

## **Reducing Your Real Estate Taxes in Florida**

This publication was produced to help you understand the process used to calculate your real estate taxes. Your assessed value, calculated by the Volusia County Property appraiser is only a part of those calculations. Every taxing entity is currently having meetings to decide their budgets. If you are concerned about your taxes, you should attend those meeting. Dates and times are on your TRIM notice.

Use this publication to your benefit, although, remember, it is not a tool that invites a taxpayer to question taxes without a reason. If you purchased your property at or above your assessed value you probably will not be able to reduce your assessed value. However, please consult the chapters on exemptions, adjustments, division and/or combination of properties.

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**NOTE: ROBERT N. GREENE AND GREENE REALTY OF FLORIDA, L.L.C. TAKES NO RESPONSIBILITY FOR CHANGES TO THE LAW OR RULES, VARIANCE IN PRESENTATIONS OR ERRORS IN THIS PUBLICATION. IT REMINDS THOSE WHO USE THIS PUBLICATION THAT IT IS PRESENTED AND DISTRIBUTED TO**

**PROVIDE ASSISTANCE TO THOSE WHO FEEL THAT THEY ARE PAYING MORE THAN THEIR FAIR SHARE IN TAXES. THE AUTHORS HAVE USED THESE CONCEPTS FOR REDUCTIONS IN THEIR TAXES AND THE TAXES OF OTHERS.**

As a property owner in Florida, you may be paying taxes on more than one type of property. Every type of property (commercial, residential, income or vacant) has the potential to have a real estate tax reduction. You can work on reducing your taxes on all your properties at once or choose properties based on the amount of potential reduction versus the amount of time to analyze them. In this report we provide a step by step, type of property by type of property, method of evaluating properties. Here are three ways to reduce your property taxes:

- Reduction of assessed value
- Various Exemptions from taxes.
- Adjustment, division and/or combination of properties.

## **I. REDUCTION OF ASSESSED VALUE**

**Because of changes in the law, the reductions you can achieve will benefit you for years to come.**

In this day and time, people are tax conscious. Real estate brokers are more frequently asked how much are the real estate taxes rather than what is the assessed value. Reducing your assessed value will reduce your taxes and thus, put money in your pocket. If your assessed value and taxes are reduced, this does not reduce the value of the ownership of your property. **Be proud of your savings!**

The property appraiser has the difficult task of valuing tens of thousands of properties correctly with a very small staff of professionals. To accomplish this he uses "mass appraisal" methods. Through the use of computers and viewing properties every five years, he appraises your property by researching groups of properties listed by similar "general" characteristics. **Your job is to analyze your individual property to determine if there are any negative characteristics that may not have been considered during your appraisal.**

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- Gathering Information About Your Property:

Gathering complete information is the most important part of the process. A check list of important items is provided below. Not having one of the following items will not prevent you from preparing to reduce your taxes. Keep in mind however, the more

(complete) information you acquire, the greater the opportunity you will have in the tax reduction process. The list is as follows:

- \_\_\_1) A survey prepared by a licensed surveyor. The survey may be old or new.
- \_\_\_2) An appraisal or market analysis prepared by a licensed appraiser or real estate licensee. This should be done within the 20 to 24 months.
- \_\_\_3) The County property appraiser's property card on each property being evaluated. This tax card can be found in any search engine at <https://vcpa.vcgov.org/searches.html>.
- \_\_\_4) Possible real estate listing agreements for your property or knowledge of properties for sale in your area.

**Item One: Survey**

Surveys are valuable because they may provide immediate benefit. The survey should be checked carefully to determine the accuracy of the square footage of the land/building. If the footage on the survey is less than the footage described by the appraiser, retain this information. This information can be used to improve the possibility of reductions and may receive a rebate of taxes paid over the last 3 years. Your survey does not have to be new, as long as it is prepared by a licensed surveyor and displays the current improvements to the property.

**Item Two: An Appraisal or Competitive Market Analysis at or Below the Assessed Value**

There are two good ways to indicate property value. The first is to ask a real estate broker for a competitive market analysis otherwise known as a "CMA." Robert Greene, at Greene Realty in the Artisan Downtown does these CMA's on a daily basis. Feel free to call him for a free CMA. The basic premise of a CMA is that a property will sell at about the same price of a similar homes that have sold. The second is to pay for an appraisal. It can be an invaluable tool to reduce assessed value. Residential real estate appraisals run between \$200 and \$500. However, tell the appraiser what you hope to do and ask his opinion before he does his work. You don't want to waste your money.

