

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: Senior Homestead Assessment Limitation Cap

BILL NUMBER(S): HJR 55

SPONSOR(S): Rep Nunez; Rep Oliva

MONTH/YEAR COLLECTION IMPACT BEGINS:

DATE OF ANALYSIS: October 12, 2011

SECTION 1: NARRATIVE

- a. **Current Law:** Annual assessment increases on homestead properties are limited to the lower of:
 - 3% of prior year assessed value; or
 - Percent change in the Consumer Price Index.

- b. **Proposed Change:** Allows counties or municipalities by general law passed by the legislature to limit the automatic increase in assessment on homestead property for low-income seniors if:
 - Just value is lower than preceding January 1 just value; or
 - Just value is equal to or less than 150% of average just value for homestead properties within the respective county or municipality.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Data sources used were the current Ad valorem forecast for just value, assessed value and growth rates for homestead property. DOR list of counties and municipalities that reported Additional Homestead Exemptions for low-Income Seniors is attached.

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Using the 2011 NAL records for properties currently receiving the additional homestead exemption for persons 65 years and older with household incomes of 20,000 or less, a baseline estimate of taxable value is established from a model developed by EDR. Next, a modification is made to capture the changes outlined in the legislation pertaining to assessed value exemption for seniors. The impact is the difference in taxable values between the baseline and the modification. The proposed changes were also back-casted against the 2010/2011 NAL records for estimation purposes.

Three estimates are provided for 2014 assuming the legislature passes the implementing law during the 2013 legislative session.

- The middle estimate is based on the difference between the baseline and the modifications.
- The high and low estimates are based on $\pm 5\%$ adjustment of the taxable value.

SECTION 4: PROPOSED FISCAL IMPACT

Local Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High County Taxable Value	0	0	0	-\$2.39 million	-\$4.44 million
Middle County Taxable Value	0	0	0	-\$2.27 million	-\$4.22 million
Low County Taxable Value	0	0	0	-\$2.16 million	-\$4.01 million

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2014 Start Date

Estimated County Taxable Value (in millions)

	Annual Incremental Impact				Cumulative Impact		
	2014	2015	2016		2014	2015	2016
High	(216.89)	(186.31)	(193.94)	High	(216.89)	(403.21)	(597.15)
Middle	(206.56)	(177.44)	(184.70)	Middle	(206.56)	(384.01)	(568.71)
Low	(196.24)	(168.57)	(175.47)	Low	(196.24)	(364.81)	(540.27)

Estimated Incremental Revenue Impact @ 10.9 mils

	2014	2015	2016
High	(2.39)	(2.05)	(2.13)
Middle	(2.27)	(1.95)	(2.03)
Low	(2.16)	(1.85)	(1.93)

Estimated Cumulative Revenue Impact @ 10.9 mils

	2014	2015	2016
High	(2.39)	(4.44)	(6.57)
Middle	(2.27)	(4.22)	(6.26)
Low	(2.16)	(4.01)	(5.94)

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 10/14/11) The conference adopted an indeterminate negative impact. Should the electorate approve the proposal and the legislature passes the authorizing legislation, the individual jurisdictions would then have to pass the necessary ordinances for any loss to be realized. The middle estimate of \$206.6 million in FY 2014-15 and \$384.0 in FY 2015-16 reflects the potential loss in additional taxable value attributable to those counties and municipalities that currently grant the additional homestead exemptions for low-income seniors. The revenue impact to those local jurisdictions due to the loss in taxable value is at least \$2.3 million in FY 2014-15 and \$4.2 million in FY 2015-16.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	0	0	0	0	0
State Trust	0	0	0	0	0
Total State Impact	0	0	0	0	0
Total Local Impact	0	0	0	(Indeterminate)	(Indeterminate)
Total Impact	0	0	0	(Indeterminate)	(Indeterminate)

**Florida Counties and Municipalities that Reported
Additional Homestead Exemptions for Low-Income Seniors**

Florida law allows counties and municipalities to adopt homestead exemptions for low-income seniors in addition to the standard homestead exemption. A board of county commissioners or a city commission can enact a local ordinance to grant certain low-income seniors 65 and older an additional homestead exemption up to \$50,000 in. (S. 196.075, F.S.)

The following counties and municipalities reported granting this exemption on their [tax rolls](#) submitted to the Department of Revenue for 2010. Contact your county [property appraiser's office](#) for the most current information.

