MEMORANDUM

Agenda Item No. 6(B)

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D. and Members, Board of County Commissioners

DATE: February 3, 2004

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Ordinance relating to ad valorem taxation

The accompanying ordinance was prepared and placed on the agenda at the request of Commissioner Bruno A. Barreiro, Chairperson Barbara Carey-Shuler, Ed.D., Commissioner Joe A. Martinez, Commissioner Jimmy L. Morales and Commissioner Rebecca Sosa.

Robert A. Ginsburg
County Attorney

RAG/jls

MEMORANDUM

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D. and Members, Board of County Commissioners

DATE: February 3, 2004

FROM: George M. Burgess
County Manager

SUBJECT: Ordinance Relating to Ad Valorem Taxation

FINANCIAL IMPACT

On November 5, 2002, the Florida State Constitution was amended to allow counties to provide for a reduction in assessed value on homestead property of living quarters constructed for parents or grandparents. The enabling legislation was passed in 2003.

This proposed ordinance would effectuate the constitutional amendment for the county and will have an on-going fiscal impact to Miami-Dade County. The value excluded may not exceed the lesser of the increase in assessed value resulting from construction or reconstruction of the property or twenty percent of the total assessed value of the property as improved. On the 2003 tax roll, there was an estimated $829.4 million of increased taxable value resulting from new construction and an estimated $115.3 million of increased taxable value resulting from additions/reconstructions on homestead property. These values correspond to $2.6 million of county tax revenues of which some portion could be affected by this ordinance; however, at this time, there is no way to estimate the amount that would be affected. The fiscal impact to other taxing jurisdictions such as the School Board, Florida Inland Navigation District, etc., is not included in this analysis. Municipalities with a high value of new construction or additions/reconstruction could have a greater fiscal impact.

Estimated administrative costs of $60,000 in programming will be necessary to track properly the exemption requests until the program is fully integrated into the Computer Aided Mass Appraisal System (CAMA). In addition, one Real Estate Evaluator 1 position ($54,700) will be needed to review applications, perform property inspections, and determine the value of the new construction.

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MEMORANDUM
(Revised)

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D. and Members, Board of County Commissioners

DATE: February 3, 2004

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 6(B)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 6(B)
2-3-04

ORDINANCE NO. _____

ORDINANCE RELATING TO AD VALOREM TAXATION; PROVIDING FOR AN ADDITIONAL REDUCTION IN ASSESSED VALUE FOR QUALIFYING LIVING QUARTERS OF PARENTS OR GRANDPARENTS OF OWNERS OF PROPERTY RECEIVING HOMESTEAD EXEMPTION; PROVIDING REQUIREMENT OF ANNUAL APPLICATION WITH SUPPORTING DOCUMENTATION; PROVIDING FOR WAIVER OF ENTITLEMENT TO A REDUCTION IN ASSESSED VALUE; PROVIDING PENALTY FOR GIVING FALSE INFORMATION; PROVIDING FOR REVALUING OF PROPERTY UPON TERMINATION OF REDUCTION; PROVIDING AN EFFECTIVE DATE, AND INCLUSION IN THE CODE

WHEREAS, on November 5, 2002, by 67 per cent voters statewide overwhelmingly approved an amendment to the Florida Constitution providing for a reduction in assessed value for ad valorem taxation for qualifying portions of homestead property used as living quarters by parents or grandparents; and

WHEREAS, voters in Miami-Dade County resounded this statewide mandate and approved the amendment by 75 per cent; and

WHEREAS, this Constitutional amendment was approved to encourage Florida families to care for their elderly at home rather than relying on institutions where care is often subsidized by state and federal tax dollars; and

WHEREAS, the 2002 Legislature adopted HB 313 creating Section 193.703 of the Florida Statutes providing applicable requirements and procedures for implementation of this Constitutional Amendment as a county option,

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. In accordance with Section 4(e), Article VII of the Florida Constitution and Section 193.703 of the Florida Statutes, the assessed value of homestead property may be annually reduced in accordance with the provisions of this ordinance and applicable Florida Statutes, if the property has increased in value resulting from the construction or reconstruction of the property for the purpose of providing living quarters for one or more natural or adoptive parents or grandparents of the owner of the property or of the owner's spouse and if at least one of the parents or grandparents for whom the living quarters are provided resides thereon and is at least 62 years of age.

