

THE MARKET IS DOWN, BUT FLORIDA LAW INCREASES MOST HOMESTEAD ASSESSMENTS.

Under Florida law, a homestead “recapture” provision may cause your taxable value to rise even if your market value dropped from last year. If you have homestead and your “Save Our Homes” (SOH) value is less than the just (market) value, state law requires that your overall assessed value increase each year by the 3% annual cap level until it eventually reaches the same amount as the market value.

SAVE OUR HOMES “RECAPTURE” PROVISION

FLORIDA STATUTES:

Section 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.

(1) 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:

- (a) Three percent of the assessed value of the property for the prior year; or
- (b) The percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

(2) If the assessed Value of the property as calculated under subsection (1) exceeds the just value, the assessed value of the property shall be lowered to the just value of the property.

FLORIDA ADMINISTRATIVE CODE:

Rule 12D-8.0062. Assessments; Homestead; Limitations.

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(4) The assessed value of each individual homestead property shall change annually, but shall not exceed just value.

(5) Where the current year just value of an individual property exceeds the prior year assessed value, **the property appraiser is required to increase** the prior year’s assessed value by the lower of:

(a) Three percent; or

(b) The percentage change in the Consumer Price Index (CPI) for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

(6) If the percentage change in the Consumer Price Index (CPI) referenced in paragraph (5) (b) is negative, then the assessed value shall be the prior year's assessed value decreased by that percentage.

(7) The assessed value of an individual homestead property shall not exceed just value.