

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Combat Disabled Vet Discount/Surviving Spouses

Bill Number(s): [HB 879](#)

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Rep. Killebrew, Rep. Sirois

Month/Year Impact Begins: January 1, 2021

Date of Analysis: January 8, 2019

Section 1: Narrative

a. Current Law:

Article VII section 6 of the state constitution deals with homestead exemptions. Subsection (e) states “Each veteran who is age 65 or older who is partially or totally permanently disabled shall receive a discount from the amount of the ad valorem tax otherwise owed on homestead property the veteran owns and resides in if the disability was combat related and the veteran was honorably discharged upon separation from military service. The discount shall be in a percentage equal to the percentage of the veteran’s permanent, service-connected disability as determined by the United States Department of Veterans Affairs. To qualify for the discount granted by this subsection, an applicant must submit to the county property appraiser, by March 1, an official letter from the United States Department of Veterans Affairs stating the percentage of the veteran’s service-connected disability and such evidence that reasonably identifies the disability as combat related and a copy of the veteran’s honorable discharge. If the property appraiser denies the request for a discount, the appraiser must notify the applicant in writing of the reasons for the denial, and the veteran may reapply. The Legislature may, by general law, waive the annual application requirement in subsequent years. This subsection is self-executing and does not require implementing legislation.”

Section 196.082, Florida Statutes, states that a veteran aged 65 or older who is partially or totally permanently disabled shall receive a “discount from the amount of the ad valorem tax otherwise owed on homestead property that the veteran owns and resides in.” The disability must be combat-related, and the veteran must have been honorably discharged from the military.

The discount is “in a percentage equal to the percentage of the veteran’s permanent, service-connected disability as determined by the United States Department of Veterans Affairs.”

The property appraiser must first apply all other applicable exemptions to the parcel’s assessed value. The appraiser then subtracts the discount portion attributable to the veteran’s disability from the remaining value to yield the discounted taxable value.

b. Proposed Change:

HJR 877 would amend subsection (e) by making the current subsection paragraph (1). It would add a second paragraph that states “(2) If a veteran who receives the discount described in paragraph (1) predeceases his or her spouse, and if, upon the death of the veteran, the surviving spouse holds the legal or beneficial title to the homestead property and permanently resides thereon, the discount carries over to the surviving spouse until he or she remarries or sells or otherwise disposes of the homestead property. If the surviving spouse sells the property, a discount not to exceed the dollar amount granted from the most recent ad valorem tax roll may be transferred to the surviving spouse’s new homestead property, if used as his or her permanent residence and he or she does not remarry.”

The resolution adds an effective date to Article XII, which reads “Ad valorem tax discount for surviving spouses of certain deceased veterans.—The amendment to Section 6 of Article VII, relating to the ad valorem tax discount for spouses of certain deceased veterans who had permanent, combat-related disabilities and this section shall take effect January 1, 2021.” Language to be placed on the ballot is also included.

HB 879 adds a new subsection 3 to s. 196.082 and renumbers the succeeding subsections. The new subsection states “(3) If the partially or totally and permanently disabled veteran predeceases his or her spouse and if, upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides thereon as specified in s. 196.031, the discount from ad valorem tax that the veteran received carries over to the benefit of the veteran’s spouse until such time as he or she remarries or sells or otherwise disposes of the property. If the spouse sells the property, a discount not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence, as long as it is used as his or her primary residence and he or she does not remarry. Any applicant who is qualified to receive a discount under this section and who fails to file an application by March 1 may file an application for the discount and may file, pursuant to s. 194.011(3), a petition with the value adjustment board requesting that the discount be granted. Such application and petition shall be subject to the same procedures as for exemptions set forth in s. 196.011(8).”

HB 879 goes into effect on the effective date of HJR 877 or a similar resolution. HJR 877’s effective date is January 1, 2021.

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Section 2: Description of Data and Sources

2010-2019 Final Real Property Assessment Rolls

2010-2019 Data Books (Florida Ad Valorem Valuation and Tax Data)

2018 American Community Survey 5-Year Estimates, Sex by Marital Status by Age, [Report # B12002](#)

April 1, 2017 Population Projections, Florida Demographic Estimating Conference, December 2017 and the University of Florida, [Bureau of Economic and Business Research](#), [Florida Population Studies](#), Bulletin 184, June 2019
[Profile of Vietnam War Veterans](#), National Center for Veteran Analysis and Statistics

Section 3: Methodology (Include Assumptions and Attach Details)

The methodology description is identical to the one in the impact analysis for HJR 877. However, this analysis assumes that the amendment will pass so the proposed fiscal impact is not presented as negative indeterminate.

Using the final statewide assessment rolls, we extracted every parcel with a positive value in the exemption field related to this discount (exemption code 80). Each parcel with this discount in any year between 2013 and 2019 was extracted from the rolls and merged into a single dataset. Flags were created to show when each parcel gained or lost the discount.

Statute 196.082 was revised in 2013 to allow veterans who did not live in Florida at the time of their enlistment to be eligible for the discount. This increased the number of parcels and value significantly enough that the pre-2013 data cannot be used as a relevant comparison.

To project the discount value into the future, we use two growth rates under the assumption that there are currently two groups of people becoming eligible for this discount and after 2021 there will be only one group. These two groups are: veterans moving to Florida from somewhere else and veterans already living here who cross the age requirement threshold. The last roll year where a homeowner is 65 or older and was 18 before the end of the Vietnam War draft will be 2021 (born 1955, draft ended January 1973). After 2021, the new applicant cohort will mostly consist of veterans moving to Florida. For the 2019-2021 roll years, the high growth rate is 27.2%, the low is 13.4%, and the middle is last year's adopted rate of 13.4%. After that, the high growth rate is 17.8%, the low is 6.4%, and the middle is last year's adopted rate of 10% (these rates are the higher and lower non-school growth rates in the years before the residency requirement was added). The projected discount values are grown from the 2019 final school and non-school totals.