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**NOTE:** An important way a property appraiser assesses value is called the "market value approach." This method will compare your property to other properties that have sold in the previous year, and prior to January 1, 2018. Properties that have sold in the current year should not be used for comparison (but may be an indicator of the direction the market is

headed). There are several internet sites that may also provide this information for example, your County's own website or private websites such as [www.zillow.com](http://www.zillow.com).

**Appraisals or CMA's must have an effective date on or before January 1, 2018.**

When an appraisal or CMA is done, the person doing the appraisal sets an effective date. That is the date that the value established. The Property Appraiser establishes his value as of January 1, 2018. Sales that are used in the CMA should be in 2017. Sales in 2018 have little or no effect on the market value on your property.

**Item Three:Property Appraiser's Property Record Card**

This card may be available on the internet or you can request a copy of your property record card from the appraiser's office. If the property appraiser charges for this information, the cost is normally minimal. This card details the size of your land and improvements and construction, bedrooms, dimensions of land, fencing, and/or utility buildings. Some property record cards are difficult to read. At this time ask the property appraiser to explain what methods were used to value your property.

It doesn't hurt to ask the assessor to walk you through the steps that government officials used to calculate the value. You may find that errors were made either in the calculations or in the assumptions behind them. Compare the factual information (square footage, # of bedrooms, lot size, etc.) with the actual property using your measurements, floor plans and surveys. The errors that you may find may or may not be in your favor. Check all information carefully.

This is not the time to negotiate a reduction. If you talk to the property appraiser, tell him you are just trying to understand why your property has the value indicated. Do not discuss value or errors at this time. This will be done at a later date.

**Item Four:Your Property or a Similar Nearby Property Listed by a Real Estate Broker**

This indicator of value is related to listings in your neighborhood. If your property or a nearby, similar property has been listed at or below your assessed value in 2017, get a copy of that listing and/or any contract offers that may have been received. Some property appraisers monitor the local multiple listing service (also known as MLS).

- *The key to this whole process is gathering good and complete information.*

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• **Additional Facts or Characteristics Affecting Value**

Like the professional fee appraiser, who does appraisals for banks or individuals, the property appraiser evaluates a property that he is appraising based on criteria

that he feels important. Included below is a list of questions and criteria that we have found to be pertinent to property appraisers. You may add additional questions based on your experience. Remember we are looking for characteristics of your property that different from the characteristics of the properties in your neighborhood or area. A list of these characteristics is presented at the end of this publication.

- **Error in Facts Verses Error in Judgment**

If you have found differences between what you found on the Property Appraiser's tax card and the information on your survey or other documentation, these differences may help get a reduction in your assessed value. If significant, you may point to them and ask for a reduction in previously incorrectly values. However, not all errors are errors in fact. Some errors such as stucco brick verses real brick and building improvements on vacant property are considered as an error in judgment. One apparent irrefutable error in fact is an error in calculation of acreage or square footage. The interpretation of judgment verses fact is demonstrated in this site of law reads:

Markham v. Friedland, 245 So. 2d 645 (Fla. 4th DCA 1971); Homer v. Connecticut General Life Insurance Co., 211 So. 2d 250 (Fla. 3d DCA 1968)(errors capable of correction under statute are oversights of a clerical or ministerial variety, not willful deceptions or errors in judgment); McNeil Barcelona Associates, Ltd. v. Daniel, 486 So. 2d 628 (Fla. 2d DCA 1986), review denied, 494 So. 2d 1151 (Fla. 1986), concluding that a corrected assessment resulting from the property appraiser's use of an erroneous square footage multiplication factor was an administrative change, not a change in judgment, and therefore was permissible.

If you find an error in fact, you can ask the property appraiser for a reduction in your assessment for the portion of erroneous land and request 3 years of back taxes. The request for back taxes is made at the finance department. The form that you will use is called a DR 462 (included herein). Prepare the DR 462 and present it to the property appraiser for a "certificate of correction." If the property appraiser will not issue this certificate, take the DR 462 to the county finance department and ask them to forward it to the Florida State Department of Revenue. Application for reduction due to errors does not require agreement from the property appraiser.

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Finding an error in fact can produce tremendous results. You will not only receive the benefit of taxes returned, but also the benefit of finding an error that the appraiser has relied upon in establishing his opinion of value. Normally, the property appraiser is considered to have the presumption of correctness. Once you have found an error the property appraiser has

relied upon, the appraiser no longer has the presumption of correctness and you can make reference to this in your presentations (discussed later herein). We suggest that this be pointed out by reciting the law, Florida Statutes 194.301. For instance, you may say, "The property appraiser, as noted in his property record card, used the wrong square footage of land in his appraisal of my property. Therefore, according to Florida Statutes 194.301, he no longer retains the presumption of correctness in this hearing. "Now, I will present my information that will show that my estimate of value is more correct."

