

By the Committee on Finance and Tax; and Senator Avila

593-03609-25

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1 A bill to be entitled
2 An act relating to a property tax exemption and
3 assessment limitation on long-term leased property;
4 creating s. 193.1553, F.S.; providing that property
5 that receives a certain tax exemption shall be
6 assessed in a specified manner; providing that
7 changes, additions, and improvements to such
8 properties shall be assessed in a specified manner;
9 providing exceptions and alternative assessments;
10 providing construction; requiring property that no
11 longer meets eligibility requirements to be assessed
12 in an alternative manner; amending s. 196.011, F.S.;
13 requiring the submission of an application containing
14 specified information before receiving a specified tax
15 exemption; amending s. 196.034, F.S.; providing
16 specified tax exemptions for property that meets
17 certain eligibility requirements; providing that
18 certain damaged or destroyed property is eligible for
19 the exemption if specified conditions are met;
20 providing that if such conditions are not met, such
21 property shall be considered abandoned for a specified
22 purpose; amending ss. 193.1554 and 194.032, F.S.;
23 conforming provisions to changes made by the act;
24 providing a contingent effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:

27
28 Section 1. Section 193.1553, Florida Statutes, is created
29 to read:

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30 193.1553 Assessment of certain residential property subject
31 to a long-term lease.-

32 (1) Property that receives the exemption under s. 196.034
33 shall be assessed under this section.

34 (2) Except as provided in subsection (4), property that
35 meets the conditions of subsection (1) shall be assessed
36 pursuant to this section as of January 1 of any year for which
37 the property is eligible for assessment under this section,
38 using the prior year's assessed value as the basis for any
39 change in assessment. Any change resulting from such assessment
40 shall not exceed the lower of the following:

41 (a) Three percent of the assessed value of the property for
42 the prior year; or

43 (b) The percentage change in the Consumer Price Index for
44 All Urban Consumers, U.S. City Average, all items 1967=100, or
45 successor reports for the preceding calendar year as initially
46 reported by the United States Department of Labor, Bureau of
47 Labor Statistics.

48 (3) If the assessed value of the property as calculated
49 under subsection (2) exceeds the just value, the assessed value
50 of the property shall be lowered to the just value of the
51 property.

52 (4) Property assessed under this section shall be assessed
53 at just value as of January 1 of the year following a change of
54 ownership, or as of January 1 of the year following abandonment
55 of homestead on a property that becomes eligible for assessment
56 under this section, but no sooner than the January 1 following
57 the certification to the property appraiser required by s.
58 193.155(8)(i)2. Thereafter, the annual changes in the assessed

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59 value of the property are subject to the limitations in
60 subsections (2) and (3). For purposes of this subsection, the
61 term "change of ownership" means any sale, foreclosure, or
62 transfer of legal title or beneficial title in equity to any
63 person, except if any of the provisions of s. 193.155(3) (a)
64 apply.

65 (5) (a) Except as provided in paragraph (b) and s. 193.624,
66 changes, additions, or improvements to property subject to this
67 section shall be assessed at just value as of the first January
68 1 after the changes, additions, or improvements are
69 substantially completed.

70 (b)1. Changes, additions, or improvements that replace all
71 or a portion of property assessed under this section, including
72 ancillary improvements, that are damaged or destroyed by
73 misfortune or calamity shall be assessed upon substantial
74 completion as provided in this paragraph. Such assessment must
75 be calculated using the property's assessed value as of the
76 January 1 immediately before the date on which the damage or
77 destruction was sustained, subject to the assessment limitations
78 in subsections (2) and (3), when:

79 a. The square footage of the property as changed or
80 improved does not exceed 110 percent of the square footage of
81 the property before the damage or destruction; or

82 b. The total square footage of the property as changed or
83 improved does not exceed 1,500 square feet.

84 2. The property's assessed value must be increased by the
85 just value of that portion of the changed or improved property
86 which is in excess of 110 percent of the square footage of the
87 property before the damage or destruction or of that portion

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88 exceeding 1,500 square feet.

89 3. Property damaged or destroyed by misfortune or calamity
90 which, after being changed or improved, has a square footage of
91 less than 100 percent of the property's total square footage
92 before the damage or destruction shall be assessed pursuant to
93 subsection (6).

