

AGENDA
FLORIDA DEPARTMENT OF REVENUE

Meeting Materials Available on the web at:
<http://dor.myflorida.com/dor/opengovt/meetings.html>

MEMBERS

Governor Rick Scott
Attorney General Pam Bondi
Chief Financial Officer Jeff Atwater
Commissioner Adam H. Putnam

August 5, 2015

Contacts: Danielle Scoggins, Director of Legislative and Cabinet Services
(850) 617-8324
MaryAnn Murphy, Executive Asst. II
(850) 717-7138

9:00 A.M.
LL-03, The Capitol
Tallahassee, Florida

ITEM	SUBJECT	RECOMMENDATION
1.	Respectfully request approval of the minutes of the June 23, 2015, Cabinet meeting. (ATTACHMENT 1)	RECOMMEND APPROVAL
2.	Respectfully submit the Department of Revenue's Legislative Budget Request for Fiscal Year 2016 – 2017. (ATTACHMENT 2)	RECOMMEND APPROVAL
3.	Respectfully request adoption of and approval to file and certify with the Secretary of State under Chapter 120, Florida Statutes, the following rules: Transfer of Homestead Assessment Difference (Rule 12D-8.0065 and 12D-16.002, F.A.C) The proposed rule amendments address the Transfer of Homestead Assessment Difference, referred to as <i>portability</i> . (ATTACHMENT 3)	RECOMMEND APPROVAL

ATTACHMENT 1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND
CABINET

CABINET MEMBERS: GOVERNOR RICK SCOTT
ATTORNEY GENERAL PAM BONDI
CHIEF FINANCIAL OFFICER
JEFF ATWATER
COMMISSIONER OF AGRICULTURE
ADAM PUTNAM

DATE: TUESDAY, JUNE 23, 2015

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
COURT REPORTER

C & N REPORTERS
POST OFFICE BOX 3093
TALLAHASSEE, FLORIDA 32315-3093
(850) 697-8314 / FAX (850) 697-8715
nancy@metzke.com
candnreporters.com

INDEX

	PAGE NO.
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

Discussion and Decision on Recommended Settlement in Weidner Litigation	5
Appointment of DEP Secretary and FDLE Executive Director	12
Appointment - Agency for State Technology Advisory Council	16
Discussion and Decision on Recommended Settlement in Weidner Litigation Continued	18
Highway Safety and Motor Vehicles By Executive Director Rhodes	20
Florida Department of Law Enforcement By Interim Commissioner Swearingen	28
Board of Trustees of the Internal Improvement Trust Fund By Secretary Steverson	73
Department of Revenue By Executive Director Stranburg	80
Office of Financial Regulation By Commissioner Breakspear	84
Office of Insurance Regulation By Commissioner McCarty	88

DEPARTMENT OF REVENUE

1
2
3 GOVERNOR SCOTT: Next we have
4 Marshall Stranburg with the Department of Revenue.

5 EXECUTIVE DIRECTOR STRANBURG: Good morning,
6 Governor, General Bondi, CFO Atwater, and
7 Commissioner Putnam.

8 We have four items on our agenda this morning.
9 The first item is we respectfully request approval
10 of the minutes of the May 5th, 2015, meeting.

11 GOVERNOR SCOTT: Is there a motion on the --
12 is there a motion on this item?

13 COMMISSIONER PUTNAM: So moved.

14 GOVERNOR SCOTT: Is there a second?

15 ATTORNEY GENERAL BONDI: Second.

16 GOVERNOR SCOTT: Moved and seconded, show the
17 minutes approved without objection.

18 EXECUTIVE DIRECTOR STRANBURG: Thank you.

19 Our second item is we respectfully request
20 adoption of and approval to file and certify with
21 the Secretary of State under Chapter 120,
22 Florida Statutes, rules concerning rental car
23 surcharge and solid waste fees, delegation of
24 authority, scholarship funding organizations, and
25 sales and use tax registration.

1 GOVERNOR SCOTT: Is there a motion on the
2 item?

3 COMMISSIONER PUTNAM: So moved.

4 GOVERNOR SCOTT: Is there a second?

5 ATTORNEY GENERAL BONDI: Second.

6 GOVERNOR SCOTT: Any comments or objections?

7 (NO RESPONSE).

8 GOVERNOR SCOTT: Hearing none, the motion
9 carries.

10 EXECUTIVE DIRECTOR STRANBURG: Thank you.

11 Our third item is we respectfully request
12 adoption of and approval to file and certify with
13 the Secretary of State under Chapter 120,
14 Florida Statutes, rules concerning the timely
15 filing of motor fuel returns; the ACH credit
16 method of remittance; disclosure procedures;
17 reporting requirements for large currency
18 transactions; and the compensation for tax
19 information program.

20 GOVERNOR SCOTT: Is there a motion on the
21 item?

22 ATTORNEY GENERAL BONDI: So moved.

23 GOVERNOR SCOTT: Is there a second?

24 CFO ATWATER: Second.

25 GOVERNOR SCOTT: Any comments or objections?

1 (NO RESPONSE).