- **Establishing Market Value**

A few years ago the Department of Revenue told the property appraisers of the State of Florida to assess all properties at market value, less typical closing costs. In subsequent years it has become a standard of practice to allow 15% for closing costs. After you have evaluated the information that you have gathered and determined the market value of the property, you have some decisions to make. Is the market value greater than the property appraiser's value? If it is less than the property appraiser's value, feel comfortable taking your information to the property appraiser. If your market value is greater, we recommend a presentation anyway. This presentation should consist of negative facts that you have gathered rather than number values.

- *The key to this whole process is gathering good and complete information.*

### **Presentation of Information to the Property Appraiser**

The property appraiser submits a tentative tax roll to the Department of Revenue by July 1st. In August or September he mails to every property owner a **Truth in Millage** notice (also known as TRIM) notifying the tax payer of his or her proposed assessed value and proposed millage rate. Within 25 days the property owner who disagrees with his assessment must file a petition for value adjustment. Following the 25 day period the Value Adjustment Board will schedule hearings for the petitions that have been filed. Some counties start their hearings immediately, while others have hearings into December and some hold hearings 12 months a year.

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The property appraiser is an elected official, elected by the majority of the population. He does a job that is of a technical nature and when he completes that job, he assumes that he is correct. The average Property Appraiser is confident in his position and his appraisals.

It is likely that you will deal with a member of the property appraiser's staff. Staff member's attitudes and the allegiances cannot always be defined because in most cases, they are bombarded by members of the public who are unhappy with the amount of taxes they may have to pay. The number one comment heard is, "my taxes are too high," and this can be often declared in a rude and insulting manner. Go slow and try to develop a relationship. Remember the three P's: be polite, professional and prepared. Have valuable, specific information that shows the market value may be incorrect. Present your facts and opinions and listen to their comments. When dealing with the property appraiser or the staff, work to achieve an agreement.

- **Initial Presentation**

You can present information at anytime during the year. However, if you present information prior to the July initial filing date, the property appraiser will probably tell you that he needs to gather additional information before making a decision. The time prior to the July date is best spent improving your relationship with the appraiser's office. (After July and prior to any petition hearings, presentations to the property appraiser can be done if you have good ammunition.) After July, he may actually reduce assessments and note them on his tax rolls. After July, is not a good time to discuss mistakes that will be put on a DR462. You may be dealing with an appraiser who will correct an error of the facts, but increase the value to compensate.

- **Post TRIM Presentation**

In 1980, the Legislature of Florida passed the "Truth-in-Millage" (TRIM) act. This law states that taxpayers must be notified of proposed taxes. Normally, TRIM notices are sent in mid-August. Most discussions with your County's property appraiser occur after the TRIM notices have been mailed. TRIM notices provide the first definitive structure of value. Property appraisers expect the majority of visits to come during the 25 days following the TRIM notice. Most TRIM notices invite owners who are unhappy with their assessments to discuss them with the appraiser during that time. Changes made during that 25 day period may be exemplified by a new TRIM notice sent by the property appraiser. Remember, twenty-five days after the TRIM notice is the deadline for filing petitions to the Value Adjustment Board. The Property Appraiser does not wish that a large number of petitions be heard before the Value Adjustment Board. Because of this your ability to negotiate will improve during the time following petition filing and prior to your petition being heard.

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- **Filing a Petition**

The time prior to the hearing is a very unique time for you and the property appraiser.

The property appraiser should review his files and will probably go see the property. If you have information that you would like him to view, you should present it to him prior to him seeing the property. **At the time you present this information, make known any “errors in fact” that you have discovered.** You should have additional meetings with the property appraiser prior to the hearings. At these meetings, you will be told which properties he will reduce and which properties he will not reduce. If you have filed a petition, you should offer to withdraw the petitions where you reach an agreement.

Should you not reach agreement, you must decide whether to go forward to the hearing, or to withdraw your petition. If you do not feel that your petition request will be approved by the value adjustment board, withdraw your petition. The property appraiser will appreciate your actions because you show respect for his decisions and, at a minimum, will know he has one less petition hearing to prepare for. If you decide to go to the hearing, remember two important dates: 1<sup>st</sup> that, at least, 15 days before the hearing you must deliver any information, that you intend to present, to the value adjustment board (send a copy to the property appraiser) and 2<sup>nd</sup> that, at least 7 days before the hearing request any information that the property appraiser intends to present. Check these dates. They may have changed

Filing a petition is a tool to bring the property appraisers attention to your request for reduction.

