to a neutral party without the need to hire an attorney or go through the formal process of a circuit court case.

Current law authorizes a property owner to initiate a review by filing a petition with the clerk of the VAB within 25 days of the mailing of the Truth in Millage (TRIM) notice.⁷ Pursuant to its rulemaking authority, the Florida Department of Revenue (DOR) prohibits the VAB from setting and publishing a deadline for

¹ s. 95.18(1), F.S.

² s. 95.18(1)(a), F.S.

³ s. 95.18(1)(b), F.S.

⁴ s. 95.18(1)(c), F.S.

⁵ s. 95.18(1)(2), F.S.

⁶ s. 197.333, F.S.

⁷ s. 194.011(3), F.S.

late filed petitions.⁸ In addition, DOR provides that failure to meet the statutory filing deadline for a petition does not prevent consideration of the petition if the VAB or its designee determines that the petitioner has demonstrated good cause and the delay will not be detrimental to the board's function within the tax process.⁹

A taxpayer receives notice of their hearing at least 25 days before the scheduled hearing.¹⁰ A condominium association, cooperative association, or any homeowners' association is authorized to file with the VAB a single joint petition on behalf of any association members who own parcels of property which the property appraiser determines to be substantially similar with respect to location, proximity to amenities, number of rooms, living area, and condition.¹¹ However, contrary to other classes of property ownership, a condominium association must provide its unit owners at least 20 days to opt out (elect, in writing, that his or her unit not be included) of the petition.¹²

In most counties, the VAB hearing takes place in front of a special magistrate instead of the VAB.¹³ Special magistrates are experienced appraisers and attorneys who are hired to serve as impartial hearing officers.¹⁴ After the hearing the special magistrate produces a recommended decision which is given to the VAB which produces the final decision. This step does not occur if the VAB hears the petition directly. The petitioner and the property appraiser may each reschedule the hearing once and must show good cause.¹⁵

Once the final written decision is issued by the VAB, if the petitioner disagrees with the decision, he or she then has 60 days to file an action in circuit court contesting that decision.¹⁶ However, an appeal of a VAB decision by the property appraiser must be filed, if the tax roll has been extended during a VAB hearing, within 30 days of the certification.¹⁷ In addition, it does not appear that either party is afforded the authority to file a counterclaim to an appeal.

Proposed Changes

Late Filed VAB Petitions

The bill sets a 60-day deadline for late filed petitions to be filed with the VAB. Specifically, the bill amends s. 194.011(3)(d), F.S., providing that if a petitioner identifies extenuating circumstances demonstrating to the VAB that the petitioner was unable to file a petition in a timely manner, the petitioner is authorized to file a petition within 60 days after the deadline. However, the VAB is not required to delay proceedings for the 60-day timeframe, and no late petition is authorized after the VAB has concluded its review of petitions.

VAB Hearing Rescheduling

The bill revises the definition of "good cause", as it applies to valid reasons a petitioner and property appraiser may reschedule a VAB hearing in a county that receives more than 5,000 VAB petitions per value adjustment board roll year. In such counties, "good cause" does not include being scheduled for two separate hearings in different jurisdictions at the same time or date unless the hearings involve the

⁸ Rule 12D-9.015, F.A.C., Petition; Form and Filing Fee.

⁹ Id.

¹⁰ s. 194.032(2)(a), F.S.

¹¹ s. 194.011(3)(e), F.S.

¹² Id.

¹³ Section 194.035(1), F.S., requires the use of special magistrates in counties with a population over 75,000. Smaller counties may opt to use special magistrates.

¹⁴ s. 194.035(1), F.S.

¹⁵ s. 194.032(2)(a), F.S., defines the term "good cause" as circumstances beyond the control of the person seeking to reschedule the hearing which reasonably prevent the party from having adequate representation at the hearing.

¹⁶ s. 194.171(2), F.S.

¹⁷ s. 193.122(4), F.S.

same petitioner or property appraiser and the petitioner agree to reschedule the hearing. Before the value adjustment board begins hearings for the roll year, the VAB clerk may request the property appraiser, individual, agent, or legal entity that signed the petition to identify up to 15 business days per roll year for which they are unavailable for hearings.