94 4. Changes, additions, or improvements assessed pursuant to
95 this paragraph must be reassessed pursuant to subsection (2) in
96 subsequent years. This paragraph applies to changes, additions,
97 or improvements commenced within 5 years after the January 1
98 following the damage or destruction of the property.

99 (c) Changes, additions, or improvements include
100 improvements made to common areas or other improvements made to
101 property other than to the property by the owner or by an owner
102 association, which improvements directly benefit the property.
103 Such changes, additions, or improvements shall be assessed at
104 just value, and the just value shall be apportioned among the
105 parcels benefiting from the improvement.

106 (6) When property is destroyed or removed and not replaced,
107 the assessed value of the parcel shall be reduced by the
108 assessed value attributable to the destroyed or removed
109 property.

110 (7) Only property that meets the conditions of subsection
111 (1) is subject to this section. Any portion of property that is
112 assessed solely on the basis of character or use pursuant to s.
113 193.461 or s. 193.501, or assessed pursuant to s. 193.505, is
114 not subject to this section.

115 (8) (a) If, after meeting the conditions of subsection (1)
116 and receiving the benefit of the assessment limitation in

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117 subsections (2) and (3), the property does not meet the
118 conditions of subsection (1) on January 1 of any subsequent
119 year, the property shall instead be assessed pursuant to s.
120 193.155(1) and (2) or s. 193.1554(3) and (4), as applicable,
121 beginning with such year.

122 1. Any change in assessment in the first year the property
123 is assessed pursuant to s. 193.1554 shall use the most recent
124 year's assessed value under this section as the basis for
125 adjustment, and may not revert to just value, unless such
126 property experiences a change of ownership or control as
127 provided in s. 193.1554.

128 2. Any change in assessment in the first year the property
129 is assessed pursuant to s. 193.155 shall use the just value of
130 the property, as adjusted pursuant to s. 193.155(8), if
131 applicable.

132 (b)1. If the property meets the conditions of subsection
133 (1) on January 1 of a subsequent year, this section shall apply
134 beginning with such year, and the application of the limitation
135 in subsection (2) shall use the most recent year's assessed
136 value as the basis for adjustment if the property was assessed
137 in the most recent year pursuant to s. 193.1554.

138 2. If the property meets the conditions of subsection (1)
139 on January 1 of a subsequent year and the property was assessed
140 as the homestead of the owner in the prior year pursuant to s.
141 193.155, then the application of the limitation in subsection
142 (2) shall use the just value of the property, rather than the
143 prior year's assessment, for the first year's assessment
144 limitation in subsection (2). A property that was abandoned as a
145 homestead is only eligible under this section if the property

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146 appraiser in the county in which the abandoned homestead
147 property is located provides the certification to the property
148 appraiser in the county in which the new homestead is located as
149 required by s. 193.155(8)(i)2., stating that the property has
150 been or will be reassessed at just value.

151 Section 2. Paragraph (b) of subsection (1) of section
152 196.011, Florida Statutes, is amended, and subsection (14) is
153 added to that section, to read:

154 196.011 Annual application required for exemption.—

155 (1)

156 (b) The form to apply for an exemption under s. 196.031, s.
157 196.034, s. 196.081, s. 196.091, s. 196.101, s. 196.102, s.
158 196.173, or s. 196.202 must include a space for the applicant to
159 list the social security number of the applicant and of the
160 applicant's spouse, if any. If an applicant files a timely and
161 otherwise complete application, and omits the required social
162 security numbers, the application is incomplete. In that event,
163 the property appraiser shall contact the applicant, who may
164 refile a complete application by April 1. Failure to file a
165 complete application by that date constitutes a waiver of the
166 exemption privilege for that year, except as provided in
167 subsection (7) or subsection (9).

168 (14) Notwithstanding paragraph (7)(a), an applicant who is
169 eligible to receive an exemption under s. 196.034 must file an
170 application each year by March 1. Such application must include
171 the address of the property at which the owner currently
172 receives a homestead exemption, and an executed copy of the
173 lease for the property to be exempted under s. 196.034.