In filing the petition, each county will decide if they will charge a fee \$15.00

- **Presentation at theHearing**

Your petition will be heard by the Value Adjustment Board or a Special Master. The Value Adjustment Board was composed of three County Council members and two School Board members. In 2008 the rules changed to include one member of the public. The Value Adjustment Board is most likely a group of non-Real Estate trained individuals, therefore, your presentation to them needs to be very clear. You will find it beneficial to explain that you, the property owner, are being treated "unfairly" and that your property taxes are too high. (You may or may not feel you are being treated unfairly however, this is a type of language that appeals to this group.)

The Value Adjustment Board of most counties may vote to use a Special Master to hear evidence regarding exemptions and value adjustment. The Special Master must be either a member of the Florida Bar with knowledge in the area of ad valorem taxation or a designated member of a professionally recognized real estate appraiser’s organization with no less than 5 years’ experience in property valuation.

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You should not be intimidated by the Value Adjustment Board hearing! They realize that you a member of the public and that your presentation is pedestrian in nature. Whenapproaching the Special Master, remember that he has a high degree of technical ability

so speak in terms of his technical abilities. You must prove that the property appraiser is incorrect. In gathering good information, consider one or more of the important following areas. These areas are given as the criteria for decisions of value made by the property appraiser. You will notice that much of your work, up until now, is addressed here:

The present cash value of the property—the amount a willing reasonably knowledgeable purchaser would pay a willing reasonably motivated seller (exclusive of reasonable fees and costs of purchase) in cash or the immediate equivalent thereof in a transaction at arm's length.

- The present use of the property and/or the highest and best use to which the property can be expected to put in the immediate future. Take into consideration any applicable judicial limitation or local or state land use regulation and any moratorium imposed by executive order, law, ordinance, regulation, resolution, or proclamation adopted by any government body, agency or the Governor. Determine when the moratorium judicial limitation prohibits or restricts the development or improvement property as otherwise authorized by applicable law.
- The location of the property.
- The quantity or size of the property.
- The cost of the property and the present replacement value of any improvements to the property.
- The condition of the property.
- The income from the property.
- The net proceeds of the sale of the property—received by the seller and after deduction of all of the usual and reasonable fees and costs of the sale (including the costs/expenses of financing and allowance for unconventional/atypical terms of financing arrangements). Determine when the net proceeds of the sale of any property are utilized, directly or indirectly, in the determination of just valuation of realty of the sold parcel or any other parcel under the provisions of this section. The property appraiser, for the purposes of such determination, shall exclude any portion of such net proceeds attributable to payments for household furnishings or other items of personal property.

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- The law provides both the property appraiser and property owner with additional legal remedies. Either party may bring about suit in Circuit Court

and the ruling of this court and/or Appeals Court will set the final assessed value.

### **Presumption of Correctness**

In a "value adjustment" hearing the property appraiser has the presumption of correctness. As we learned earlier, if you can prove an error in fact, the property appraiser loses his "presumption of correctness." If you show that there has been any error, whether it is in fact or in judgment, point out that the property appraiser relied on this erroneous fact and therefore their value could not be correct.

The Florida State law says, as follows:

**Presumption of correctness.**--In any administrative or judicial action in which a taxpayer challenges an ad valorem tax assessment of value, the property appraiser's assessment shall be presumed correct. This presumption of correctness is lost if the taxpayer shows by a preponderance of the evidence that either the property appraiser has failed to consider properly the criteria in s. [193.011](#) or if the property appraiser's assessment is arbitrarily based on appraisal practices which are different from the appraisal practices generally applied by the property appraiser to comparable property within the same class and within the same county. If the presumption of correctness is lost, the taxpayer shall have the burden of proving by a preponderance of the evidence that the appraiser's assessment is in excess of just value. If the presumption of correctness is retained, the taxpayer shall have the burden of proving by clear and convincing evidence that the appraiser's assessment is in excess of just value. In no case shall the taxpayer have the burden of proving that the property appraiser's assessment is not supported by any reasonable hypothesis of a legal assessment. If the property appraiser's assessment is determined to be erroneous, the Value Adjustment Board or the court can establish the assessment if there exists competent, substantial evidence in the record, which cumulatively meets the requirements of s. [193.011](#). If the record lacks competent, substantial evidence meeting the just value criteria of s. [193.011](#), the matter shall be remanded to the property appraiser with appropriate directions from the Value Adjustment Board or the court.