2 GOVERNOR SCOTT: Hearing none, the motion
3 carries.

4 EXECUTIVE DIRECTOR STRANBURG: Thank you.

5 Our fourth item is we respectfully request
6 approval of and authority to publish notices of
7 proposed rule in the Florida Administrative
8 Register for rules concerning the transfer of
9 homestead assessment difference, which is also
10 commonly known as portability.

11 GOVERNOR SCOTT: Is there a motion on the
12 item?

13 COMMISSIONER PUTNAM: So moved.

14 GOVERNOR SCOTT: Is there a second?

15 ATTORNEY GENERAL BONDI: Second.

16 GOVERNOR SCOTT: Any comments or objections?

17 (NO RESPONSE).

18 GOVERNOR SCOTT: Hearing none, the motion
19 carries.

20 EXECUTIVE DIRECTOR STRANBURG: Thank you.

21 And I'm in kind of uncharted territory here,
22 Governor and Members of the Cabinet. We do have a
23 member of the public who wishes to address you on
24 an item that is not part of the Cabinet agenda for
25 the Department of Revenue today.

1 GOVERNOR SCOTT: I think it has to be on the
2 agenda; so if it's not listed on the agenda, we can
3 set it up for the next time.

4 EXECUTIVE DIRECTOR STRANBURG: Okay.
5 All right. We will work with the individual to see
6 that that's something that's set for our next
7 agenda --

8 GOVERNOR SCOTT: Okay.

9 EXECUTIVE DIRECTOR STRANBURG: -- for her to
10 comment on the matter that she wishes to discuss.

11 GOVERNOR SCOTT: Okay.

12 EXECUTIVE DIRECTOR STRANBURG: All right.
13 Thank you.

14 GOVERNOR SCOTT: Thank you.

15

16

17

* * * *

18

19

20

21

22

23

24

25

ATTACHMENT 2



DEPARTMENT OF REVENUE FY 2016-2017 LEGISLATIVE BUDGET REQUEST

The Department of Revenue's (Department) Fiscal Year (FY) 2016-2017 Legislative Budget Request totals \$551,012,774. Of this amount, \$549,863,973 is recurring. This represents a .46% increase in total recurring funding for all funds over the FY 2015-2016 recurring appropriation.

PROPERTY TAX OVERSIGHT

(1) The Department requests \$35,000 in nonrecurring General Revenue to meet the Department's statutory obligation for providing aerial photography to counties with a population of 25,000 or less. Section 195.022, F.S., requires the Department, upon request of any property appraiser or at least once every 3 years, to prescribe and furnish aerial photographs to the property appraisers as necessary to ensure that all real property within the state is properly listed on the roll. All photographs and maps furnished to counties with a population of 25,000 or less are paid for by the Department, as provided by statute. The Department requests \$35,000 in nonrecurring funding for FY 2016-2017, which will be used to provide aerial photographs to one county with a population of 25,000 or less. The county scheduled to receive photographs during FY 2016-2017 is Baker.

(2) The Department requests \$60,000 in nonrecurring General Revenue to replace two vehicles (2003 4-wheel drive Chevy Blazers) that will be in excess of 150,000 miles at the time of replacement in FY 2016-2017. The Property Tax Oversight Program was appropriated funds to purchase 7 vehicles for use by the Agricultural Appraisers in FY 2002-2003. The vehicles have since accrued significant mileage and require costly repairs.

GENERAL TAX ADMINISTRATION

(3) The Department requests an increase of \$1,100,000 in the Emergency Distributions category, Local Half Cent Sales Tax Clearing Trust Fund, to make statutorily authorized emergency distributions pursuant to section 218.65, F.S. The emergency and supplemental distributions are available to select counties that meet certain fiscal-related eligibility requirements or have an inmate population of greater than seven percent of the total county population, respectively. The Department is responsible for transferring these distributions to county governments as defined in section 218.65, F.S. The Office of Economic and Demographic Research (EDR) estimates the small county distributions will be \$21,900,000 for FY 2016-2017, which is \$1,100,000 over current appropriations.

(4 & 5) The Department requests to transfer \$1,200,000 in existing General Revenue budget authority from the Expense category to the Contracted Services category to properly align resources with needs for the General Tax Administration Program. The shift in budget resources will allow the General Tax Administration Program to focus on strategic initiatives such as modernizing and streamlining processes, continuing to expand existing technology, and integrating emerging technology while ensuring the protection of taxpayer data. This request will reduce the need for additional budget amendments.

CHILD SUPPORT

(6 & 7) The Department requests a budget realignment of \$1,245,740 (\$423,552 General Revenue and \$822,188 Federal Grants Trust Fund) from the Expense Category to the Purchase of Services Category to properly align resources with needs for the Child Support Enforcement Program. The 2012 Legislature approved a budget realignment issue to move funds from the DCF Data Center Category to Child Support Program operating categories, as the Program completed its transition from the Florida On-Line Recipient Data Access System to the Child Support Automated Management System. Funds in the Purchase of Services category were used to



DEPARTMENT OF REVENUE FY 2016-2017 LEGISLATIVE BUDGET REQUEST

hire contracted positions and funds in the Expense category were used for mail processing costs associated with the Child Support Automated Management System. Since then, it has been determined that additional funds are needed in the Purchase of Services category to hire additional contractors to work on modifications and enhancements to the System.