Special Magistrates Conflict of Interest

As current law requires VAB special magistrates to be qualified individuals, many are familiar with and employed in the appraisal business. The bill strengthens the statutory provisions that address conflict of interest for special magistrates. Specifically, the bill amends s. 194.035(1), F.S., providing that an appraisal performed by a special magistrate may not be submitted as evidence to the value adjustment board in any roll year during which he or she has served on that board as a special magistrate.

Homestead Exemption Liens

Present Situation

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.¹⁸

Article VII, section 6 of the Florida Constitution provides that every person having legal and equitable title to real estate and who maintains a permanent residence on the real estate is eligible for a \$25,000 homestead tax exemption applicable to all ad valorem tax levies including levies by school districts. An additional homestead exemption from all taxes other than district school taxes is available for assessed value above \$50,000 and up to \$75,000.

If delinquent ad valorem taxes are not paid by June 1 of the year after assessment, the county holds a tax certificate sale for real property located in the county in which the taxes became delinquent in that year.¹⁹ A tax lien certificate is an interest bearing lien of first priority representing unpaid delinquent real estate property taxes. However, it does not convey any property rights or ownership to the certificate holder.

The property owner has a period of 2 years from the date the taxes became delinquent to redeem the tax certificate by paying to the county the total due, including accrued interest.²⁰ After the 2 year period, if the taxes remain unpaid, the lien holder may make an application for tax deed auction with the county.²¹ If tax deed auction proceedings begin, the property owner must pay all due and delinquent years, plus fees and interest to stop the sale of their property at public auction.²² If the tax certificate is not redeemed or sold at auction after 7 years, the tax certificate is cancelled and considered null and void.²³

Current law provides that if a property appraiser determines that, within the prior 10 years, a property owner was granted a homestead exemption but was not entitled to it, the property appraiser must send the owner a notice of intent to file a tax lien on any property owned by the owner in that county.²⁴ After receiving notice, the property owner has 30 days to pay the taxes owed, plus penalties and interest before the property appraiser may file the lien.²⁵ Once a tax lien is filed, the tax lien remains on the

¹⁸*Sebring Airport Auth. v. McIntyre*, 783 So.2d 238, 248 (Fla. 2001); *Archer v. Marshall*, 355 So.2d 781, 784. (Fla. 1978); *Am Fi Inv. Corp. v. Kinney*, 360 So.2d 415 (Fla. 1978); *See also Sparkman v. State*, 58 So.2d 431, 432 (Fla. 1952).

¹⁹ s. 197.432(1), F.S.

²⁰ s. 197.502(1) and (2), F.S.

²¹ s. 197.502, F.S.

²² s. 197.472, F.S.

²³ s. 197.482, F.S.

²⁴ s. 196.161(1)(b), F.S.

²⁵ *Id.*

property until it is paid or expires after 20 years.²⁶ This provision includes property owners who are granted an exemption and not required to file an annual application or statement.²⁷

Proposed Changes

The bill requires property appraisers to waive penalties and interest on homestead exemption liens under certain circumstances. Specifically, the bill amends ss. 196.011(9)(a), requiring a property appraiser to waive the unpaid penalties and interest if the property appraiser determines that the person qualified for the exemption at the time the application was filed and, other than improperly receiving tax savings, did not receive an additional financial benefit such as rental payment or other income.

The bill prohibits the property appraiser from waiving the penalty or interest charges if the person claimed a similar property tax exemption or a tax credit on another property located in this state or in another state where permanent residency is required as a basis for granting the exemption or credit.

This applies to property owners who are granted an exemption and who are not required to file an annual application or statement.

Homestead Assessment Limitation Liens

Present Situation

Ad valorem tax valuation is based on the taxable value of property as of January 1 of each year.²⁸ The property appraiser annually determines the “just value”²⁹ of property within the taxing authority and then applies applicable exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”³⁰ Article VII, section 4 of the Florida Constitution limits the Legislature’s authority to provide for property valuations at less than just value, unless such is expressly authorized by the constitution.³¹ This limitation is implemented statutorily. The law provides that, beginning in 1995 or the year after the property receives homestead exemption, an annual increase in homestead assessment is prohibited from exceeding the lower of the following:

- Three percent of the assessed value of the property for the prior year; or
- The percentage change in the Consumer Price Index (CPI) for all Urban Consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the U.S. Department of Labor, Bureau of Labor Statistics.³²

Current law provides that if a property appraiser determines that, within the prior 10 years a person receives the homestead property assessment limitation and was not entitled to it, the property appraiser will send the owner a notice of intent to file a tax lien on any property owned by the owner in that county.³³ After receiving notice, the property owner has 30 days to pay the taxes owed plus

²⁶ s. 95.091(1)(b), F.S.