Section 2. The reduction in assessed value provided by this ordinance shall only apply to construction or reconstruction to an existing homestead that occurred after January 7, 2003, and is completed prior to January 1 of the year for which the reduction in assessed value is sought. The reduction in assessed value shall only apply for taxable years during which at least one such parent or grandparent maintains his or her primary place of residence in such living quarters within the homestead property of the owner. As used herein, the term "primary place of residence" shall have the same meaning as "permanent residency" for establishing homestead exemption pursuant to Section 196.031, Florida Statutes. The property appraiser may rely upon the factors listed in Section 196.015, Florida Statutes, in determining whether the property is the primary place of residence for the applicant's parent or grandparent.

Section 3. Every person claiming the additional reduction in assessed value available pursuant to this Ordinance must file an application therefore with the Miami-Dade County Property Appraiser on or before March 1 of each year for which such reduction in assessment is

claimed. Such application shall include all information and sworn affidavits necessary for the property appraiser to determine entitlement to the requested reduction and shall be in the manner and form prescribed by the Miami-Dade County Property Appraiser and/or the Florida Department of Revenue. In order to receive the requested reduction in assessment, applicants must annually and timely file with the Property Appraiser all applications and supporting documentation.

Section 4. Failure to file the application and required supporting documentation by March 1st in any given year shall constitute a waiver of the reduction in assessment for that year.

Section 5.

The assessment reduction herein provided shall only apply under the following circumstances:

(a) A completed application has been timely filed with the property appraiser.

(b) All required supporting information has been filed with the property appraiser.

(c) The construction or reconstruction was substantially complete in the year prior to the January 1 in which the qualifying parent(s) or grandparent(s) first occupies the constructed or reconstructed living quarters.

(d) At least one qualifying parent or grandparent maintains his or her primary place of residence in the constructed or reconstructed living quarters during the taxable year for which the reduction is claimed.

(e) The construction or reconstruction is consistent with local land development regulations and the Florida Building Code, as complemented and supplemented by Chapter 8 of the Miami-Dade County Code.

(f) The assessment reduction shall be applied to the assessed value of the homestead property as calculated pursuant to Article VII, Section 4(c), Florida Constitution.

Section 6. If the Property Appraiser has received a timely filed application with all supporting documentation and is satisfied that the property is entitled to a reduction in assessment under this ordinance and Section 193.703 and other applicable Florida Statutes, the property appraiser shall approve the application, and, to the extent herein authorized, the value of such residential improvements used as qualifying living quarters shall be excluded from the value of the property for purposes of ad valorem taxation. The value excluded shall not exceed the lesser of:

(a) the increase in assessed value resulting from construction or reconstruction of the property for its use as living quarters; or

(b) twenty per cent of the total assessed value of the property as improved.

Section 7. If the owner of homestead property for which such a reduction in assessed value has been granted provided any false statement or information in the application or supporting documentation, the reduction shall be revoked, the owner shall be subject to a civil penalty of not more than $1,000, and the owner and/or the owner's family shall be disqualified from receiving any reduction in assessed value pursuant to the provisions of this ordinance for a period of five (5) years.

Section 8. As provided in Section 193.703 (6) when the property owner no longer qualifies for the reduction in assessed value for living quarters of parents or grandparents, the previously excluded just value of such improvements as of the first January 1 after the improvements were substantially completed shall be added back to the assessed value of the property.

Section 9. The reduction in assessment herein authorized shall be available commencing with the year 2004 tax roll, and the Property Appraiser may begin accepting applications and supporting documentation for the year 2004 tax roll as soon as the appropriate forms are available from the Department of Revenue.

Section 10. The Clerk of this Board shall file a copy of this ordinance in the appropriate books and records, and within 30 days of the adoption of this Ordinance, but prior to February 1, 2004, he/she shall deliver a copy thereof to the Miami-Dade County Property Appraiser.

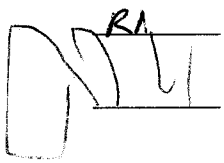
Section 11. It is the intention of the Board of County Commissioners that the provisions of this ordinance shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," or "article," or other appropriate word.

Section 12. The provisions of this Ordinance shall become effective ten (10) days after the date of enactment, unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

Section 13. This ordinance does not contain a sunset provision.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:



Prepared by:

James K. Kracht

Sponsored by Commissioner Bruno A. Barreiro, Chairperson Barbara Carey-Shuler, Ed.D.,
Commissioner Joe A. Martinez, Commissioner Jimmy L. Morales
and Commissioner Rebeca Sosa