Note: The Program submitted a VIII-B reduction issue which would reduce Expense funding for outbound mail by \$2.1 million. This issue should not be funded if that reduction is taken.

(8) The Department requests \$31,397 in recurring "double budget" in its Purchase of Services – CSE category (\$10,675 General Revenue and \$20,722 Federal Grants Trust Fund) to fund cost increases incurred by one of the Department's child support partner agencies, the Office of State Courts Administrator (OSCA). The Department's Child Support Program provides state and federal matching dollars to fund appropriations for 77 state court system full-time employees under a cooperative agreement with OSCA. OSCA will be submitting a simultaneous request of \$31,397 to fund the anticipated increase in the Child Support Program contract for the federally approved indirect rate (from 5.70% to 6.24%).

(9) As required under section 216.043, F.S., the Department requests \$153,801 in nonrecurring General Revenue for unamortized tenant improvements to a privately-owned lease that has been terminated by the Department prior to the expiration of its term. In September 2013, the Department relocated employees from a privately-owned facility in Clearwater to the state-owned Grizzle Building. Section 216.043 directs that an agency relocating from an active private lease executed after September 30, 2000, to a state-owned building must submit a budget request for the unamortized cost of tenant improvements due in the request year. For FY 2015-2016, the legislature appropriated \$281,969 for the unamortized improvement costs that have accrued from the time the agency relocated to June 30, 2015.

INFORMATION SERVICES

(10) The Department requests \$2,300,000 in General Revenue to contract with a managed security service provider (MSSP) to manage and monitor key IT networks and security for approximately 250 devices. MSSP's use real-time monitoring of IT systems and access to global threat information to proactively identify and defend against security attacks. Of this amount, \$900,000 in nonrecurring General Revenue will be used to conduct a thorough analysis of the Department's IT system landscape with the initial deliverable of a security vulnerability and threat assessment report. The assessment will focus on collecting security information and events generated by select Department IT systems for threat analysis. The total 5 year project cost is \$13,900,000, of which \$2,300,000 is requested for year 1 and \$2,900,000 will be requested annually for years 2-5.

ATTACHMENT 3



FLORIDA

Executive
Director
Marshall Stranburg

July 24, 2015

MEMORANDUM

TO: The Honorable Rick Scott, Governor
Attention: Monica Russell, Director of Cabinet Affairs
Kristin Olson, Deputy Director of Cabinet Affairs

The Honorable Jeff Atwater, Chief Financial Officer
Attention: Robert Tornillo, Director of Cabinet Affairs
Erica Atalla, Senior Cabinet Aide

The Honorable Pam Bondi, Attorney General
Attention: Kent Perez, Associate Deputy Attorney General
Rob Johnson, Director of Legislative and Cabinet Affairs
Erin Sumpter, Deputy Director of Cabinet Affairs
Andrew Fay, Deputy Director of Legislative Affairs

The Honorable Adam Putnam, Commissioner of Agriculture and Consumer Services
Attention: Brooke McKnight, Director of Cabinet Affairs
Jessica Field, Deputy Director of Cabinet Affairs

THRU: Marshall Stranburg, Executive Director

FROM: Danielle Scoggins, Director of Legislative and Cabinet Services

SUBJECT: Requesting Adoption and Approval to File and Certify Proposed Rules
Rule 12D-8.0065 Transfer of Homestead Assessment Difference: "Portability"; Sworn Statement Required; Denials; Late Applications.
Rule 12D-16.002 Index to Forms which Adopts Form DR-50ITS

Statement of Sections 120.54(3)(b) and 120.541, F.S., Impact: No impact by proposed new Rule 12D-8.0065 or the proposed amendments to Rule 12D-16.002, F.A.C.

The Department has reviewed proposed new Rule 12D-8.0065 and the proposed amendments to Rule 12D-16.002, F.A.C., for compliance with Sections 120.54(3)(b) and 120.541, F.S. These proposed rules will not have an adverse impact on small businesses, small counties, or small cities and will not increase regulatory costs in excess of \$200,000 within one year. Additionally, they will not have an adverse impact or increased regulatory costs in excess of \$1,000,000 within five years.

What is the Department requesting? The Department requests final adoption of the following proposed rules, and approval to file and certify them with the Secretary of State under Chapter 120, F.S.

Why are the proposed rules necessary?

Creating new Rule 12D-8.0065 Transfer of Homestead Assessment Difference; “Portability”; Sworn Statement Required; Denials; Late Applications. This proposed new rule replaces Emergency Rule 12DER14-03 and implements the provisions of Section 5 of Chapter 2007-339, Laws of Florida, Section 3 of Chapter 2008-173, Laws of Florida, and Section 5 of Chapter 2012-193, Laws of Florida, relating to the transfer of the homestead assessment limitation difference (portability).

Amending Rule 12D-16.002, F.A.C. (Index to Forms). The proposed amendments to this rule are necessary to adopt new Form DR-501TS (Designation of Ownership Shares of Abandoned Homestead) which supports the procedures in proposed new Rule 12D-8.0065.