When you file a petition for value adjustment or consideration of an exemption that is disallowed you will receive a notification of a date for the hearing. In that notification is a request for the evidence that you intend to present at the hearing. **This will include the complete information you have gathered (surveys, appraisals, CMA's, etc.). It is imperative that you turn in this information in a timely manner.** At this time, you have the right to ask what evidence the property appraiser's office intends to present. Your request may be done up to 7 day prior to the hearing. Because of the difference in these dates, you

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will only be able to refute the evidence they present. You cannot submit new evidence. However, through a clear, creative delivery you may be able to expound on an

issue with any additional information that helps your case. It may or may not be taken in to consideration, but is worth a try. Always provide copies of documents, not originals. Keep the original documents for your records.

### **Questions You Should Ask Yourself before Pursuing a Reduction:**

- Have you provided a survey to your property? Old surveys will work.
- Was your property listed for sale at, or below, the assessed value the last 12 months by a Real Estate Broker?
- Was your property appraised in the last 24 months at, or below, assessed value?
- Have you had offers or contracted to sell your property in the last 12 months?
- Have you purchased the property within the last 12 months?

### **Frequently Asked Questions:**

- **Can I do this myself?**

Thousands of tax payers petition their value adjustment every year. Most of these people are not prepared. In this presentation you must have concrete facts and complete information that can work for you.

- **I think that the assessed value of my property seems fair. How can I ask them to lower it?**

The value may seem fair compared to values in other localities and you probably wouldn't sell your property for its assessed value. In reality, other similar properties in this area may be assessed at a lower figure. If so, those owners are paying lower taxes. You should be treated the same.

- **Will my assessed value go up next year?**

If you negotiate a lower assessed value, it should stay the same for future years unless similar properties sell for a higher assessment. You will not be singled out for increase just because you asked to have your property reviewed. The assessed value of residential, homesteaded properties cannot be increased more than 3% or the Consumer Price Index, whichever is lower.

- **Will lowering my taxes lower my market value?**

No. As a matter of fact, in this day and time, people are tax conscious. Real estate brokers are more frequently asked, how much are the real estate taxes over what is the assessed value of the property.

## **II. EXEMPTIONS**

On January 29, 2008 Florida Voters approved Amendment 1, which gave Florida Taxpayers several benefits regarding property taxes. They included an additional \$25,000 Homestead Exemption. The ability to transfer their "Save our homes, savings to a new residence (called portability,) a \$25,000 exemption of tangible personal property taxes and a limitation of value increase on some non-homestead properties.

In this section we will discuss valuable exemptions that offer tremendous opportunities for savings for the Florida taxpayer. Although, we discuss several exemptions that provide savings, one of the most valuable is the exemptions for "homestead" owners or individuals that claim their Florida residence as their primary residence.

### **\$25,000 Homestead Exemption**

Everyone who owns real property in Florida and lives in that property as of January 1st is eligible for homestead exemption. This is an exemption from paying ad valorem taxes on the first \$25,000 of value. To file for homestead exemption, either you, or your spouse as your agent, must make application at the property appraiser's office. You will required to prove ownership of the property (deed, agreement for deed, title insurance, etc.) and proof that you are a Florida resident (declaration of domicile, voters registration, or a permanent visa card.) Application for Homestead Exemption must be done prior to March 1 of the tax year. Most property appraisers will allow for late filing if you file a petition to Value Adjustment Board, claim extenuating circumstances, and support your request by explaining why you did not file before the deadline. Almost any explanation has been accepted, including, "I'm just stupid and didn't do it."

### **Additional \$25,000 Homestead Exemption**

Amendment 1, approved by Florida voters for 2008 adds an additional homestead of up to \$25,000 for the portion of the assessed value between \$50,000 and \$75,000. This exemption is to all taxes except school taxes. There is no requirement for application for this exemption other than your initial application for Homestead Exemption.

### **The "Save Our Homes" Amendment**

In 1992 Florida voters approved Constitutional Amendment 10, known as the "Save Our Homes" Amendment. After questions and court battles 1994 was set as the beginning year of this amendment, which affects homestead exempt property, limits the yearly assessed value increases to no more than 3 percent of the prior year's assessment or the percentage change in the Consumer Price Index, whichever is less, but never more than the current year's just (market) value. Although the two \$25,000 exemptions become effective in the first year you apply, the benefits of the Save Our Homes amendment doesn't take effect until the following year.

Because your assessed value will be limited from the first year forward, it is imperative that you try lower your market value as much as possible the first year you claim a property as your homestead. The value that is assessed that year will be the locked-in value as long as you maintain that property as your residence.

### **Portability**

Amendment 1, of 2008, provides for the transfer of a portion or all of your Save Our Homes benefit. This tremendous opportunity allows for transfer the benefit of Save Our Homes to new property, if you abandon your current homesteaded property (sell, move from, or lose by foreclosure.) The first year you are in your new home you must file for both homestead exemption and portability.

