

By Senator Polsky

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A bill to be entitled
An act relating to the assessment of property with
decreasing just valuation; amending ss. 193.155,
193.1554, and 193.1555, F.S.; prohibiting increases in
certain assessed valuations if the just value of the
property has decreased since the previous assessment;
providing a contingent effective date.

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

Section 1. Subsection (1) of section 193.155, Florida
Statutes, is amended, and subsection (4) of that section is
republished, to read:

193.155 Homestead assessments.—Homestead property shall be
assessed at just value as of January 1, 1994. Property receiving
the homestead exemption after January 1, 1994, shall be assessed
at just value as of January 1 of the year in which the property
receives the exemption unless the provisions of subsection (8)
apply.

(1) (a) Except as provided in paragraph (b) and subsection
(4), beginning in 1995, or the year following the year the
property receives homestead exemption, whichever is later, the
property shall be reassessed annually on January 1. Any change
resulting from such reassessment shall not exceed the lower of
the following:

1. ~~(a)~~ Three percent of the assessed value of the property
for the prior year; or

2. ~~(b)~~ The percentage change in the Consumer Price Index for
All Urban Consumers, U.S. City Average, all items 1967=100, or

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30 successor reports for the preceding calendar year as initially
31 reported by the United States Department of Labor, Bureau of
32 Labor Statistics.

33 (b) Except as provided in subsection (4), the assessed
34 value of homestead property may not increase if the just value
35 of the property is less than the just value of the property on
36 the preceding January 1.

37 (4) (a) Except as provided in paragraph (b) and s. 193.624,
38 changes, additions, or improvements to homestead property shall
39 be assessed at just value as of the first January 1 after the
40 changes, additions, or improvements are substantially completed.

41 (b)1. Changes, additions, or improvements that replace all
42 or a portion of homestead property, including ancillary
43 improvements, damaged or destroyed by misfortune or calamity
44 shall be assessed upon substantial completion as provided in
45 this paragraph. Such assessment must be calculated using the
46 homestead property's assessed value as of the January 1
47 immediately before the date on which the damage or destruction
48 was sustained, subject to the assessment limitations in
49 subsections (1) and (2), when:

50 a. The square footage of the homestead property as changed
51 or improved does not exceed 130 percent of the square footage of
52 the homestead property before the damage or destruction; or

53 b. The total square footage of the homestead property as
54 changed or improved does not exceed 2,000 square feet.

55 2. The homestead property's assessed value must be
56 increased by the just value of that portion of the changed or
57 improved homestead property which is in excess of 130 percent of
58 the square footage of the homestead property before the damage

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or destruction or of that portion exceeding 2,000 square feet.

3. Homestead property damaged or destroyed by misfortune or calamity which, after being changed or improved, has a square footage of less than 100 percent of the homestead property's total square footage before the damage or destruction shall be assessed pursuant to subsection (5).

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

(c) Changes, additions, or improvements that replace all or a portion of real property that was damaged or destroyed by misfortune or calamity shall be assessed upon substantial completion as if such damage or destruction had not occurred and in accordance with paragraph (b) if the owner of such property:

1. Was permanently residing on such property when the damage or destruction occurred;

2. Was not entitled to receive homestead exemption on such property as of January 1 of that year; and

3. Applies for and receives homestead exemption on such property the following year.

(d) Changes, additions, or improvements include improvements made to common areas or other improvements made to property other than to the homestead property by the owner or by an owner association, which improvements directly benefit the homestead property. Such changes, additions, or improvements shall be assessed at just value, and the just value shall be apportioned among the parcels benefiting from the improvement.

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Section 2. Subsection (3) of section 193.1554, Florida Statutes, is amended, and subsection (6) of that section is republished, to read:

193.1554 Assessment of nonhomestead residential property.—

(3) (a) Except as provided in paragraph (b) and subsection (6), beginning in the year following the year the nonhomestead residential property becomes eligible for assessment pursuant to this section, the property shall be reassessed annually on January 1. Any change resulting from such reassessment may not exceed 10 percent of the assessed value of the property for the prior year.

(b) Except for assessments described in subsection (6), for all levies other than school district levies, the assessed value of a nonhomestead residential property may not increase if the just value of the property is less than the just value of the property on the preceding January 1.