What do these proposed rules do?

Proposed new Rule 12D-8.0065 (Transfer of Homestead Assessment Difference; “Portability”; Sworn Statement Required; Denials; Late Applications) implements statutory provisions by:

- Establishing procedures for the transfer of any homestead assessment limitation difference (portability).
- Providing procedures for spouses to designate their respective shares of the homestead assessment difference when they abandon a homestead property so they can transfer their designated shares under certain circumstances.
- Adopting forms to apply for portability and to designate ownership shares of the homestead assessment difference.
- Providing instructions to property appraisers about how to handle late “portability” applications and denials of these applications.

The proposed amendments to Rule 12D-16.002, F.A.C., adopt new Form DR-501TS (Designation of Ownership Shares of Abandoned Homestead). The property owner files the completed Form DR-501TS with the previous and new property appraisers. The Department is creating this form to support the procedures in proposed new Rule 12D-8.0065. This form was adopted by Emergency Rule 12DER14-03 which took effect June 6, 2014 and will be due for renewal December 6, 2015. Adoption of these proposed rule amendments incorporate Form DR-501TS.

Were comments received from external parties? Yes. Several comments were received after the first Notice of Rule Development was published on February 2, 2015. Changes were made to the proposed Rule 12D-8.0065 and form DR-501TS based on those comments. The second Notice of Rule Development was published on May 4, 2015 and no additional comments were received. On June 23, 2015, the Governor and Cabinet approved the Department's request to publish a Notice of Proposed Rule and to conduct a rule hearing. A public hearing was held on July 16, 2015 and no public comments were received.

Attached are copies of:

- Summaries of the proposed rules, which include:
 - Statements of facts and circumstances justifying the rules;
 - Federal comparison statements; and
 - Summaries of the workshops and hearings
- Rule text

STATE OF FLORIDA
DEPARTMENT OF REVENUE
PROPERTY TAX OVERSIGHT PROGRAM
CHAPTER 12D-8, FLORIDA ADMINISTRATIVE CODE
ASSESSMENT ROLL PREPARATION AND APPROVAL
CREATING RULE 12D-8.0065

SUMMARY OF PROPOSED RULE

Proposed new Rule 12D-8.0065, F.A.C., (Transfer of Homestead Assessment Difference; “Portability”; Sworn Statement Required; Denial; Late Applications) implements statutory provisions that: establish procedures for the transfer of homestead assessment limitation difference (portability); provide necessary forms to apply for portability; allow spouses to designate their respective shares of the homestead assessment difference when they abandon a homestead property so they can transfer their designated shares under certain circumstances; and, provide instructions to property appraisers about how to handle late “Portability” applications and denials of these applications.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

The purpose of adopting this proposed new rule (which replaces Emergency Rule 12DER14-03) is to implement the provisions of Section 5 of Chapter 2007-339, Laws of Florida, Section 3 of Chapter 2008-173, Laws of Florida, and Section 5 of Ch. 2012-193, Laws of Florida.

FEDERAL COMPARISON STATEMENT

The provisions contained in this proposed new rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP HELD FEBRUARY 24, 2015

A Notice of Rule Development for proposed new Rule 12D-8.0065 was published in the Florida Administrative Register (F.A.R.) on February 2, 2015 (Vol. 41, No. 21, p. 571). A rule development workshop was held on February 24, 2015. Interested parties and county officials were invited to attend in person and through a teleconference system. Several comments were submitted to the Department before the first workshop, and several more comments were presented at the workshop. The major changes based on comments received to the originally published proposed new rule include:

- Changing the phrase “husband and wife” to “spouses” (throughout the proposed rule).
- Changing the phrase “applied for, received the exemption, and resided on a previous homestead” to “qualified for and received the exemption” (subparagraph (2)(b)2. of the proposed rule).
- Clarifying the explanation of how to calculate the share of the homestead assessment difference for joint tenancy with right of survivorship and for spouses (subparagraph (5)(b)2. of the proposed rule).
- Clarifying that the property appraiser’s notice to a taxpayer that the information they submitted from the previous property appraiser is insufficient must be sent by the new property appraiser by July 1 when the application is timely filed (subsection (10)(b) of the proposed rule).

- Making mandatory, instead of permissive, the granting of a transfer of a homestead assessment difference by the new property appraiser once the previous property appraiser supplies information showing the taxpayer is qualified “if the new property appraiser determines the taxpayer is otherwise qualified” (paragraph (11)(b) of the proposed rule).

SUMMARY OF RULE DEVELOPMENT WORKSHOP HELD MAY 19, 2015

A second Notice of Rule Development for proposed new Rule 12D-8.0065 was published in the F.A.R. on May 4, 2015 (Vol. 41, No. 86, p. 2063). A second rule development workshop was held on May 19, 2015. Interested parties and county officials were invited to attend in person and through a teleconference system. No new comments were received for this workshop.

SUMMARY OF RULE HEARING HELD ON JUNE 23, 2015

The Governor and Cabinet, sitting as head of the Department of Revenue, met on June 23, 2015, and approved the publication of the Notice of Proposed Rule for 12D-8.0065, F.A.C. A notice for a public hearing was published in the Florida Administrative Register on June 24, 2015 (Vol. 41, No. 122, pp. 2871-2875).

