

**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 Finance and Tax

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BILL: SB 184

INTRODUCER: Senators Polsky and Pizzo

SUBJECT: Homestead Exemption for First Responders

DATE: March 17, 2023

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	<b>Favorable</b>
2.	<u>Shuler</u>	<u>Babin</u>	<u>FT</u>	<b>Favorable</b>
3.	_____	_____	<u>AP</u>	_____

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**I. Summary:**

SB 184 expands both the ad valorem tax exemption for surviving spouses of first responders who died in the line of duty and the ad valorem tax exemption for first responders rendered totally and permanently disabled in the line of duty to include federal law enforcement officers. The bill does not otherwise substantively amend the requirements to receive those tax exemptions.

The Revenue Estimating Conference has determined the bill will reduce local government ad valorem receipts by an insignificant amount, less than \$100,000 total.

The bill takes effect January 1, 2024, and will first apply to the 2024 ad valorem tax roll.

**II. Present Situation:**

**General Overview of Property Taxation**

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of a property as of January 1 of each year.<sup>1</sup> The property appraiser annually determines the “just value”<sup>2</sup> of property within the taxing authority and then applies relevant exclusions, assessment limitations, and

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<sup>1</sup> Both real property and tangible personal property are subject to 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.

<sup>2</sup> Property must be valued at “just value” for purposes of property taxation, unless the Florida 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, e.g., Walter v. Schuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *S. Bell Tel. & Tel. Co. v. Dade Cnty.*, 275 So. 2d 4 (Fla. 1973).

exemptions to determine the property's "taxable value."<sup>3</sup> Property tax bills are mailed in November of each year based on the previous January 1 valuation.<sup>4</sup> If a taxpayer furnishes the outstanding taxes within 30 days after the tax collector mailed the tax notice, the taxpayer will receive a 4 percent discount on the total amount of taxes due.<sup>5</sup> The full amount of taxes is due by March 31 of the following year.<sup>6</sup>

The Florida Constitution prohibits the state from levying ad valorem taxes<sup>7</sup> and limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.<sup>8</sup>

### **Homestead Exemptions**

The Florida Constitution establishes homestead protections for certain residential real estate in the state in three distinct ways. First, it provides homesteads, property owned and maintained as a person's primary residence, with an exemption from taxes.<sup>9</sup> Second, the homestead provisions protect the homestead from forced sale by creditors.<sup>10</sup> Third, the homestead provisions delineate the restrictions a homestead owner faces when attempting to alienate or devise the homestead property.<sup>11</sup>

Every person having legal or equitable title to real estate and who maintains a permanent residence on the real estate is eligible for a \$25,000 tax exemption applicable to all ad valorem tax levies, including levies by school districts.<sup>12</sup> An additional \$25,000 exemption applies to homestead property value between \$50,000 and \$75,000. This exemption does not apply to ad valorem taxes levied by school districts.<sup>13</sup>

### **Annual Application**

Each person or organization meeting the criteria for an ad valorem tax exemption may claim the exemption if the claimant held legal title to the real or personal property subject to the exemption on January 1.<sup>14</sup> The application for exemption must be filed with the property appraiser on or before March 1, and failure to make an application constitutes a waiver of the exemption for that year.<sup>15</sup> The application must list and describe the property for which the exemption is being

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<sup>3</sup> See ss. 192.001(2) and (16), F.S.

<sup>4</sup> Section 197.322, F.S.; see also Florida Department of Revenue, Florida Property Tax Calendar, *available at*: <https://floridarevenue.com/property/Documents/taxcalendar.pdf> (last visited Mar. 15, 2023).

<sup>5</sup> Section 197.162, F.S.; see also Florida Department of Revenue, Tax Collector Calendar, *available at*: <https://floridarevenue.com/property/Documents/tccalendar.pdf> (last visited Mar. 15, 2023).

<sup>6</sup> Section 197.162, F.S.

<sup>7</sup> FLA. CONST. art. VII, s. 1(a).

<sup>8</sup> See FLA. CONST. art. VII, s. 4.

<sup>9</sup> FLA. CONST. art. VII, s. 6.

<sup>10</sup> FLA. CONST. art. X, s. 4.

<sup>11</sup> *Id.* at (c).

<sup>12</sup> FLA. CONST. art VII, s. 6(a); s. 196.031, F.S.

<sup>13</sup> FLA. CONST. art VII, s. 6(a); s. 196.031(1)(b), F.S.

<sup>14</sup> Section 196.011(1)(a), F.S.

<sup>15</sup> Section 196.011(1), F.S. But see s. 196.011(7) and (8) for conditions when the exemption may be granted if an application is filed after March 1.

claimed and certify the ownership and use of the property.<sup>16</sup> The claimant must reapply for the exemption on an annual basis unless the property appraiser (subject to approval by a vote of the governing body of the county) has waived the annual application requirement for a property after an initial application is made and the exemption granted.<sup>17</sup>

### **Exemption for Totally and Permanently Disabled First Responders**

The homestead property of a first responder who has a total and permanent disability as a result of an injury or injuries sustained in the line of duty while serving as a first responder or during an operation in another state or country authorized by this state is exempt from taxation.<sup>18</sup>

To be eligible for this exemption, the first responder must be a permanent resident of Florida on January 1 of the year in which the exemption is sought, and must present documentation showing disability and causation to the property appraiser.<sup>19</sup>