²⁷ s. 196.011(9)(a), F.S.

²⁸ Both real and tangible personal property are subject to the tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines “tangible personal property” as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

²⁹ Property must be valued at “just value” for purposes of property taxation, unless the State Constitution provides otherwise. FLA. CONST. art. VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction *See Walter v. Shuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *Southern Bell Tel. & Tel. Co. v. Dade County*, 275 So. 2d 4 (Fla. 1973).

³⁰ *See* s. 192.001(2) and (16), F.S.

³¹ *See* FLA. CONST. art. VII, s. 4.

³² s. 193.155(1), F.S.

³³ s. 193.155(10), F.S.

penalties and interest before the property appraiser may file the lien.³⁴ Once a tax lien is filed, the tax lien remains on the property until it is paid or expires after 20 years.³⁵

Proposed Changes

The bill requires property appraisers to waive penalties and interest on homestead property assessment limitation liens under certain circumstances. Specifically, the bill amends s. 193.155(10)(a), F.S., requiring a property appraiser to waive the unpaid penalties and interest if the property appraiser determines that the person qualified for the property assessment limitation at the time the application was filed and, other than improperly receiving tax savings, did not receive an additional financial benefit such as rental payment or other income.

The bill prohibits the property appraiser from waiving the penalty or interest if the person claimed a property tax exemption or a tax credit on another property located in this state or in another state where permanent residency is required as a basis for granting the exemption or credit.

In addition, the bill provides that if the property appraiser improperly grants the property assessment limitation as a result of a clerical mistake or an omission, the person or entity improperly receiving the property assessment limitation may not be assessed a penalty or interest.

Homestead Exemption Liens for Seniors

Article VII, section 6(d) of the Florida Constitution authorizes the legislature to allow, by general law, counties and municipalities to grant either or both of the following additional homestead exemptions for purposes of their own property tax levies:

- An exemption not exceeding \$50,000 to any person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, and who has attained age 65, and whose household income, as defined by general law, does not exceed \$20,000;³⁶ or
- An exemption equal to the assessed value of the property to any person who has the legal or equitable title to real estate with a just value less than \$250,000 based on the value during the year in which the exemption is originally applied for, and who has maintained thereon the permanent residence of the owner for not less than 25 years, and who has attained age 65, and whose household income does not exceed \$20,000.³⁷

This exemption is implemented in s.196.075, F.S. The law allows counties and municipalities the discretion to grant the exemptions. Counties and municipalities may grant either or both of these exemptions through the adoption of an ordinance.³⁸ The law also provides that if a property appraiser determines that, within the prior 10 years, a person received the homestead property assessment limitation and was not entitled to it, the property appraiser will send the owner a notice of intent to file a tax lien on any property owned by the owner in that county.³⁹ After receiving notice, the property owner has 30 days to pay the taxes owed, plus penalties and interest, before the property appraiser may file the lien.⁴⁰ Once a tax lien is filed, the tax lien remains on the property until it is paid or expires after 20 years.⁴¹

³⁴ Id.

³⁵ s. 95.091(1)(b), F.S.

³⁶ Art. VII, s. 6(d)(1), Fla. Const.

³⁷ Art. VII, s. 6(d)(2), Fla. Const.

³⁸ s. 196.075(4), F.S.

³⁹ s. 196.075(9), F.S.

⁴⁰ Id.

⁴¹ s. 95.091(1)(b), F.S.

Proposed Changes

The bill requires property appraisers to waive penalties and interest on homestead exemption liens for senior citizen property owners under certain circumstances. Specifically, the bill amends s.196.075(9)(a), F.S., requiring a property appraiser to waive the unpaid penalties and interest if the property appraiser determines that the person qualified for the exemption at the time the application was filed, and, other than improperly receiving tax savings, did not receive an additional financial benefit such as rental payment or other income.