SUMMARY OF RULE HEARING HELD ON JULY 16, 2015

A notice for a public hearing was published on June 24, 2015 and the public hearing was held on July 16, 2015. An email was sent to property appraisers, tax collectors, clerks of court and interested parties on June 12, 2015 about the notice of proposed rule and public hearing. The public was invited to attend in person and through teleconference. No comments were received from the public during or since the hearing.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
PROPERTY TAX OVERSIGHT PROGRAM
CHAPTER 12D-8, FLORIDA ADMINISTRATIVE CODE
ASSESSMENT ROLL PREPARATION AND APPROVAL
CREATING RULE 12D-8.0065

12D-8.0065 Transfer of Homestead Assessment Difference; “Portability”; Sworn Statement
Required; Denials; Late Applications.

(1) For purposes of this rule, the following definitions apply.

(a) The “previous property appraiser” means the property appraiser in the county where the taxpayer’s previous homestead property was located.

(b) The “new property appraiser” means the property appraiser in the county where the taxpayer’s new homestead is located.

(c) The “previous homestead” means the homestead which the assessment difference is being transferred from.

(d) The “new homestead” means the homestead which the assessment difference is being transferred to.

(e) “Assessment difference” means the difference between assessed value and just value attributable to Section 193.155, F.S.

(2) Section 193.155(8), F.S., provides the procedures for the transfer of the homestead assessment difference to a new homestead, within stated limits, when a previous homestead is abandoned. The amount of the assessment difference is transferred as a reduction to the just

value of the interest owned by persons that qualify and receive homestead exemption on a new homestead.

(a) This rule sets limits and requirements consistent with Section 193.155(8), F.S. A person may apply for the transfer of an assessment difference from a previous homestead property to a new homestead property if:

1. The person received a homestead exemption on the previous property on January 1 of one of the last two years before establishing the new homestead; and,

2. The previous property was abandoned as a homestead after that January 1; and,

3. The previous property was, or will be, reassessed at just value or assessed under Section 193.155(8), F.S., as of January 1 of the year after the year in which the abandonment occurred subject to Subsections 193.155(8) and 193.155(3), F.S; and

4. The person establishes a new homestead on the property by January 1 of the year they are applying for the transfer.

(b) Under Section 193.155(8), F.S., the transfer is only available from a prior homestead for which a person previously received a homestead exemption. For these rules:

1. If spouses owned and both permanently resided on a previous homestead, each is considered to have received the homestead exemption, even if only one of them applied for the homestead exemption on the previous homestead.

2. For joint tenants with rights of survivorship and for tenants in common, those who qualified for and received the exemption on a previous homestead are considered to have received the exemption.

(3)(a) To apply for portability, the person must file Form DR-501T, Transfer of Homestead Assessment Difference, (incorporated by reference in Rule 12D-16.002, F.A.C.), including a

sworn statement, by March 1. Form DR-501T is submitted as an attachment to Form DR-501, Original Application for Ad Valorem Tax Exemption, (incorporated by reference in Rule 12D-16.002, F.A.C.).

(b) If the person meets the qualifications and wants to designate the ownership share of the assessment difference to be attributed to him or her as spouses for transfer to the new homestead, he or she must also file a copy of Form DR-501TS, Designation of Ownership Shares of Abandoned Homestead (incorporated by reference in Rule 12D-16.002, F.A.C.) that was already filed with the previous property appraiser as described in subsection (5).

(4) Within the limitations for multiple owners in subsection (5), the total which may be transferred is limited as follows:

(a) Upsizing - When the just value of the new homestead equals or is greater than the just value of the previous homestead, the maximum amount that can be transferred is \$500,000.

(b) Downsizing - When the just value of the new homestead is less than the just value of the previous homestead, the maximum amount that can be transferred is \$500,000. Within that limit, the amount must be the same proportion of the new homestead's just value as the proportion of the assessment difference was of the previous homestead's just value.

(5)(a) Transferring without splitting or joining – When two or more persons jointly abandon a single previous homestead and jointly establish a new homestead, the provisions for splitting and joining below do not apply if no additional persons are part of either homestead. The maximum amount that can be transferred is \$500,000.

(b) Splitting - When two or more people who previously shared a homestead abandon that homestead and establish separate homesteads, the maximum total amount that can be transferred is \$500,000. Within that limit, each person who received a homestead exemption and is eligible

to transfer an amount is limited to a share of the previous homestead's difference between assessed value and just value. The shares of the persons that received the homestead exemption cannot total more than 100 percent.

1. For tenants in common, this share is the difference between just value and assessed value for the tenant's proportionate interest in the property. This is the just value of the tenant's interest minus the assessed value of the tenant's interest.

2. For joint tenancy with right of survivorship and for spouses, the share of the homestead assessment difference is the difference between the just value and the assessed value of the owner's share of the homestead portion of the property. This is the difference between the just value and the assessed value of the homestead portion of the property, divided by the number of owners that received the exemption, unless another interest share is on the title. In that case, the portion of the amount that may be transferred is the difference between just value and assessed value for the owner's stated share of the homestead portion of the property.