The projections are reduced to account for the calculated decay. The decay rate is the portion of a given roll's discount value belonging to parcels that do not have the discount on future rolls. (i.e., value attributable to the death of the eligible veteran or the sale of the parcel). In 2015, for example, the total discounted value on the rolls was \$484,992,088. Of that, \$50,337,724 belonged to parcels that had a discount in 2015 but no discount in 2016-2018, making the 2015 decay rate 10.4%. From 2013 to 2018, the rates range from 7.5% to 10.6%. We use the maximum and minimum in the high and low estimate, and the average of the extremes in the middle.

We assume that 75% of the lost discount is due to the death of the veteran. The other 25% is attributed to homestead abandonment.

The projected annual value lost is further reduced by the percentage of the cohort currently married. According to the National Center for Veteran Analysis and Statistics' 2017 Profile of Vietnam Veterans, 69.4% of Vietnam Veterans were married in 2016. However, marriage rates vary significantly by age group. Using the 2019 Florida population estimate by age (from BEBR and the December 2017 Demographic Estimating Conference), the percent of Floridians who are currently married was calculated by age groups (65-74, 75-84, and 85 years or older). The lowest married rate is 30% (85 years or older) is used in the low estimate. The middle estimate uses the rate for people 65 to 74 years old (63%), and the high estimate uses the Vietnam Veterans rate of 69.0%. These rates were applied to the estimated discount lost due to decay to calculate how much taxable value is added back to the roll every year after the deaths of disabled veterans who left behind surviving spouses.

The final reduction to this estimate is for the abandonment of the homestead by surviving spouses. It is assumed the 91% of surviving spouses will continue to live in the homestead or transfer the dollar amount of the discount to a new homestead. Nine percent of surviving spouses are assumed to drop their homestead ownership (either through selling their home and not buying a new one in Florida or death).

The estimated taxable value that can be kept off the roll as a discount is then stacked to estimate the taxable value impact on the 2022-2025 rolls. The 2018 statewide effective millage rates for school and non-school levies were applied to the final taxable value impact estimates to calculate the fiscal impact. Due to the effective date in HJR 877, cash impacts begin in fiscal year 2021-2022. The recurring estimates are equal to the cash impact of the final year in the forecast period.

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Section 4: Proposed Fiscal Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ -	\$ (5.4 M)	\$ -	\$ (3.1 M)	\$ -	\$ (1.2 M)
2021-22	\$ (1.6 M)	\$ (5.4 M)	\$ (1.0 M)	\$ (3.1 M)	\$ (0.4 M)	\$ (1.2 M)
2022-23	\$ (3.4 M)	\$ (5.4 M)	\$ (2.0 M)	\$ (3.1 M)	\$ (0.8 M)	\$ (1.2 M)
2023-24	\$ (5.4 M)	\$ (5.4 M)	\$ (3.1 M)	\$ (3.1 M)	\$ (1.2 M)	\$ (1.2 M)
2024-25	\$ (7.6 M)	\$ (7.6 M)	\$ (4.2 M)	\$ (4.2 M)	\$ (1.6 M)	\$ (1.6 M)
2025-26	\$ (10.1 M)	\$ (10.1 M)	\$ (5.3 M)	\$ (5.3 M)	\$ (1.9 M)	\$ (1.9 M)

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 01/10/2020): The impact of the implementing bill to the constitutional amendment is zero/negative indeterminate due to the requirement for a statewide referendum. If the constitutional amendment does not pass, the impact is zero.

If approved, the Conference adopted the following impact:

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	(1.6)	0.0	(2.4)	0.0	(4.0)
2021-22	(0.4)	(1.6)	(0.6)	(2.4)	(1.0)	(4.0)
2022-23	(0.8)	(1.6)	(1.1)	(2.4)	(1.9)	(4.0)
2023-24	(1.1)	(1.6)	(1.6)	(2.4)	(2.6)	(4.0)
2024-25	(1.3)	(1.6)	(2.0)	(2.4)	(3.3)	(4.0)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	0.0	0.0	0.0	0.0	0/(**)	0.0	0/(**)
2021-22	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2022-23	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2023-24	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2024-25	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)

Impact Summary

School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ -	\$ (1.9 M)	\$ -	\$ (1.1 M)	\$ -	\$ (0.4 M)
2021-22	\$ (0.7 M)	\$ (1.9 M)	\$ (0.4 M)	\$ (1.1 M)	\$ (0.2 M)	\$ (0.4 M)
2022-23	\$ (1.3 M)	\$ (1.9 M)	\$ (0.8 M)	\$ (1.1 M)	\$ (0.3 M)	\$ (0.4 M)
2023-24	\$ (1.9 M)	\$ (1.9 M)	\$ (1.1 M)	\$ (1.1 M)	\$ (0.4 M)	\$ (0.4 M)
2024-25	\$ (2.5 M)	\$ (2.5 M)	\$ (1.3 M)	\$ (1.3 M)	\$ (0.5 M)	\$ (0.5 M)
2025-26	\$ (3.2 M)	\$ (3.2 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (0.6 M)	\$ (0.6 M)