The bill prohibits the property appraiser from waiving the penalty or interest if the person claimed a property tax exemption or a tax credit on another property located in this state or in another state where permanent residency is required as a basis for granting the exemption or credit.

Homestead Assessment Reduction Liens for Parents and Grandparents

Present Situation

Article VII, section 4(f) of the State Constitution authorizes counties to provide a reduction in assessed value of homestead property resulting from construction or reconstruction on the homestead property for the purpose of providing living quarters for parents or grandparents (granny flats). This reduction is implemented in s. 193.703, F.S. The law applies to natural or adoptive parents or grandparents of the owner of the property or of the owner's spouse, if at least one of the parents or grandparents for whom the living quarters are provided is at least 62 years of age.⁴²

The law provides that if a property appraiser determines that within the prior 10 years a person receives the reduction in assessed value and was not entitled to it, the property appraiser must serve the owner with a notice of intent to file a tax lien on any property owned by the owner in that county.⁴³ After receiving notice, the property owner has 30 days to pay the taxes owed, plus penalties and interest before the property appraiser may file the lien.⁴⁴ Even if a tax lien is filed, the tax lien remains on the property until it is paid or expires after 20 years.⁴⁵

Proposed Changes

The bill requires property appraisers to waive penalties and interest on granny flat liens under certain circumstances. Specifically, the bill amends s.193.703(7)(a), F.S., requiring a property appraiser to waive the unpaid penalties and interest if the property appraiser determines that the person qualified for the reduction at the time the application was filed.

The bill prohibits the property appraiser from waiving the penalty or interest if the person claimed a similar property tax exemption or tax credit on another property in this state or in another state where permanent residency is required as a basis for granting the tax exemption or credit.

The Truth in Millage (TRIM) notice

Present Situation

Each August, a Truth in Millage notice is sent out by the property appraiser to all taxpayers providing specific information about their parcel.⁴⁶

⁴² s. 193.703(1), F.S.

⁴³ s. 193.703(7), F.S.

⁴⁴ Id.

⁴⁵ s. 95.091(1)(b), F.S.

⁴⁶ s. 200.069, F.S.

The TRIM notice lists each taxing authority that levies taxes on the property, how much they collected from that parcel in the previous year, how much they propose to collect this year, and how much would be levied on the property if the taxing authority made no budget changes.⁴⁷ It also lists the day and time that the taxing authority will be holding its preliminary budget hearing, so that the taxpayer can participate in the process and provide input to the taxing authority if they disagree with the proposed taxes.⁴⁸ After this meeting, where a tentative millage (tax) rate and budget are adopted, the taxing authority must then publish the proposed millage rate⁴⁹ and the proposed budget⁵⁰ in a newspaper of general circulation before holding a meeting for the final adoption of the millage rate and budget.⁵¹ This gives citizens two opportunities to have input into the process of setting the millage rate and budget.

The TRIM notice also provides key information about the valuation of the property. It lists the value the property appraiser has placed on the property, shows any reductions which have been made to that value due to a classification or assessment limitation, and shows what exemptions have been granted on that property and the value of those exemptions.⁵² This gives taxpayers notice of the assessment of their property, lets them review any assessment limitations or classifications applied, allows them to check to make sure they are getting all of the exemptions they are entitled to receive, and allows them to dispute any of these matters before the tax bills are sent out.

Proposed Changes

The bill prohibits the annual TRIM notice from containing statements not relating to the items that are in the notice. Specifically, the bill amends s. 200.069, F.S., requiring the property appraiser to only include in the mailing of the notice of ad valorem taxes and non-ad valorem assessments additional statements explaining any item on the notice and any other relevant information for property owners.

B. SECTION DIRECTORY:

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| Section 1 | amends s. 95.18, F.S., relating to real property actions; adverse possession without color of title. |
| Section 2 | amends s. 193.155, F.S., relating to homestead assessments. |
| Section 3 | amends s. 193.703, F.S., relating to reduction in assessment for living quarters of parents or grandparents. |
| Section 4 | amends s. 194.011, F.S., relating to assessment notice; objections to assessments. |
| Section 5 | amends s. 194.032, F.S., relating to hearing purposes; timetable. |
| Section 6 | amends s. 194.035, F.S., relating to special magistrates; property evaluators. |
| Section 7 | amending s. 196.011, F.S., relating to annual application required for exemption. |
| Section 8 | amending s. 196.075, F.S., relating to additional homestead exemption for persons 65 and older. |
| Section 9 | amending s. 200.069, F.S., relating to the notice of proposed property taxes and non-ad valorem assessments (TRIM notice). |

⁴⁷ Id.