3. Subparagraphs 1. and 2. do not apply if spouses abandon jointly titled property and designate their respective ownership shares by completing and filing Form DR-501TS. When a complete and valid Form DR-501TS is filed as provided in this subparagraph, the designated ownership shares are irrevocable.

If spouses abandon jointly titled property and want to designate their respective ownership shares they must:

- a. Be married to each other on the date the jointly titled property is abandoned.
- b. Each execute the sworn statement designating the person's ownership share on Form DR-501TS.
- c. File a complete and valid Form DR-501TS with the previous property appraiser before

either person applies for portability on Form DR-501T with the new property appraiser.

d. Include a copy of Form DR-501TS with the homestead exemption application filed with the new property appraiser as described in subsection (3).

4. Except when a complete and valid designation Form DR-501TS is filed, the shares of the assessment difference cannot be sold, transferred, or pledged to any taxpayer. For example, if spouses divorce and both abandon the homestead, they each take their share of the assessment difference with them. The property appraiser cannot accept a stipulation otherwise.

(c) Joining – When two or more people, some of whom previously owned separate homesteads and received a homestead exemption, join together to qualify for a new homestead, the maximum amount that can be transferred is \$500,000. Within that limit, the amount that can be transferred is limited to the highest difference between just value and assessed value from any of the persons’ previous homesteads.

(6) Abandonment.

(a) To transfer an assessment difference, a homestead owner must abandon the homestead before January 1 of the year the new application is made.

(b) In the case of joint tenants with right of survivorship, if only one owner moved and the other stayed in the original homestead, the homestead would not be abandoned. The person who moved could not transfer any assessment difference.

(c) To receive an assessment reduction under Section 193.155(8), F.S., a person may abandon his or her homestead even though it remains his or her primary residence by providing written notification to the property appraiser of the county where the homestead is located. This notification must be delivered before or at the same time as the timely filing of a new application for homestead exemption on the property. This abandonment will result in reassessment at just

value as provided in subparagraph (2)(a)3. of this rule.

(7) Only the difference between assessed value and just value attributable to Section 193.155, F.S., can be transferred.

(a) If a property has both the homestead exemption and an agricultural classification, a person cannot transfer the difference that results from an agricultural classification.

(b) If a homeowner has a homestead and is receiving a reduction in assessment for living quarters for parents or grandparents under Section 193.703, F.S., the reduction is not included in the transfer. When calculating the amount to be transferred, the amount of that reduction must be added back into the assessed value before calculating the difference.

(8) Procedures for property appraiser:

(a) If the previous homestead was in a different county than the new homestead, the new property appraiser must transmit a copy of the completed Form DR-501T with a completed Form DR-501 to the previous property appraiser. If the previous homesteads of applicants applying for transfer were in more than one county, each applicant from a different county must fill out a separate Form DR-501T.

1. The previous property appraiser must complete Form DR-501RVSH, Certificate for Transfer of Homestead Assessment Difference (incorporated by reference in Rule 12D-16.002, F.A.C.). By April 1 or within two weeks after receiving Form DR-501T, whichever is later, the previous property appraiser must send this form to the new property appraiser. As part of the information returned on Form DR-501RVSH, the previous property appraiser must certify that the amount transferred is part of a previous homestead that has been or will be reassessed at just value as of January 1 of the year after the year in which the abandonment occurred as described in subparagraph (2)(a)3. of this rule.

2. Based on the information provided on Form DR-501RVSH from the previous property appraiser, the new property appraiser calculates the amount that may be transferred and applies this amount to the January 1 assessment of the new homestead for the year for which application is made.

(b) If the transfer is from the same county as the new homestead, the property appraiser retains Form DR-501T. Form DR-501RVSH is not required. For a person that applied on time for the transfer of assessment difference, the property appraiser updates the ownership share information using the share methodology in this rule.

(c) The new property appraiser must record the following in the assessment roll submitted to the Department according to Section 193.1142, F.S., for the year the transfer is made to the homestead parcel:

1. Flag for current year assessment difference transfer;

2. Number of owners among whom the previous assessment difference was split. Enter 1 if previous difference was not split;

3. Assessment difference value transferred;

4. County number of previous homestead;

5. Parcel ID of previous homestead;

6. Year from which assessment difference value was transferred;

(d) Property appraisers that have information sharing agreements with the Department are authorized to share confidential tax information with each other under Section 195.084, F.S., including social security numbers and linked information on Forms DR-501, DR-501T, and DR-501RVSH.

(9)(a) The transfer of an assessment difference is not final until all values on the assessment

roll on which the transfer is based are final. If the values are final after the procedures in these rules are exercised, the property appraiser(s) must make appropriate corrections and send a corrected assessment notice. Any values that are in administrative or judicial review must be noticed to the tribunal or court for accelerated hearing and resolution so that the intent of Section 193.155(8), F.S. may be fulfilled.

(b) This rule does not authorize the consideration or adjustment of the just, assessed, or taxable value of the previous homestead property.

(10) Additional provisions.