This must be done within 24 months of abandoning your prior homestead and the law is retroactive to January 1, 2007. This exemption applies to all tax levies. You may transfer up to \$500,000 of your "Save Our Homes" savings to the new homestead. Your new place can be anywhere in the State of Florida.

### **Mobile Homes**

Some mobile homes, in the State of Florida, are located on parcels of land owned by the homeowner. These mobile homes may be treated as "homesteads" and receive all the benefits of homestead exemption by buying a Real Property (RP) sticker from the Tax Collector and filing for homestead exemption by January 1 the following year. Care should

be taken to compare: 1. the cost of paying real estate taxes on the land and buying a license tag. And 2. Beginning to pay real estate taxes on the land and mobile home, claiming homestead exemption, and getting the homestead benefits.

### **Agricultural Use Classification**

Also, known as the “green belt” classification, is not actually an exemption, but rather a classification of property that is valued at a very lower rate. Florida’s Constitution allows agricultural property to be assessed solely based upon its current use while ignoring its highest and best use. This makes agricultural use classification one of the most valuable tools for tax reduction.

The agricultural use classification should not be confused with zoning. If your land is used for a bona fide, commercially viable, operation producing an agricultural product that is actively marketed, you may request an agricultural filing at the property appraiser's office. However, your property must be capable of being used for the intended classification. If the zoning does not allow that use or if deed restrictions prohibit that use, you may not be granted Agricultural Use Classification.

As we said before, this is one of the most valuable reductions for taxes. Unfortunately, it is a rather subjective decision on the part of the property appraiser and the Value Adjustment Board. It requires the use of the land for a bona fide agricultural use. These uses are described in the property appraiser’s office. He may feel that raising tangerine trees qualifies, but raising hickory trees does not. It, also, requires maintenance of that endeavor. Described in the law as:

“Whether an indicated effort has been made to care sufficiently and adequately for the land in accordance with accepted commercial agricultural practices, including, without limitation, fertilizing, liming, tilling, mowing, reforestation, and other accepted agricultural practices;”

### **Veterans with Disabilities**

If you are a Veteran with a disability, first thank you for your service, we appreciate service. Second, discuss the degree of your disability with the Volusia County Property Appraiser. Depending on the degree of your disability may be entitled to, up to, a 100% reduction in your real estate taxes.

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Many property appraisers throughout the State have been cracking down on failure to maintain any adequate care of properties. Many are removing agricultural classification because they feel owners are not properly maintaining their crops. You might point out to the property appraiser that the law also says:

“Growing annual agricultural crops, nonbearing fruit trees, and nursery stock, regardless of the growing methods, shall be considered as having no ascertainable value and shall not be taxable until they have reached maturity or a stage of marketability and have passed from the hands of the producer and/or offered for sale. This section shall be construed liberally in favor of the taxpayer.”

The law governing agricultural use also always the property to be leased to another, who will put the property to an agricultural use. This should require a lease, signed prior to the first of the year describing the use and what methods of maintenance will be followed

### **Various Other Exemptions**

Other exemptions include those for widows and widowers, the permanently disabled, people with disabilities, blind persons, paraplegics, hemiplegics, and ex-service members with service-connected total and permanent disability. Information about these and other exemptions are available through the property appraiser's office.

### **Non-Homestead 10% Cap**

This change of the law provides for a limit on assessment increases for most non-homestead properties. The 10% CAP has a base year of 2008 and will apply for the year 2009. The exemption may require an initial application, between January 1 and March 1, 2009.

Consult your property appraiser at the first of 2009 to determine if he will be requiring this application. Upon the sale of a property affected by this cap the assessed value will change to the Just value, similar to the way the current Save Our Homes revaluation works. This excludes school district tax levies. This assessment limitation will expire in 2019 unless reauthorized by Florida voters. **THIS CHANGE IN THE LAW PROVIDES AN EXTRAORDINARY BENEFIT TO THE TAXPAYER AND REAFFIRMS THE NEED TO LOWER YOUR ASSESSED VALUE AS MUCH AS POSSIBLE.**

### **III. COMBINING TAX PARCELS INTO ONE PROPERTY**

When a property owner has more than one contiguous parcel he may wish to combine them under one tax bill. In many counties the bill for the combined properties will be less than the total of the bill when all parcels are assessed separately. This procedure may be particularly valuable when combining parcels with your homesteaded property. Your property appraiser can provide the forms for this. Point out that you are making this adjustment to lower your taxes. If the property appraiser will not lower your taxes, point out the value adjustment board that “larger properties have a lower value per unit and that smaller properties have a higher value per unit.” “Less is more, and more is less.”