Non-School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ -	\$ (2.8 M)	\$ -	\$ (1.6 M)	\$ -	\$ (0.6 M)
2021-22	\$ (1.0 M)	\$ (2.8 M)	\$ (0.6 M)	\$ (1.6 M)	\$ (0.2 M)	\$ (0.6 M)
2022-23	\$ (1.9 M)	\$ (2.8 M)	\$ (1.1 M)	\$ (1.6 M)	\$ (0.4 M)	\$ (0.6 M)
2023-24	\$ (2.8 M)	\$ (2.8 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (0.6 M)	\$ (0.6 M)
2024-25	\$ (3.7 M)	\$ (3.7 M)	\$ (2.0 M)	\$ (2.0 M)	\$ (0.7 M)	\$ (0.7 M)
2025-26	\$ (4.6 M)	\$ (4.6 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (0.9 M)	\$ (0.9 M)

Total Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ -	\$ (4.6 M)	\$ -	\$ (2.6 M)	\$ -	\$ (1.0 M)
2021-22	\$ (1.6 M)	\$ (4.6 M)	\$ (1.0 M)	\$ (2.6 M)	\$ (0.4 M)	\$ (1.0 M)
2022-23	\$ (3.2 M)	\$ (4.6 M)	\$ (1.9 M)	\$ (2.6 M)	\$ (0.7 M)	\$ (1.0 M)
2023-24	\$ (4.6 M)	\$ (4.6 M)	\$ (2.6 M)	\$ (2.6 M)	\$ (1.0 M)	\$ (1.0 M)
2024-25	\$ (6.2 M)	\$ (6.2 M)	\$ (3.3 M)	\$ (3.3 M)	\$ (1.2 M)	\$ (1.2 M)
2025-26	\$ (7.8 M)	\$ (7.8 M)	\$ (4.0 M)	\$ (4.0 M)	\$ (1.4 M)	\$ (1.4 M)

Impact Calculations

Historical Values

Roll Year	Total Data Book Value	
	School	Non-School
2010F	36,002,345	28,774,138
2011F	41,002,672	30,627,650
2012F*	45,577,066	36,064,989
2013F	254,361,617	211,078,919
2014F	425,261,663	352,715,237
2015F	585,544,897	488,139,863
2016F	743,757,575	620,066,129
2017F	932,887,684	788,835,701
2018F	1,070,821,828	894,794,475
2019F	1,155,495,842	1,014,460,932

Percent Change	
School	Non-School
13.9%	6.4%
11.2%	17.8%
458.1%	485.3%
67.2%	67.1%
37.7%	38.4%
27.0%	27.0%
25.4%	27.2%
14.8%	13.4%
7.9%	13.4%

Parcel Counts	
School	Non-School
1,219	1,228
884	896
1,037	1,041
8,495	8,508
11,364	11,378
13,640	13,664
15,335	15,333
18,741	18,770
19,792	19,937

* Before 2013, the discount under s. 196.082 was restricted to veterans who were Florida residents at the time of their enlistment. The residency requirement was removed beginning in 2013.

Growth Projection

HIGH GROWTH RATES	
2019-2021	27.2%
2022-2025	17.8%

MIDDLE GROWTH RATES	
2019-2021	13.4%
2022-2025*	10.0%

*The conference adopted 10% last year

LOW GROWTH RATES	
2019-2021	13.4%
2022-2025	6.4%

Roll Year	Projected Discount Total	
	School	Non-School
2020	1,469,998,650	1,290,576,864
2021	1,870,102,819	1,641,846,019
2022	2,202,102,923	1,933,323,602
2023	2,593,043,139	2,276,547,317
2024	3,053,387,128	2,680,703,676
2025	3,595,456,171	3,156,610,076

Roll Year	Projected Discount Total	
	School	Non-School
2020	1,310,705,504	1,150,726,363
2021	1,486,763,393	1,305,295,374
2022	1,635,439,733	1,435,824,912
2023	1,798,983,706	1,579,407,403
2024	1,978,882,077	1,737,348,143
2025	2,176,770,284	1,911,082,958

Roll Year	Projected Discount Total	
	School	Non-School
2020	1,310,705,504	1,150,726,363
2021	1,486,763,393	1,305,295,374
2022	1,582,534,596	1,389,377,151
2023	1,684,474,986	1,478,875,131
2024	1,792,981,959	1,574,138,203
2025	1,908,478,505	1,675,537,733

Decay Rates - Percentage of annual discount value attributable to parcels losing the discount (see Annual Roll Decay Rates sheet)

HIGH	
Decay Rate	10.6%

MIDDLE	
Decay Rate	9.0%

LOW	
Decay Rate	7.5%

Roll Year	Projected Annual Decay	
	School	Non-School
2020	156,308,527	137,230,172
2021	198,852,575	174,581,475
2022	234,154,952	205,574,994
2023	275,724,575	242,070,805
2024	324,674,069	285,045,732
2025	382,313,587	335,650,016

Roll Year	Projected Annual Decay	
	School	Non-School
2020	118,559,476	104,088,610
2021	134,484,739	118,070,104
2022	147,933,213	129,877,114
2023	162,726,535	142,864,826
2024	178,999,188	157,151,308
2025	196,899,107	172,866,439

Roll Year	Projected Annual Decay	
	School	Non-School
2020	97,748,452	85,817,691
2021	110,878,316	97,344,980
2022	118,020,643	103,615,545
2023	125,623,049	110,290,034
2024	133,715,171	117,394,465
2025	142,328,554	124,956,536

Percent of Decay Attributable to Death

Reason	Percent
Veteran's Death	75%
Homestead Abandonment	25%
Total Decay	100%

Reduction for Married Population

Vietnam Veterans*	69.0%
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* Vietnam Veterans marriage rate taken from Profile of Vietnam War Veterans, National Center for Veteran Analysis and Statistics