(a) If the information from the previous property appraiser is provided after the procedures in this section are exercised, the new property appraiser must make appropriate corrections and send a corrected assessment notice.

(b) The new property appraiser must promptly notify a taxpayer if the information received or available is insufficient to identify the previous homestead and the transferable amount. For a timely filed application, this notice must be sent by July 1.

(c) If the previous property appraiser supplies enough information to the new property appraiser, the information is considered timely if provided in time to include it on the notice of proposed property taxes sent under Sections 194.011 and 200.065(1), F.S.

(d) If the new property appraiser has not received enough information to identify the previous homestead and the transferable amount in time to include it on the notice of proposed property taxes, the taxpayer may file a petition with the value adjustment board in the county of the new homestead.

(11) Denials.

(a) If the applicant is not qualified for transfer of any assessment difference, the new property

appraiser must send Form DR-490PORT, Notice of Denial of Transfer of Homestead Assessment Difference, (incorporated by reference in Rule 12D-16.002, F.A.C.) to the applicant by July 1 and include the reasons for the denial.

(b) Any property appraiser who sent a notice of denial by July 1 because he or she did not receive sufficient information to identify the previous homestead and the amount which is transferable, must grant the transfer after receiving information from the previous property appraiser showing the taxpayer was qualified, if the new property appraiser determines the taxpayer is otherwise qualified. If a petition was filed based on a timely application for the transfer of an assessment difference, the value adjustment board shall refund the taxpayer the petition filing fee.

(c) Petitions of denials may be filed with the value adjustment board as provided in Rule 12D-9.028, F.A.C.

(12) Late applications.

(a) Any person qualified to have property assessed under Section 193.155(8), F.S., who fails to file for a new homestead on time in the first year following eligibility may file in a subsequent year. The assessment reduction must be applied to assessed value in the year the transfer is first approved. A refund may not be given for previous years.

(b) Any person who is qualified to have his or her property assessed under Section 193.155(8), F.S., who fails to file an application by March 1, may file an application for assessment under that subsection and, under Section 194.011(3), F.S., may file a petition with the value adjustment board requesting the assessment be granted. The petition may be filed at any time during the taxable year by the 25th day following the mailing of the notice by the property appraiser as provided in Section 194.011(1), F.S. In spite of Section 194.013, F.S., the person

must pay a nonrefundable fee of \$15 when filing the petition, as required by paragraph (j) of Section 193.155(8), F.S. After reviewing the petition, the property appraiser or the value adjustment board may grant the assessment under Section 193.155(8), F.S., if the property appraiser or value adjustment board find the person is qualified and demonstrates particular extenuating circumstances to warrant granting the assessment.

Rulemaking Authority 195.027(1), 213.06(1) FS. Law Implemented 192.047, 193.114, 193.1142, 193.155, 193.461, 193.703, 194.011, 194.013, 195.084, 200.065 FS. History—New xx-xx-xx.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
PROPERTY TAX OVERSIGHT PROGRAM
CHAPTER 12D-16, FLORIDA ADMINISTRATIVE CODE
ADMINISTRATION OF FORMS
AMENDING RULE 12D-16.002

SUMMARY OF PROPOSED RULE

The purpose of the proposed amendments to Rule 12D-16.002, F.A.C., is to adopt proposed new Form DR-501TS (Designation of Ownership Share and Abandoned Homestead) which is incorporated by reference in proposed new Rule 12D-8.0065 to support the procedures in the rule. The form was adopted in Emergency Rule 12DER14-03 on June 6, 2014 (which expires on December 6, 2015). This form is filed with the property appraiser and allows spouses to designate their respective shares of the homestead assessment difference when they abandon a homestead property so they can transfer their designated shares under certain circumstances.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

The purpose of the proposed amendments to Rule 12D-16.002, F.A.C., is to implement the portability provisions of Section 5 of Chapter 2007-339, Laws of Florida, Section 3 of Chapter 2008-173, Laws of Florida, and Section 5 of Ch. 2012-193, Laws of Florida.

FEDERAL COMPARISON STATEMENT

The provisions contained in this proposed rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP HELD FEBRUARY 24, 2015

A Notice of Rule Development for the proposed amendments to Rule 12D-16.002, F.A.C., was published in the Florida Administrative Register (F.A.R.) on February 2, 2015 (Vol. 41, No. 21, p. 573). A rule development workshop was held on February 24, 2015. Interested parties and county officials were invited to attend in person and through a teleconference system. Several comments were submitted to the Department before the workshop, and several more comments were presented at the workshop. The major changes to the form were based on comments received and include:

- Changing the terms “husband” and “wife” to “spouse 1” and “spouse 2.”
- Adding the title Transfer of Homestead Assessment Difference after citing to Form DR-501T.
- Clarifying that the Designation form should be attached to the DR-501T.

SUMMARY OF RULE DEVELOPMENT WORKSHOP HELD MAY 19, 2015

A second Notice of Rule Development for proposed amendments to Rule 12D-16.002, F.A.C., was published in the F.A.R. on May 4, 2015 (Vol. 41, No. 86, p. 2067). A second rule development workshop was held on May 19, 2015. Interested parties and county officials were invited to attend in person and through a teleconference system. No new comments were received for this workshop.