Be careful, though. In many counties, ownership of properties under different tax bills is what preserves your right to sell them separately. Contact your land development office, ask the question and have them respond in writing with an affirmative answer.

#### **Dates to Remember-Annual Schedule**

**January 1<sup>st</sup>** - You must be own and live in your property to claim

Homestead Exemption

**January 1<sup>st</sup>** – “Judgement Day” Date of assessment of all properties.

**March 1<sup>st</sup>** – deadline for application for homestead exemption.

**August** - TRIM notices are mailed during this period.

Note: you have 25 days from each TRIM notice to submit petitions.

**September** - Value Adjustment Board hearings begin 25 days after TRIM.

**December 31<sup>st</sup>** - Last date for filing DR462 (for return of taxes charged by error).

**Terms and Definitions**

**Market Value** - The most probable price (in terms of money) which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

**Improvements** - Improvements are defined as man-made attachments to real estate, such as buildings, driveways, and pools.

**Exemption** - An exemption is a provision that reduces the taxable value of property and is granted to persons or organizations that meet specific requirements as set by Florida statutes.

**Ad Valorem Taxes** - Property taxes based on value

**TRIM Notice** - A Notice of Proposed Property Taxes that property owners receive each August, TRIM stands for Truth in Millage.

- **Additional Facts or Characteristics Affecting Value**

Like the professional fee appraiser, who does appraisals for banks or individuals, the property appraiser evaluates a property that he is appraising based on criteria that he feels important. Included below is a list of questions and criteria that we have found to be pertinent to property appraisers. You may add additional questions based on your experience.

Remember we are looking for characteristics of your property that different from the characteristics of the properties in your neighborhood or area.

Are there any parts of the property that are low or flood prone? This is an important question that can directly affect the value of your property from a physical and financial standpoint.

You can determine your flood area by going to <http://msc.fema.gov/> on your internet.

Anything other than “Zone X” may lessen your value. FEMA has recently changed their flood boundaries to include new areas possibly not noted by the property appraiser. High, dry subdivisions may have depressed lots that are subject to flooding. Floods can destroy property and flood insurance can increase the cost of ownership, therefore decreasing value.

- Check property record cards for obvious mistakes such as: incorrect condition, amount of land, square footage or wrong age. If you find mistakes document them with the survey, bids for repairs and/or pictures.
- Are there any changes to the usability of the property due to zoning or growth management laws? Then ask this important question, if the improvements to your property were destroyed today, could you rebuild? As important, would you rebuild? Would the new zoning and land use laws prevent you from rebuilding? Are the hallways and bathroom doorways too small to meet the current codes? Are your architectural characteristics outdated? These questions may be evaluated by you or you may wish to call your County’s building department. If your home has been evaluated by using newer or more modern properties, you may be entitled to a reduction in your assessed value.
- Location is the number one criteria in real estate value. Travel time to schools, shopping and work, the proximity to high crime areas, a heavy traffic street or intersection all affect the value of a property. When evaluating this factor, negative effects should be specific to your property and not affect the properties used as comparables by the County. For example, if all of the properties used as comparable properties are next to a saw mill, it would be tough to say that it is a reason to lower your value.
- Most property appraisers will consider these factors when evaluating your property: depth, location, shape, quantity or size and physical characteristics. These factors may call for lowering your assessed value. Is your property larger or smaller, wider or narrower, deeper or shallower, than others that the property appraiser is comparing it to? Does your property drop off in the backyard? Does the property have an unusual shape? Look at these factors and compare them to the other homes in your area.

Having a greater amount of area, depth or width may reduce your value. For instance, if your property is wider than normal lots in your subdivision and the property appraiser is valuing based on amount of front footage, you may deserve a percentage reduction for the additional width.

- Condition factors may affect your comparison value in more than one way. You, like most property owners, are very proud of your home, however you could probably make a list of things you would have to divulge to a potential buyer. These things would reduce the price paid such as: cracks in the garage floor, termite infestation or damage, exceptionally hard water, or an aging air conditioning compressor. These conditions however, are not noticeable by a drive by property appraisal. You should consider taking pictures and have written appraisals done by the property appraiser licensed to perform that work.
- Please note the properties that have sold or are on the market that may have unseen improvements that your property is lacking. The improvements may add more value or could cause a higher sale and therefore, your home should not be assessed at the same value. For example, the other properties may have a magnificently landscaped back yard that the property appraiser did not see. This means that if you did not have the time to do the same to your back yard, the value of these other home should not be used in the comparison (or your home should be adjusted downward).
- Curb appeal is one of the most important factors in creating sales. We all know it is hard to get a second chance at a first impression therefore, good curb appeal sells property. If your neighbor's property has a better "curb appeal" than yours, your value should be lowered.
- Income from rental or lease is critical in evaluating some properties. It is used primarily on apartments, warehouses, hotels and shopping centers. However, this income approach to value should not be ignored on any property. Ask your real estate agent or your accountant to help you determine the value of your property based on the income it generates or could generate. The property appraiser uses a formula to determine the value income properties. Have your accountant contact the property appraiser to determine the formula then let your accountant provide the numbers to reduce your assessment. This information should not be presented unless it will get a reduction.
- Fallacies that exist in this approach to value for this type of property evaluation include "unusable expenses" and "owner-occupied properties." In calculating net income from rental you cannot use interest expense, depreciation or taxes in most cases. Your property appraiser may have a formula to allow these, however in this final evaluation they will be ignored. Owner occupied properties should use income figures from similar properties rather than their own. This is because the rent that an owner charges