This exemption may carry over to the benefit of the first responder's surviving spouse so long as the surviving spouse holds title to the homestead property, permanently resides thereon, and does not remarry.<sup>20</sup> The amount exempted may be carried forward to a new homestead if the property is sold.<sup>21</sup>

"First responder" is defined as a law enforcement or correctional officer as defined in s. 943.10, F.S.; a firefighter as defined in s. 633.102, F.S.; or an emergency medical technician or paramedic as defined in s. 401.23, F.S.<sup>22</sup>

### **Exemption for Surviving Spouses of First Responders**

The homestead property of the surviving spouse of a first responder who died in the line of duty while employed by the state or any political subdivision thereof is exempt from taxation.<sup>23</sup>

To be eligible for this exemption, the first responder and their spouse must have been permanent residents of Florida on January 1 of the year in which the first responder died, and a letter must have been issued by the proper employing authority legally recognizing and certifying that the first responder died in the line of duty.<sup>24</sup>

This exemption continues so long as the surviving spouse holds title to the homestead property, permanently resides thereon, and does not remarry.<sup>25</sup> The amount exempted may be carried forward to a new homestead if the property is sold.<sup>26</sup>

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<sup>16</sup> Section 196.011(1)(a), F.S.

<sup>17</sup> Section 196.011(5) and (9)(a), F.S.

<sup>18</sup> FLA. CONST. art. VII, s. 6(f)(3); s. 196.102(2), F.S.

<sup>19</sup> Section 196.102(2) and (5), F.S.

<sup>20</sup> FLA. CONST. art. VII, s. 6(f)(2); s. 196.102(8), F.S.

<sup>21</sup> Section 196.102(8), F.S.

<sup>22</sup> Section 196.102(1)(c), F.S., referring to s. 196.081(6)(c)1., F.S.

<sup>23</sup> FLA. CONST. art. VII, s. 6(f)(2); s. 196.081(6), F.S.

<sup>24</sup> Section 196.081(6), F.S.

<sup>25</sup> Section 196.081(6)(b), F.S.

<sup>26</sup> *Id.*

“First responder” is defined as a law enforcement or correctional officer as defined in s. 943.10, F.S.; a firefighter as defined in s. 633.102, F.S.; or an emergency medical technician or paramedic as defined in s. 401.23, F.S.<sup>27</sup>

### III. Effect of Proposed Changes:

The bill amends s. 196.081, F.S., to revise the definition of “first responder” to include federal law enforcement officers as defined in s. 901.1505(1), F.S.<sup>28</sup> This revision expands both the ad valorem tax exemption for surviving spouses of first responders who died in the line of duty and the ad valorem tax exemption for first responders rendered totally and permanently disabled in the line of duty to include federal law enforcement officers. The bill does not otherwise substantively amend the requirements to receive those tax exemptions.

The bill provides that the amendments made therein first apply to the 2024 ad valorem tax roll.

The bill takes effect January 1, 2024.

### IV. Constitutional Issues:

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

Article VII, s. 18(b) of the Florida Constitution provides that except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandate requirement does not apply to laws having an insignificant impact,<sup>29</sup> which for Fiscal Year 2022-2023 is forecast at approximately \$2.3 million.<sup>30</sup> The Revenue Estimating Conference estimated that the impact would be insignificant, or less than \$100,000.<sup>31</sup>

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

None.

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<sup>27</sup> Section 196.081(6)(c)1., F.S.

<sup>28</sup> Section 901.1505(1), F.S, provides that the term “federal law enforcement officer” means “a person who is employed by the Federal Government as a full-time law enforcement officer as defined by the applicable provisions of the United States Code, who is empowered to effect an arrest for violations of the United States Code, who is authorized to carry firearms in the performance of her or his duties, and who has received law enforcement training equivalent to that prescribed in s. 943.13.”

<sup>29</sup> FLA. CONST. art. VII, s. 18(d).

<sup>30</sup> An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Mar. 15, 2023).

<sup>31</sup> Office of Economic and Demographic Research, *Revenue Estimating Conference Impact Results: HB 101 / SB 184*, 8-9 (Feb. 24, 2023), available at: [http://edr.state.fl.us/content/conferences/revenueimpact/archives/2023/\\_pdf/impact0224.pdf](http://edr.state.fl.us/content/conferences/revenueimpact/archives/2023/_pdf/impact0224.pdf) (last visited Mar. 15, 2023).

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Article VII, s. 19 of the Florida Constitution requires that legislation that increases or creates taxes or fees be passed by a 2/3 vote of each chamber in a bill with no other subject. The bill does not increase or create new taxes or fees. Thus, the constitutional requirements related to new or increased taxes or fees do not apply.

E. Other Constitutional Issues:

None identified.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

The Revenue Estimating Conference has determined the bill will reduce local government ad valorem receipts by an insignificant amount, less than \$100,000 total.<sup>32</sup>

B. Private Sector Impact:

The bill may positively impact totally and permanently disabled first responders employed by the federal government and their spouses who take advantage of the granted homestead exemption.

C. Government Sector Impact:

The bill may negatively impact local governments who furnish the homestead exemption to newly eligible property owners.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 196.081, Florida Statutes.

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<sup>32</sup> *Id.*

**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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