SUMMARY OF RULE HEARING HELD ON JUNE 23, 2015

The Governor and Cabinet, sitting as head of the Department of Revenue, met on June 23, 2015, and approved the publication of the Notice of Proposed Rule for 12D-16.002, F.A.C., to adopt proposed form DR-501TS, Designation of Ownership Shares of Abandoned Homestead. A notice for a public hearing was published in the Florida Administrative Register on June 24, 2015 (Vol. 41, No. 122, pp. 2875-2876.)

SUMMARY OF RULE HEARING HELD ON JULY 16, 2015

A notice for a public hearing was published on June 24, 2015 and the public hearing was held on July 16, 2015. An email was sent to property appraisers, tax collectors, clerks of court and interested parties on June 12, 2015 about the notice of proposed rule and public hearing. The public was invited to attend in person and through teleconference. No comments were received from the public during or since the hearing.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
PROPERTY TAX OVERSIGHT PROGRAM
CHAPTER 12D-16, FLORIDA ADMINISTRATIVE CODE
ADMINISTRATION OF FORMS
AMENDING RULE 12D-16.002

12D-16.002 Index to Forms.

(1) The following paragraphs list the forms used by the Department of Revenue. A copy of these forms may be obtained from the Department’s website at <http://dor.myflorida.com/dor/>, or by writing to: Director, Property Tax Oversight Program, Department of Revenue, Post Office Box 3000, Tallahassee, Florida 32315-3000. The Department of Revenue adopts, and incorporates by reference in this rule, the following forms and instructions:

	Form Number	Form Title	Effective Date
(2)	through 39(i)	No change.	
(39)(j)	<u>DR-501TS</u>	<u>Designation of Ownership Shares of Abandoned Homestead (n. xx/xx)</u>	<u>xx/xx</u>
(40)(a)	through (61)(b)	No change.	

Rulemaking Authority 195.027(1), 213.06(1) FS. Law Implemented 92.525, 95.18, 136.03, 192.001(18), 192.0105, 193.052, 193.077, 193.085, 193.092, 193.114, 193.122, 193.155, 193.1554, 193.1555, 193.1556, 193.461, 193.501, 193.503, 193.625, 193.703, 194.011, 194.032, 194.034, 194.035, 194.037, 195.002, 195.022, 195.087, 196.011, 196.015, 196.031, 196.075, 196.095, 196.101, 196.121, 196.141, 196.151, 196.173, 196.183, 196.193, 196.1961, 196.1983, 196.1995, 196.202, 196.24, 196.26, 197.182, 197.222, 197.2423, 197.2425, 197.3632, 197.3635, 197.414, 197.432, 197.472, 197.502, 197.512, 197.552, 200.065, 200.069, 213.05, 218.12, 218.125, 218.66, 218.67 FS. History—New 10-12-76, Amended 4-11-80, 9-17-80, 5-17-81, 1-18-82, 4-29-82, Formerly 12D-16.02, Amended 12-26-88, 1-9-92, 12-10-92, 1-11-94, 12-27-94, 12-28-95, 12-25-96, 12-30-97, 12-31-98, 2-3-00, 1-9-01, 12-27-01, 1-20-03, 1-26-04, 12-30-04, 1-16-06, 10-2-07, 3-30-10, 11-1-12, xx-xx-xx.



DESIGNATION OF OWNERSHIP SHARES OF ABANDONED HOMESTEAD

DR-501TS
N. xx/xx
Rule 12D-16.002, F.A.C.
Eff. xx/xx

Section 193.155(8), Florida Statutes

File this form if you and your spouse (or former spouse) are current or former joint owners of qualifying property and want to designate shares of the homestead assessment difference. The designated shares can transfer to each of your new homesteads when you each apply for the homestead exemption on your properties.

Before either of you submits a Form DR-501T, Transfer of Homestead Assessment Difference, for a new homestead, submit this form to the property appraiser in the county where the abandoned homestead is located. If you apply for a new homestead exemption and want to transfer your designated share of the homestead assessment difference, attach a copy of this statement to your completed Form DR-501T in the county where the new homestead is located. Percentages must total 100 percent.

Abandoned Homestead			
County		Address	
Parcel ID			
Date abandoned			
Spouse 1 name as it appears on the joint title	Designated % ownership	Spouse 2 name as it appears on the joint title	Designated % ownership

At the time the homestead was abandoned, we were married and jointly owned this property.

We designate the percentages above to each owner for transferring the homestead assessment difference when that owner establishes a new homestead.

We understand that when we file this designation with the property appraiser, it is irrevocable.

I swear that the information above, including ownership and percentages, is true and correct. Spouse 1 signature: _____	I swear that the information above, including ownership and percentages, is true and correct. Spouse 2 signature: _____
State of Florida County of _____	State of Florida County of _____
This instrument was sworn to and subscribed before me this date, _____, by _____ print name who is personally known to me or who has produced _____ as identification.	This instrument was sworn to and subscribed before me this date, _____, by _____ print name who is personally known to me or who has produced _____ as identification.
Notary public seal	Notary public seal
Notary public signature	Notary public signature