himself is seldom market rent. When using this “income approach” to indicate value to the property appraiser, it is expected that you have used proper management techniques to achieve a reasonable rental income.

- Two types of expenses (sometimes ignored by owners) are a reasonable management fee (the owner manages the property himself) and a reserve for replacement (some owners do not allocate for this.) Ask the property appraiser to allow for these expenses. If he doesn't discuss them with your accountant, and include them next year, then have your accountant propose a net sheet using hypothetical amounts for this year. That statement will be used in any future appeal.
- Adjacent nuisances are “lovely” properties that are next door or just down the street from a negative situation. Properties that store junk cars, keep poor yards or are badly maintained reflect a “negative situation.” The property appraiser may not have taken this into account. If you have this problem, point it out to the property appraiser by using pictures.
- Over improvements to the neighborhood explain why bigger is not always better. If you have the biggest or best home in the neighborhood it is probably costing you money in additional taxes. This may not be fair. The property appraiser probably values your home on a square foot basis. Even though you have the same amenities as your neighbors, you are valued higher for the square footage. Suggest to the property appraiser that you should be valued at a lower rate per square foot.
- Many properties display signs of age. Aging roof, over grown shrubbery or cracking driveways are all examples of condition problems that may lower your assessment. Every property owner can think of something that needs to be done. To point out these types of problems to the property appraiser, take pictures and get written bids. Show these to the appraiser and ask him to consider these points for a reduction.
- As you may know, one of the ways the property appraiser values property is in its highest and best use. This does not take into account two important concerns, negative environmental impact and moratoriums on construction. Negative environmental impact due to gas tank leakage and chemical seepage costs property owners money for cleanup. We suggest that you use any information and/or an estimate for that clean up to get an equal amount if reductions are in your assessment.
- Environmental problems may be in our own property. Asbestos siding, some types of plastic plumbing and Benlate poisoning are all examples of environmental problems that would have to be declared to a buyer. If you sell a property and the buyer has an

environmental evaluation that shows problems, you will either lose your sale or agree to a reduction in price.

- In regards to a moratorium, it would seem obvious that if you cannot build on a property that the property is less valuable. However, similar property sales may be keeping values elevated. We recommend that you approach the property appraiser and suggest a reduction in value due to the moratorium. You may even want to point out that other counties such as Monroe County in the Florida Keys reduced values based on moratoriums.
- Consider any improvements that have been removed from the property: fences, out-buildings, swimming pools, widened roads, a strip of land sold to your neighbor, etc. All of these actions have the potential to reduce the value of your property. Compare your “property information card” with new changes to your property for reductions.
- Unusual easements on your property may qualify for a reduction. Easements or restrictions placed on a piece of property do not automatically reduce the value of a property. If a farmer has 50 acres that is assessed as farm land and has a 100 Florida Power Company easement over on corner of the property, the easement will not reduce the value of the property. If the same parcel is assessed as residential development land and the corner would not be usable in a subdivision, then the easement reduces the value of the property. You should be able to show what portion of your property is affected and not usable and ask for a reduction for that portion of the property.
- If you have inadequate or poor access to your property, make sure to notify your property appraiser
- Property valued higher because the entity using the property is doing a strong business is a factor for reduction. For example: Your building is one of three antique shops on the same block. The buildings are all about the same size condition. The other two shops have been in business longer and business is and inventory is low. You, however are filled to the ceiling with quality items you have signs plastered on your windows and lots of traffic through your doors. You may find that the property appraiser is valuing your building at a higher rate than your neighbors. This is a factor for reduction.
- No access to sewer, gas, electric or water is a factor for reduction.
- Which point(s) when compared to other properties in your area or subdivision shows a decrease in value? Consider and document all of these points in evaluating your property.