Florida Population Estimates

	Married Pop	Total Pop	% Married
65 to 74 years	1,434,086	2,270,869	63%
75 to 84 years	711,477	1,301,630	55%
85 years and over	170,611	562,037	30%
Total	2,316,174	4,134,536	56%

HIGH	
Marriage Rate	69.0%

MIDDLE	
Marriage Rate	63%

LOW	
Marriage Rate	30%

Decay for Married Vets		
Roll Year	School	Non-School
2020	80,889,663	71,016,614
2021	102,906,207	90,345,913
2022	121,175,188	106,385,059
2023	142,687,467	125,271,642
2024	168,018,831	147,511,167
2025	197,847,281	173,698,883

Decay for Married Vets		
Roll Year	School	Non-School
2020	56,153,993	49,300,076
2021	63,696,766	55,922,210
2022	70,066,443	61,514,431
2023	77,073,087	67,665,874
2024	84,780,396	74,432,461
2025	93,258,435	81,875,707

Decay for Married Vets		
Roll Year	School	Non-School
2020	22,254,266	19,538,005
2021	25,243,525	22,162,408
2022	26,869,610	23,590,020
2023	28,600,440	25,109,592
2024	30,442,763	26,727,049
2025	32,403,761	28,448,696

Surviving Spouse Decay Rate

	Percent
Keep	75%
Drop	25%
Total	100%

Stacked Taxable Value Impact

	High Stacked Impact	
Roll Year	School	Non-School
2020	(80,889,663)	(71,016,614)
2021	(102,906,207)	(90,345,913)
2022	(198,354,843)	(174,144,494)
2023	(291,453,600)	(255,880,012)
2024	(386,609,030)	(339,421,176)
2025	(487,804,054)	(428,264,765)

	Middle Stacked Impact	
Roll Year	School	Non-School
2020	(56,153,993)	(49,300,076)
2021	(63,696,766)	(55,922,210)
2022	(117,839,017)	(103,456,088)
2023	(165,452,350)	(145,257,939)
2024	(208,869,658)	(183,375,916)
2025	(249,910,679)	(219,407,644)

	Low Stacked Impact	
Roll Year	School	Non-School
2020	(22,254,266)	(19,538,005)
2021	(25,243,525)	(22,162,408)
2022	(45,802,254)	(40,211,826)
2023	(62,952,130)	(55,268,461)
2024	(77,656,861)	(68,178,395)
2025	(90,646,407)	(79,582,492)

2018 Statewide Millage Rates

School	Non-School
6.4596	10.8122

School	Non-School
6.4596	10.8122

School	Non-School
6.4596	10.8122

Fiscal Impact*

	High Impact	
Roll Year	School	Non-School
2020*	(522,517)	(767,845)
2021	(664,736)	(976,837)
2022	(1,281,299)	(1,882,882)
2023	(1,882,683)	(2,766,622)
2024	(2,497,352)	(3,669,884)
2025	(3,151,035)	(4,630,477)

	Middle Impact	
Roll Year	School	Non-School
2020*	(362,734)	(533,041)
2021	(411,458)	(604,641)
2022	(761,197)	(1,118,586)
2023	(1,068,761)	(1,570,556)
2024	(1,349,221)	(1,982,694)
2025	(1,614,331)	(2,372,276)

	Low Impact	
Roll Year	School	Non-School
2020*	(143,754)	(211,249)
2021	(163,064)	(239,624)
2022	(295,866)	(434,778)
2023	(406,648)	(597,573)
2024	(501,635)	(737,157)
2025	(585,542)	(860,461)

*HJR 877's effective date is January 1, 2021. Calculated Impacts for roll year 2020 are necessary for projections but are absent from final estimate.

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HJR 877 would amend subsection (e) by making the current subsection paragraph (1). It would add a second paragraph that states “(2) If a veteran who receives the discount described in paragraph (1) predeceases his or her spouse, and if, upon the death of the veteran, the surviving spouse holds the legal or beneficial title to the homestead property and permanently resides thereon, the discount carries over to the surviving spouse until he or she remarries or sells or otherwise disposes of the homestead property. If the surviving spouse sells the property, a discount not to exceed the dollar amount granted from the most recent ad valorem tax roll may be transferred to the surviving spouse’s new homestead property, if used as his or her permanent residence and he or she does not remarry.”

The resolution adds an effective date to Article XII, which reads “Ad valorem tax discount for surviving spouses of certain deceased veterans.—The amendment to Section 6 of Article VII, relating to the ad valorem tax discount for spouses of certain deceased veterans who had permanent, combat-related disabilities and this section shall take effect January 1, 2021.” Language to be placed on the ballot is also included.

HB 879 adds a new subsection 3 to s. 196.082 and renumbers the succeeding subsections. The new subsection states “(3) If the partially or totally and permanently disabled veteran predeceases his or her spouse and if, upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides thereon as specified in s. 196.031, the discount from ad valorem tax that the veteran received carries over to the benefit of the veteran’s spouse until such time as he or she remarries or sells or otherwise disposes of the property. If the spouse sells the property, a discount not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence, as long as it is used as his or her primary residence and he or she does not remarry. Any applicant who is qualified to receive a discount under this section and who fails to file an application by March 1 may file an application for the discount and may file, pursuant to s. 194.011(3), a petition with the value adjustment board requesting that the discount be granted. Such application and petition shall be subject to the same procedures as for exemptions set forth in s. 196.011(8).”