⁴⁸ s. 200.069(4)(g), F.S.

⁴⁹ s. 200.065(3), F.S.

⁵⁰ s. 200.065(3)(1), F.S.

⁵¹ s. 200.065 (2)(d), F.S.

⁵² s. 200.069(6), F.S.

Section 10 provides an effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference estimated that the provisions requiring waiver of penalties and interest have a -\$12.1 million impact on local government revenues in the 2017-2018 fiscal year and a recurring impact eventually reaching -\$16.1 million annually.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill requires waiver of penalties and interest in certain circumstances, thereby reducing local government's ability to raise ad valorem revenues. If the bill does qualify as a mandate, final passage must be approved by two-thirds of the membership of each house of the Legislature.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 21, 2017, the Agriculture & Property Rights Subcommittee adopted one strike-all amendment to HB 289. The amendment retains:

- The adverse possession provision, which requires the payment of all “delinquent” taxes instead of all “outstanding” taxes to establish title by adverse possession;
- The provision that removes the time limitation for business owners to receive the \$25,000 exemption on tangible personal property;
- The provision that increases the tax exemption for widows, widowers, blind persons, and disabled persons from \$500 to \$5,000; and
- The provision that restricts the content that is required to be included in the yearly TRIM notice.

The amendment removes:

- The provision that matches the value adjustment board (VAB) appeals timeframe for property appraisers with the 60 day VAB appeals timeframe for taxpayers, and removes the provision that grants each side 30 days to file a counterclaim;
- The provision that prohibits a tax assessment limitation from being based on a VAB final written decision that is under appeal;
- The provision that reduces the information that the notice by mail of non-ad valorem assessment hearings is required to include; and
- The provision that allows local governments to provide the notice by mail of non-ad valorem assessment hearings information via a website, instead of in a newspaper.

The amendment revises:

- The penalties and interest provision to require, instead of allow, property appraisers in specified circumstances to waive penalties and interest on tax liens for those who receive, but are not entitled to, homestead exemptions, homestead assessment limitations, homestead exemptions for persons age 65 or older, and homestead assessment reductions for parents and grandparents; and
- The “good cause” provision as it applies to rescheduling a VAB hearing to exclude scheduling two separate hearings in different jurisdictions at the same time or date. The bill was reported favorably as a committee substitute. The analysis is drafted to the committee substitute.

On April 5, 2017, the Ways & Means Committee adopted an amendment to CS/HB289. The amendment retains:

- The adverse possession section, which requires the payment of all “delinquent” taxes instead of all “outstanding” taxes to establish title by adverse possession;
- The section setting a 60-day deadline for late filed petitions to be filed with the VAB, if the petitioner identifies extenuating circumstances demonstrating to the VAB that the petitioner was unable to file a petition in a timely manner;
- The section specifying that an appraisal performed by a special magistrate may not be submitted as evidence to the value adjustment board in any roll year during which he or she served that board as a special magistrate.

The amendment removes:

- A provision that would have increased the tax exemption for widows, widowers, blind persons and disabled persons from \$500 to \$5,000;
- A provision that would have removed the time limitation applicable to business owners who wish to receive a \$25,000 tangible personal property tax exemption; and

- An “acted in good faith” requirement from the list of conditions necessary for a property appraisers to waive penalties and interest otherwise applicable to persons improperly claiming various types of homestead property exemption.

The amendment revises:

- The circumstances when property appraisers may not waive penalties and interest by specifying penalties and interest may not be waived if the person claimed a property tax credit on another property located in this state or in another state where permanent residency is required as a basis for granting the tax exemption or credit;
- Applicability of the amended definition of “good cause” by only applying the revised definition to counties that receive more than 5,000 VAB petitions per roll year; and
- The restriction on information that can be included in a TRIM notice mailing by allowing any information that is relevant to property owners.

The Way & Means Committee reported the bill favorably as a committee substitute. This analysis is drafted to that committee substitute.