COUNTY	MUNICIPALITIES	
ALACHUA	Alachua Gainesville	High Springs
BAKER	MacClenny	
BAY	Callaway Cedar Grove Lynn Haven	Mexico Beach Panama City
BRADFORD		
BREVARD	Cocoa Grant-Valkarie Indian Harbor Malabar Melbourne Bch	Melbourne Village Satellite Beach Titusville West Melbourne
BROWARD	Coconut Creek Cooper City Coral Springs Dania Beach Davie Deerfield Bch Ft. Lauderdale Hallandale Bch Hillsboro Bch Hollywood Lauderdale Lakes Lauderdale-by- the-Sea Lauderhill Lighthouse Pt. Margate	Miramar North Lauderdale Oakland Park Parkland Pembroke Park Pembroke Pines Plantation Pompano Bch Southwest Ranches Sunrise Tamarac West Park Weston Wilton Manors
CALHOUN	Blountstown	
CLAY		
COLLIER	Naples	
COLUMBIA	Lake City	
DESOTO		
DUVAL	Atlantic Beach Baldwin	Jacksonville Bch Neptune Beach
ESCAMBIA	Pensacola	
FLAGLER	Beverly Beach Bunnell	Flagler Beach Palm Coast
FRANKLIN	Apalachicola Carrabelle	
GILCHRIST	Trenton	

COUNTY	MUNICIPALITIES	
GLADES		
GULF	Port St Joe	Wewahitchka
HAMILTON		
HARDEE	Bowling Green	Wauchula
HENDRY		
HERNANDO		
HIGHLANDS		
HILLSBOROUGH	Tampa	Temple Terrace
HOLMES		
INDIAN RIVER	Indian River Sebastian	Vero Beach
JACKSON		
LAFAYETTE		
LAKE	Clermont Lady Lake Mount Dora	Mineola Tavares
LEE	Bonita Sprints Cape Coral	Ft. Myers Bch Sanibel
LEON	Tallahassee	
LEVY	Cedar Key Chiefland Inglis	Otter Creek Williston
LIBERTY		
MADISON		
MANATEE	City of Anna Maria Bradenton Bch	Holmes Beach Longboat Key
MARION (municipalities only)	Bellevue McIntosh	
MIAMI-DADE	Adventura Bal Harbour Biscayne Park Coral Gables Cutler Bay Doral El Portal Golden Beach Hialeah	Miami Gardens Miami Lakes Miami Springs North Bay Village North Miami Bch Opa-locka Palmetto Bay Pinecrest

COUNTY	MUNICIPALITIES	
Miami Dade cont'd	Hialeah Gardens Homestead Indian Creek Village Key Biscayne Miami Miami Beach	South Miami Sunny Isles Surfside Sweetwater Unincorporated Miami-Dade West Miami
MARTIN		
MONROE	Islamorada Key West	Layton Marathon
NASSAU		
OKALOOSA	Cinco Bayou Crestview Destin Ft. Walton Bch. Laurel Hill	Mary Esther Niceville Shalimar Valparaiso
OKEECHOBEE	Okeechobee	
ORANGE	Apopka Belle Isle Edgewood Oakland Ocoee	Orlando Windemere Winter Garden Winter Park
OSCEOLA	Kissimmee	St. Cloud
PALM BEACH	Boynton Beach Haverhill Lake Worth Lantana Loxahatchee Groves	Palm Springs Gardens Palm Springs Wellington Royal Palm
PINELLAS	Belleair Beach Belleair Bluff Clearwater Dunedin Indian Rocks Bch Indian Shores Kenneth City	Pinellas Park Redington Bch Redington Shores Safety Harbor Seminole St. Petersburg

COUNTY	MUNICIPALITIES	
Pinellas cont'd	Largo Madiera Bch. N.Redington Oldsmar	St. Petersburg Beach Tarpon Springs
POLK	Davenport Lakeland	Lake Wales Winter Haven
PUTNAM		
ST. JOHNS	St. Augustine	St. Augustine Bch
ST. LUCIE		
SANTA ROSA	Gulf Breeze Jay	Milton
SARASOTA	City of Sarasota	Long Boat Key
SEMINOLE	Altamonte Springs	Casselberry
SUMPTER		
SUWANNEE		
UNION		
VOLUSIA	Daytona Beach Shores Daytona Beach Debary Deland Deltona Edgewater Flagler Beach Holly Hill Lake Helen	New Smyrna Bch Oak Hill Orange City Ormond Beach Pierson Ponce Inlet Port Orange Silver Sands South Daytona
WAKULLA		
WALTON	Defuniak Springs	Freeport
WASHINGTON		