HB 879 goes into effect on the effective date of HJR 877 or a similar resolution. HJR 877’s effective date is January 1, 2021.

Section 2: Description of Data and Sources

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Combat Disabled Vet Discount/Surviving Spouses

Bill Number(s): [HJR 877](#)

2010-2019 Final Real Property Assessment Rolls

2010-2019 Data Books (Florida Ad Valorem Valuation and Tax Data)

2018 American Community Survey 5-Year Estimates, Sex by Marital Status by Age, [Report # B12002](#)

April 1, 2017 Population Projections, Florida Demographic Estimating Conference, December 2017 and the University of Florida, [Bureau of Economic and Business Research](#), [Florida Population Studies](#), Bulletin 184, June 2019
[Profile of Vietnam War Veterans](#), National Center for Veteran Analysis and Statistics

Section 3: Methodology (Include Assumptions and Attach Details)

The methodology description is identical to the one in the impact analysis for HB 879. However, the proposed fiscal impact is contingent on the passage of a constitutional amendment and an implementing bill and is presented as zero/negative indeterminate.

Using the final statewide assessment rolls, we extracted every parcel with a positive value in the exemption field related to this discount (exemption code 80). Each parcel with this discount in any year between 2013 and 2019 was extracted from the rolls and merged into a single dataset. Flags were created to show when each parcel gained or lost the discount.

Statute 196.082 was revised in 2013 to allow veterans who did not live in Florida at the time of their enlistment to be eligible for the discount. This increased the number of parcels and value significantly enough that the pre-2013 data cannot be used as a relevant comparison.

To project the discount value into the future, we use two growth rates under the assumption that there are currently two groups of people becoming eligible for this discount and after 2021 there will be only one group. These two groups are: veterans moving to Florida from somewhere else and veterans already living here who cross the age requirement threshold. The last roll year where a homeowner is 65 or older and was 18 before the end of the Vietnam War draft will be 2021 (born 1955, draft ended January 1973). After 2021, the new applicant cohort will mostly consist of veterans moving to Florida. For the 2019-2021 roll years, the high growth rate is 27.2%, the low is 13.4%, and the middle is last year's adopted rate of 13.4%. After that, the high growth rate is 17.8%, the low is 6.4%, and the middle is last year's adopted rate of 10% (these rates are the higher and lower non-school growth rates in the years before the residency requirement was added). The projected discount values are grown from the 2019 final school and non-school totals.

The projections are reduced to account for the calculated decay. The decay rate is the portion of a given roll's discount value belonging to parcels that do not have the discount on future rolls. (i.e., value attributable to the death of the eligible veteran or the sale of the parcel). In 2015, for example, the total discounted value on the rolls was \$484,992,088. Of that, \$50,337,724 belonged to parcels that had a discount in 2015 but no discount in 2016-2018, making the 2015 decay rate 10.4%. From 2013 to 2018, the rates range from 7.5% to 10.6%. We use the maximum and minimum in the high and low estimate, and the average of the extremes in the middle.

We assume that 75% of the lost discount is due to the death of the veteran. The other 25% is attributed to homestead abandonment.

The projected annual value lost is further reduced by the percentage of the cohort currently married. According to the National Center for Veteran Analysis and Statistics' 2017 Profile of Vietnam Veterans, 69.4% of Vietnam Veterans were married in 2016. However, marriage rates vary significantly by age group. Using the 2019 Florida population estimate by age (from BEBR and the December 2017 Demographic Estimating Conference), the percent of Floridians who are currently married was calculated by age groups (65-74, 75-84, and 85 years or older). The lowest married rate is 30% (85 years or older) is used in the low estimate. The middle estimate uses the rate for people 65 to 74 years old (63%), and the high estimate uses the Vietnam Veterans rate of 69.0%. These rates were applied to the estimated discount lost due to decay to calculate how much taxable value is added back to the roll every year after the deaths of disabled veterans who left behind surviving spouses.

The final reduction to this estimate is for the abandonment of the homestead by surviving spouses. It is assumed the 91% of surviving spouses will continue to live in the homestead or transfer the dollar amount of the discount to a new homestead. Nine percent of surviving spouses are assumed to drop their homestead ownership (either through selling their home and not buying a new one in Florida or death).

The estimated taxable value that can be kept off the roll as a discount is then stacked to estimate the taxable value impact on the 2022-2025 rolls. The 2018 statewide effective millage rates for school and non-school levies were applied to the final taxable value impact estimates to calculate the fiscal impact. Due to the effective date in HJR 877, cash impacts begin in fiscal year 2021-2022. The recurring estimates are equal to the cash impact of the final year in the forecast period.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Combat Disabled Vet Discount/Surviving Spouses

Bill Number(s): [HJR 877](#)

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21		(0/**)		(0/**)		(0/**)
2021-22		(0/**)		(0/**)		(0/**)
2022-23	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2023-24	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2024-25	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 01/10/2020): The Conference adopted a zero / negative indeterminate impact since this is a joint resolution proposing an amendment to be submitted to the voters. If the constitutional amendment does not pass, the impact is zero.