174 Section 3. Section 196.034, Florida Statutes, is created to

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175 read:

176 196.034 Exemption of certain residential property subject
177 to a long-term lease.-

178 (1) (a) Property that meets the following conditions is
179 entitled to an exemption from all taxation up to the assessed
180 valuation of \$25,000:

181 1. The owner of the property holds the legal or equitable
182 title to a separate parcel that receives the exemption under s.
183 196.031 and such parcel is his or her permanent residence.

184 2. As of January 1 of the taxable year, the property is
185 rented by the owner to one or more persons for residential use
186 under a bona fide written lease that has a duration of 6 months
187 or more.

188 3. The property would otherwise qualify for a homestead
189 exemption under s. 196.031 if the property were the owner's
190 primary residence.

191 4. The property is not eligible for assessment under s.
192 193.1555.

193 5. The property is classified under s. 195.073(1) (a)1., 2.,
194 or 4.

195 (b) A person is entitled to the exemption provided by this
196 section on one separate parcel of real estate.

197 (c) Every property that qualifies to receive the exemption
198 provided in paragraph (a) is entitled to an additional exemption
199 of up to \$25,000 on the assessed valuation greater than \$50,000
200 for all levies other than school district levies.

201 (d) Any property that does not meet the conditions of
202 paragraph (a) for a given year may not receive the benefits
203 provided in paragraphs (a) and (c) for such year unless

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204 subsection (2) applies, but the property may receive the
205 benefits in paragraphs (a) and (c) in any future year for which
206 all conditions in paragraph (a) are met.

207 (2) For purposes of this section, when property exempted
208 under this section is damaged or destroyed by misfortune or
209 calamity and the property is uninhabitable on the January 1
210 after the damage or destruction occurs, the property shall be
211 considered to be subject to a long-term lease on January 1 and
212 an existing exemption under this section shall continue if the
213 property is otherwise qualified and if the property owner
214 notifies the property appraiser that he or she intends to repair
215 or rebuild the property and the existing or another lessee will
216 resume residency after the property is repaired or rebuilt.
217 Failure by the property owner to commence the repair or
218 rebuilding of the property within 5 years after the January 1
219 following the property's damage or destruction constitutes
220 abandonment of the property as exempt under this section. After
221 the 5-year period, the expiration, lapse, nonrenewal, or
222 revocation of a building permit issued to the property owner for
223 such repairs or rebuilding also constitutes abandonment of the
224 property under this section.

225 Section 4. Subsection (1) of section 193.1554, Florida
226 Statutes, is amended to read:

227 193.1554 Assessment of nonhomestead residential property.—

228 (1) As used in this section, the term "nonhomestead
229 residential property" means residential real property that
230 contains nine or fewer dwelling units, including vacant property
231 zoned and platted for residential use, and that does not receive
232 the exemption under s. 196.031 or s. 196.034.

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233 Section 5. Paragraph (a) of subsection (1) of section
234 194.032, Florida Statutes, is amended to read:

235 194.032 Hearing purposes; timetable.—

236 (1)(a) The value adjustment board shall meet not earlier
237 than 30 days and not later than 60 days after the mailing of the
238 notice provided in s. 194.011(1); however, no board hearing
239 shall be held before approval of all or any part of the
240 assessment rolls by the Department of Revenue. The board shall
241 meet for the following purposes:

242 1. Hearing petitions relating to assessments filed pursuant
243 to s. 194.011(3).

244 2. Hearing complaints relating to homestead exemptions as
245 provided for under s. 196.151.

246 3. Hearing appeals from exemptions denied, or disputes
247 arising from exemptions granted, upon the filing of exemption
248 applications under s. 196.011.

249 4. Hearing appeals concerning ad valorem tax deferrals and
250 classifications.

251 5. Hearing appeals from determinations that a change of
252 ownership under s. 193.155(3), a change of ownership or control
253 under s. 193.1553(4), s. 193.1554(5), or s. 193.1555(5), or a
254 qualifying improvement under s. 193.1555(5) has occurred.

255 Section 6. This act shall take effect on the effective date
256 of the amendment to the State Constitution proposed by SJR 1510
257 or a similar joint resolution having substantially the same
258 specific intent and purpose, if such amendment is approved at
259 the next general election.