(6) (a) Except as provided in paragraph (b) and s. 193.624, changes, additions, or improvements to nonhomestead residential property shall be assessed at just value as of the first January 1 after the changes, additions, or improvements are substantially completed.

(b) 1. Changes, additions, or improvements that replace all or a portion of nonhomestead residential property, including ancillary improvements, damaged or destroyed by misfortune or calamity must be assessed upon substantial completion as provided in this paragraph. Such assessment must be calculated using the nonhomestead property's assessed value as of the January 1 immediately before the date on which the damage or destruction was sustained, subject to the assessment limitations

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117 in subsections (3) and (4), when:

118 a. The square footage of the property as changed or
119 improved does not exceed 110 percent of the square footage of
120 the property before the damage or destruction; or

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

123 2. The property's assessed value must be increased by the
124 just value of that portion of the changed or improved property
125 which is in excess of 110 percent of the square footage of the
126 property before the damage or destruction or of that portion
127 exceeding 1,500 square feet.

128 3. Property damaged or destroyed by misfortune or calamity
129 which, after being changed or improved, has a square footage of
130 less than 100 percent of the property's total square footage
131 before the damage or destruction shall be assessed pursuant to
132 subsection (8).

133 4. Changes, additions, or improvements assessed pursuant to
134 this paragraph shall be reassessed pursuant to subsection (3) in
135 subsequent years. This paragraph applies to changes, additions,
136 or improvements commenced within 3 years after the January 1
137 following the damage or destruction of the property.

138 (c) Changes, additions, or improvements include
139 improvements made to common areas or other improvements made to
140 property other than to the nonhomestead residential property by
141 the owner or by an owner association, which improvements
142 directly benefit the property. Such changes, additions, or
143 improvements shall be assessed at just value, and the just value
144 shall be apportioned among the parcels benefiting from the
145 improvement.

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146 Section 3. Subsection (3) of section 193.1555, Florida
147 Statutes, is amended, and subsection (6) of that section is
148 republished, to read:

149 193.1555 Assessment of certain residential and
150 nonresidential real property.—

151 (3) (a) Except as provided in paragraph (b), beginning in
152 the year following the year the property becomes eligible for
153 assessment pursuant to this section, the property shall be
154 reassessed annually on January 1. Any change resulting from such
155 reassessment may not exceed 10 percent of the assessed value of
156 the property for the prior year.

157 (b) Except for assessments described in subsection (6), for
158 all levies other than school district levies, the assessed value
159 of nonresidential real property may not increase if the just
160 value of the property is less than the just value of the
161 property on the preceding January 1.

162 (6) (a) Except as provided in paragraph (b), changes,
163 additions, or improvements to nonresidential real property shall
164 be assessed at just value as of the first January 1 after the
165 changes, additions, or improvements are substantially completed.

166 (b) 1. Changes, additions, or improvements that replace all
167 or a portion of nonresidential real property, including
168 ancillary improvements, damaged or destroyed by misfortune or
169 calamity must be assessed upon substantial completion as
170 provided in this paragraph. Such assessment must be calculated
171 using the nonresidential real property's assessed value as of
172 the January 1 immediately before the date on which the damage or
173 destruction was sustained, subject to the assessment limitations
174 in subsections (3) and (4), when:

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175 a. The square footage of the property as changed or
176 improved does not exceed 110 percent of the square footage of
177 the property before the damage or destruction; and

178 b. The changes, additions, or improvements do not change
179 the property's character or use.

180 2. The property's assessed value must be increased by the
181 just value of that portion of the changed or improved property
182 which is in excess of 110 percent of the square footage of the
183 property before the damage or destruction.

184 3. Property damaged or destroyed by misfortune or calamity
185 which, after being changed or improved, has a square footage of
186 less than 100 percent of the property's total square footage
187 before the damage or destruction shall be assessed pursuant to
188 subsection (8).

189 4. Changes, additions, or improvements assessed pursuant to
190 this paragraph must be reassessed pursuant to subsection (3) in
191 subsequent years. This paragraph applies to changes, additions,
192 or improvements commenced within 3 years after the January 1
193 following the damage or destruction of the property.

194 Section 4. This act shall take effect on the effective date
195 of the amendment to the State Constitution proposed by SJR ____
196 or a similar joint resolution having substantially the same
197 specific intent and purpose, if such amendment to the State
198 Constitution is approved at the next general election or at an
199 earlier special election specifically authorized by law for that
200 purpose.