If approved, the Conference adopted the following impact:

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	(1.6)	0.0	(2.4)	0.0	(4.0)
2021-22	(0.4)	(1.6)	(0.6)	(2.4)	(1.0)	(4.0)
2022-23	(0.8)	(1.6)	(1.1)	(2.4)	(1.9)	(4.0)
2023-24	(1.1)	(1.6)	(1.6)	(2.4)	(2.6)	(4.0)
2024-25	(1.3)	(1.6)	(2.0)	(2.4)	(3.3)	(4.0)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	0.0	0.0	0.0	0.0	0/(**)	0.0	0/(**)
2021-22	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2022-23	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2023-24	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2024-25	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)

Impact Summary

School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ -	\$ (1.9 M)	\$ -	\$ (1.1 M)	\$ -	\$ (0.4 M)
2021-22	\$ (0.7 M)	\$ (1.9 M)	\$ (0.4 M)	\$ (1.1 M)	\$ (0.2 M)	\$ (0.4 M)
2022-23	\$ (1.3 M)	\$ (1.9 M)	\$ (0.8 M)	\$ (1.1 M)	\$ (0.3 M)	\$ (0.4 M)
2023-24	\$ (1.9 M)	\$ (1.9 M)	\$ (1.1 M)	\$ (1.1 M)	\$ (0.4 M)	\$ (0.4 M)
2024-25	\$ (2.5 M)	\$ (2.5 M)	\$ (1.3 M)	\$ (1.3 M)	\$ (0.5 M)	\$ (0.5 M)
2025-26	\$ (3.2 M)	\$ (3.2 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (0.6 M)	\$ (0.6 M)

Non-School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ -	\$ (2.8 M)	\$ -	\$ (1.6 M)	\$ -	\$ (0.6 M)
2021-22	\$ (1.0 M)	\$ (2.8 M)	\$ (0.6 M)	\$ (1.6 M)	\$ (0.2 M)	\$ (0.6 M)
2022-23	\$ (1.9 M)	\$ (2.8 M)	\$ (1.1 M)	\$ (1.6 M)	\$ (0.4 M)	\$ (0.6 M)
2023-24	\$ (2.8 M)	\$ (2.8 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (0.6 M)	\$ (0.6 M)
2024-25	\$ (3.7 M)	\$ (3.7 M)	\$ (2.0 M)	\$ (2.0 M)	\$ (0.7 M)	\$ (0.7 M)
2025-26	\$ (4.6 M)	\$ (4.6 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (0.9 M)	\$ (0.9 M)

Total Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ -	\$ (4.6 M)	\$ -	\$ (2.6 M)	\$ -	\$ (1.0 M)
2021-22	\$ (1.6 M)	\$ (4.6 M)	\$ (1.0 M)	\$ (2.6 M)	\$ (0.4 M)	\$ (1.0 M)
2022-23	\$ (3.2 M)	\$ (4.6 M)	\$ (1.9 M)	\$ (2.6 M)	\$ (0.7 M)	\$ (1.0 M)
2023-24	\$ (4.6 M)	\$ (4.6 M)	\$ (2.6 M)	\$ (2.6 M)	\$ (1.0 M)	\$ (1.0 M)
2024-25	\$ (6.2 M)	\$ (6.2 M)	\$ (3.3 M)	\$ (3.3 M)	\$ (1.2 M)	\$ (1.2 M)
2025-26	\$ (7.8 M)	\$ (7.8 M)	\$ (4.0 M)	\$ (4.0 M)	\$ (1.4 M)	\$ (1.4 M)

Impact Calculations

Historical Values

Roll Year	Total Data Book Value	
	School	Non-School
2010F	36,002,345	28,774,138
2011F	41,002,672	30,627,650
2012F*	45,577,066	36,064,989
2013F	254,361,617	211,078,919
2014F	425,261,663	352,715,237
2015F	585,544,897	488,139,863
2016F	743,757,575	620,066,129
2017F	932,887,684	788,835,701
2018F	1,070,821,828	894,794,475
2019F	1,155,495,842	1,014,460,932

School	Percent Change	
	School	Non-School
	13.9%	6.4%
	11.2%	17.8%
	458.1%	485.3%
	67.2%	67.1%
	37.7%	38.4%
	27.0%	27.0%
	25.4%	27.2%
	14.8%	13.4%
	7.9%	13.4%

School	Parcel Counts	
	School	Non-School
	1,219	1,228
	884	896
	1,037	1,041
	8,495	8,508
	11,364	11,378
	13,640	13,664
	15,335	15,333
	18,741	18,770
	19,792	19,937

* Before 2013, the discount under s. 196.082 was restricted to veterans who were Florida residents at the time of their enlistment. The residency requirement was removed beginning in 2013.

Growth Projection

HIGH GROWTH RATES	
2019-2021	27.2%
2022-2025	17.8%

MIDDLE GROWTH RATES	
2019-2021	13.4%
2022-2025*	10.0%

LOW GROWTH RATES	
2019-2021	13.4%
2022-2025	6.4%

*The conference adopted 10% last year

Roll Year	Projected Discount Total	
	School	Non-School
2020	1,469,998,650	1,290,576,864
2021	1,870,102,819	1,641,846,019
2022	2,202,102,923	1,933,323,602
2023	2,593,043,139	2,276,547,317
2024	3,053,387,128	2,680,703,676
2025	3,595,456,171	3,156,610,076

Roll Year	Projected Discount Total	
	School	Non-School
2020	1,310,705,504	1,150,726,363
2021	1,486,763,393	1,305,295,374
2022	1,635,439,733	1,435,824,912
2023	1,798,983,706	1,579,407,403
2024	1,978,882,077	1,737,348,143
2025	2,176,770,284	1,911,082,958

Roll Year	Projected Discount Total	
	School	Non-School
2020	1,310,705,504	1,150,726,363
2021	1,486,763,393	1,305,295,374
2022	1,582,534,596	1,389,377,151
2023	1,684,474,986	1,478,875,131
2024	1,792,981,959	1,574,138,203
2025	1,908,478,505	1,675,537,733

Decay Rates - Percentage of annual discount value attributable to parcels losing the discount (see Annual Roll Decay Rates sheet)

HIGH	
Decay Rate	10.6%

MIDDLE	
Decay Rate	9.0%

LOW	
Decay Rate	7.5%

Roll Year	Projected Annual Decay	
	School	Non-School
2020	156,308,527	137,230,172
2021	198,852,575	174,581,475
2022	234,154,952	205,574,994
2023	275,724,575	242,070,805
2024	324,674,069	285,045,732
2025	382,313,587	335,650,016

Roll Year	Projected Annual Decay	
	School	Non-School
2020	118,559,476	104,088,610
2021	134,484,739	118,070,104
2022	147,933,213	129,877,114
2023	162,726,535	142,864,826
2024	178,999,188	157,151,308
2025	196,899,107	172,866,439

Roll Year	Projected Annual Decay	
	School	Non-School
2020	97,748,452	85,817,691
2021	110,878,316	97,344,980
2022	118,020,643	103,615,545
2023	125,623,049	110,290,034
2024	133,715,171	117,394,465
2025	142,328,554	124,956,536

Percent of Decay Attributable to Death

Reason	Percent
Veteran's Death	75%
Homestead Abandonment	25%
Total Decay	100%

Reduction for Married Population

Vietnam Veterans*	69.0%
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* Vietnam Veterans marriage rate taken from Profile of Vietnam War Veterans, National Center for Veteran Analysis and Statistics

Florida Population Estimates

	Married Pop	Total Pop	% Married
65 to 74 years	1,434,086	2,270,869	63%
75 to 84 years	711,477	1,301,630	55%
85 years and over	170,611	562,037	30%
Total	2,316,174	4,134,536	56%

HIGH	
Marriage Rate	69.0%

MIDDLE	
Marriage Rate	63%

LOW	
Marriage Rate	30%

Roll Year	Decay for Married Vets	
	School	Non-School
2020	80,889,663	71,016,614
2021	102,906,207	90,345,913
2022	121,175,188	106,385,059
2023	142,687,467	125,271,642
2024	168,018,831	147,511,167
2025	197,847,281	173,698,883

Roll Year	Decay for Married Vets	
	School	Non-School
2020	56,153,993	49,300,076
2021	63,696,766	55,922,210
2022	70,066,443	61,514,431
2023	77,073,087	67,665,874
2024	84,780,396	74,432,461
2025	93,258,435	81,875,707

Roll Year	Decay for Married Vets	
	School	Non-School
2020	22,254,266	19,538,005
2021	25,243,525	22,162,408
2022	26,869,610	23,590,020
2023	28,600,440	25,109,592
2024	30,442,763	26,727,049
2025	32,403,761	28,448,696

Surviving Spouse Decay Rate

	Percent
Keep	75%
Drop	25%
Total	100%

Stacked Taxable Value Impact

High Stacked Impact		
Roll Year	School	Non-School
2020	(80,889,663)	(71,016,614)
2021	(102,906,207)	(90,345,913)
2022	(198,354,843)	(174,144,494)
2023	(291,453,600)	(255,880,012)
2024	(386,609,030)	(339,421,176)
2025	(487,804,054)	(428,264,765)

Middle Stacked Impact		
Roll Year	School	Non-School
2020	(56,153,993)	(49,300,076)
2021	(63,696,766)	(55,922,210)
2022	(117,839,017)	(103,456,088)
2023	(165,452,350)	(145,257,939)
2024	(208,869,658)	(183,375,916)
2025	(249,910,679)	(219,407,644)

Low Stacked Impact		
Roll Year	School	Non-School
2020	(22,254,266)	(19,538,005)
2021	(25,243,525)	(22,162,408)
2022	(45,802,254)	(40,211,826)
2023	(62,952,130)	(55,268,461)
2024	(77,656,861)	(68,178,395)
2025	(90,646,407)	(79,582,492)

2018 Statewide Millage Rates

School	Non-School
6.4596	10.8122

School	Non-School
6.4596	10.8122

School	Non-School
6.4596	10.8122

Fiscal Impact*

High Impact		
Roll Year	School	Non-School
2020*	(522,517)	(767,845)
2021	(664,736)	(976,837)
2022	(1,281,299)	(1,882,882)
2023	(1,882,683)	(2,766,622)
2024	(2,497,352)	(3,669,884)
2025	(3,151,035)	(4,630,477)

Middle Impact		
Roll Year	School	Non-School
2020*	(362,734)	(533,041)
2021	(411,458)	(604,641)
2022	(761,197)	(1,118,586)
2023	(1,068,761)	(1,570,556)
2024	(1,349,221)	(1,982,694)
2025	(1,614,331)	(2,372,276)

Low Impact		
Roll Year	School	Non-School
2020*	(143,754)	(211,249)
2021	(163,064)	(239,624)
2022	(295,866)	(434,778)
2023	(406,648)	(597,573)
2024	(501,635)	(737,157)
2025	(585,542)	(860,461)

*HJR 877's effective date is January 1, 2021. Calculated Impacts for roll year 2020 are necessary for projections but are absent from final estimate.

Annual Roll Decay Rates

County Data (from Roll)

	County-Level Exemption Amounts								Total Data Book Value		
Year Discount was Lost	2013F	2014F	2015F	2016F	2017F	2018F	Parcels	Roll Year	School	Non-School	Ratio
Had discount in 2017, no discount in 2018	13,483,253	23,991,787	40,283,805	60,005,349	81,438,786	0	1,317	2013F	254,361,617	211,078,919	
Last year with discount was 2016, never regained	13,167,160	24,119,950	39,555,181	55,813,516	0	0	968	2014F	425,261,663	352,715,237	121%
Last year with discount was 2015, never regained*	19,653,478	32,340,649	50,337,724	0	0	0	997	2015F	585,544,897	488,139,863	120%
Last year with discount was 2014, never regained*	18,050,062	35,909,604	0	0	0	0	642	2016F	743,757,575	620,066,129	120%
Last year with discount was 2013, never regained*	15,402,892	0	0	0	0	0	312	2017F	932,887,684	788,835,701	118%
Never Lost or Lost & Regained	126,779,985	221,450,560	354,815,378	488,250,421	684,449,730	887,209,958	13,575	2018F	1,070,821,828	894,794,475	120%
TOTAL	206,536,830	337,812,550	484,992,088	604,069,286	765,888,516	887,209,958	17,811				
Percent Lost by Roll Year	7.5%	10.6%	10.4%	9.2%	10.6%	0.0%					
Percent Value Change		63.6%	43.6%	24.6%	26.8%	15.8%					
Yearly Increase		131,275,720	147,179,538	119,077,198	161,819,230	121,321,442					

* Values used for discounts dropped in or before 2015 are corrected to account for a parcel ID number merging problem between 2015 and 2016's rolls.

Calculated Ratio from Data Book Values

School Level Discount Total /						
County Level Discount Total	0%	121%	120%	120%	118%	120%

School Estimates (calculated)

Year Discount was Lost	Calculated School-Level Exemption Amounts					
	2013F	2014F	2015F	2016F	2017F	2018F
Had discount in 2017, no discount in 2018	0	28,926,415	48,322,168	71,975,279	96,310,601	0
Last year with discount was 2016, never regained	0	29,080,938	47,448,152	66,947,255	0	0
Last year with discount was 2015, never regained*	0	38,992,470	60,382,279	0	0	0
Last year with discount was 2014, never regained*	0	43,295,487	0	0	0	0
Last year with discount was 2013, never regained*	0	0	0	0	0	0
Never Lost or Lost & Regained	0	266,998,484	425,616,406	585,647,130	809,439,434	1,061,745,256
TOTAL	0	407,293,793	581,769,005	724,569,665	905,750,035	1,061,745,256
Percent Lost by Roll Year	#DIV/0!	10.6%	10.4%	9.2%	10.6%	
Percent Value Change			42.8%	24.5%	25.0%	17.2%
Yearly Increase		407,293,793	174,475,211	142,800,660	181,180,370	155,995,221

Decay Rates

	2013F	2014F	2015F	2016F	2017F	2018F
Decay Rates	7.5%	10.6%	10.4%	9.2%	10.6%	0.0%

	Decay Rates	Decay Rates
High	10.6%	10.6%
Middle (Average of High and Low)	9.0%	9.9%
Low	7.5%	9.2%

Population Estimates (Total and Married)

Married, 65 years and over	2,316,174
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Marriage Estimates, 2018 5-Year ACS		
Gender/Status	Age Range	Estimate
Male		
Now married:		
Married, spouse present:		
Married, spouse present:	65 to 74 years	705,501
Married, spouse present:	75 to 84 years	396,663
Married, spouse present:	85 years and over	102,988
Married, spouse absent:		
Separated:		
Married, spouse absent:	65 to 74 years	19,330
Married, spouse absent:	75 to 84 years	6,448
Married, spouse absent:	85 years and over	1,670
Other:		
Married, spouse absent:	65 to 74 years	32,199
Married, spouse absent:	75 to 84 years	20,172
Married, spouse absent:	85 years and over	9,584
Female:		
Now married:		
Married, spouse present:		
Married, spouse present:	65 to 74 years	627,590
Married, spouse present:	75 to 84 years	267,131
Married, spouse present:	85 years and over	46,916
Married, spouse absent:		
Separated:		
Married, spouse absent:	65 to 74 years	20,782
Married, spouse absent:	75 to 84 years	5,599
Married, spouse absent:	85 years and over	1,725
Married, spouse absent:		
Other:		
Married, spouse absent:	65 to 74 years	28,684
Married, spouse absent:	75 to 84 years	15,464
Married, spouse absent:	85 years and over	7,728

Married, 65 years and over	2,316,174
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Total Population, 65+	4,134,536
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Population Estimates, 2019	
Age Range	Both Sexes
Total	20,840,568
Under 5 years	1,157,482
5 to 9 years	1,175,004
10 to 14 years	1,193,136
15 to 19 years	1,227,394
20 to 24 years	1,321,803
25 to 29 years	1,340,231
30 to 34 years	1,321,934
35 to 39 years	1,272,203
40 to 44 years	1,226,204
45 to 49 years	1,270,944
50 to 54 years	1,368,241
55 to 59 years	1,453,406
60 to 64 years	1,378,050
65 to 69 years	1,237,078
70 to 74 years	1,033,791
75 to 79 years	772,466
80 to 84 years	529,164
85 years and over	562,037

Total Population, 65+	
65 to 74 years	2,270,869
75 to 84 years	1,301,630
85 years and over	562,037
Total	4,134,536

Married Population, 65+	
65 to 74 years	1,434,086
75 to 84 years	711,477
85 years and over	170,611
Total	2,316,174

SEX BY MARITAL STATUS BY AGE FOR THE POPULATION 15 YEARS AND OVER

2018 American Community Survey 5-Year Estimates, US Census Bureau, Report # B12002

April 1, 2017 Population Projections, Florida Demographic Estimating Conference, December 2017 and the University of Florida, Bureau of Economic and Business Research, Florida Population Studies, Bulletin 184, June 2019