

From: Kenny Pennington <kpen@property-appraiser.org>
Sent: Friday, February 4, 2022 10:06 AM
To: Dianne Porter <Dianne.Porter@floridarevenue.com>
Cc: Paul Hesse <paul@property-appraiser.org>; Alison Martin <amar@property-appraiser.org>
Subject: FW: New Dr-501SC form

Dianne,

It seems the new 501SC form has dropped the parcel number box. We would like to have the parcel number included as it is a primary identifier for our exemptions department. Do we have to design a new form and submit it for approval?



From: Paul Hesse <paul@property-appraiser.org>
Sent: Friday, February 4, 2022 9:45 AM
To: Alison Martin <amar@property-appraiser.org>
Cc: Kenny Pennington <kpen@property-appraiser.org>
Subject: New Dr-501SC form

Good morning,

Stephen from Aumentum is asking about the new 501SC form. It appears DOR has removed the box for the strap from the new version. The question is being asked if we want to retain the box for the strap on the form or if we want the new form exactly as created by DOR. I was under the impression we didn't have a choice to use the DOR form as created but at least one county is asking Aumentum to retain that box. Thoughts?

New Form:



**HOUSEHOLD INCOME
SWORN STATEMENT AND RETURN**
Senior Citizen Exemption for Persons Age 65 and Over
Section 196.075, Florida Statutes

DR-501SC
R. 12/21
Rule 12D-16.002, F.A.C.
Provisional
Page 1 of 3

Application year 20__

This form is for use by property owners as a sworn statement of adjusted gross household income to qualify for the additional homestead exemption for property owners age 65 and older, with limited income.

When applying for the exemption for the first time, submit this completed statement, the *Original Application for Homestead and Related Tax Exemptions* (Form DR-501, incorporated by reference in Rule 12D-16.002, F.A.C.), and all required attachments with the county property appraiser on or before **March 1 of the current tax year**.

Applicant name		Address		
Phone				
PART 1 List all persons living in the homestead on January 1 the year of exemption.				Do not include renters or boarders
Name of Household Member	Date of Birth	Filed IRS return? Yes No		Adjusted Gross Household Income
		<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	
Total adjusted gross household income for all household members				\$ 0.00

For each household member, submit the documents required by either **PART 2** or **PART 3** for last year's income. Contact your property appraiser's office for instructions.

Old Form:



**ADJUSTED GROSS HOUSEHOLD INCOME
SWORN STATEMENT AND RETURN**
Senior Citizen Exemption for Persons Age 65 and Over
Section 196.075, Florida Statutes

DR 501SC, R. 12/12
Rule 12D-16.002, F.A.C.
Eff 12/12
Provisional

Application year__

This statement must be filed each year with the property appraiser by March 1.

☐ Initial ☐ Renewal*

Parcel ID	Address			
Applicant name				
Phone				
PART 1 List all persons living in the homestead on January 1 the year of exemption.				Do not include renters or boarders.
Name of Household Member	Date of Birth	Filed IRS return? Yes No		Adjusted Gross Income
Total adjusted gross income for all household members				

For each household member, submit the documents required by either **PART 2** or **PART 3** for last year's income.

*If you are renewing your exemption, you do not need to submit documents, unless the property appraiser asks. Contact your property appraiser's office for instructions.



Paul D. Hesse, CFE

Quality Control Analyst

Representing Katrina S. Scarborough, CFA, CCF, MCF

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NEW RIVER APPRAISAL, P.A.

Real Estate Appraisers & Consultants

Fort Lauderdale, Florida

April 1, 2022

Property Tax Oversight
Florida Department of Revenue
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Tallahassee, Florida 32315-3000
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**RE: Considerations Regarding the Proposed Repeal of Rule 12D-8.0063 FAC –
Assessment of Changes, Additions, or Improvements to a Homestead**

Department Representatives,

Based on March 31, 2022 conversations with Mike Cotton and Janice Forrester of Property Tax Oversight (DORPTO), I am providing a letter detailing concerns and considerations regarding the proposed repeal of Rule 12D-8.0063 FAC – “Assessment of Changes, Additions, or Improvements to a Homestead”. I have opted not to request a hearing on April 20, 2022 regarding this proposed repeal as Ms. Forrester stated that this letter submission would be reviewed in a manner similar to it being presented at a scheduled hearing.

The proposed repeal involves a rule which was written to effectively explain the methodology and mechanics of assessing changes such as additions or improvements to a Homestead property. Based on the attached document created by DORPTO, the reason for this proposed repeal is due to redundancy with the corresponding statute as well as some obsolete references. To a certain extent, I agree that the latter portion of the existing rule (from Paragraph 3 on) is redundant and see no reason that the latter portion concerning hurricane damaged Homesteads provides any necessary benefit over the corresponding Florida Statute. However, the initial portion of the rule (Paragraphs 1 & 2) does not appear to be redundant when compared to the corresponding Florida Statute. Please refer to the beginning portion (Paragraphs 1 & 2) of Rule 12D-8.0063 FAC as highlighted:

12D-8.0063 Assessment of Changes, Additions, or Improvements to a Homestead.

(1) Any change, addition, or improvement, excluding normal maintenance, to a homestead, including an owner's apportioned share of common areas directly benefiting the homestead, shall be determined and assessed at just value, and added to the assessed value of the homestead as of January 1 of the year following the substantial completion of the change, addition, or improvement.

(2) The measure of this incremental, just value amount for purposes of subsection (1), shall be determined directly by considering mass data collected, market evidence, and cost, or by taking the difference between the following:

New River Appraisal, P.A.
1932 N.E. 31st Avenue
Fort Lauderdale, Florida 33305
Phone: 954.566.2641
sja@newriverfl.com

NEW RIVER APPRAISAL, P.A.

Real Estate Appraisers & Consultants

Fort Lauderdale, Florida

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(a) Just value of the homestead as of January 1 of the year following any change, addition, or improvement, adjusted for any change in value during the year due to normal market factors; and,

(b) Just value of the homestead as of January 1 of the year of the change, addition, or improvement.

As stated in the attached document created by DORPTO, the corresponding statute to 12D-8.0063 FAC is FS 193.155 (4)(a) which reads "Except as provided in paragraph (b) and s. 193.624, changes, additions, or improvements to homestead property shall be assessed at just value as of the first January 1 after the changes, additions, or improvements are substantially completed." (Please note that paragraph (b) deals with the previously discussed changes after hurricane or calamity damage and 193.624 deals with solar improvements.)

Based on comparison of the current two paragraphs of 12D-8.0063 FAC and FS 193.155 (4)(a), there does not appear to be any significant redundancy, and the level of detail and guidance within the current Rule 12D-8.0063 FAC is considerably greater than that provided in FS 193.155 (4)(a). More importantly, the level of detail contained within the existing Rule 12D-8.0063 FAC concerning additions to a Homesteaded property serves to protect the taxpayer from inadvertent assessment increases to Homestead property protected under the Save Our Homes Act (SOH). As you are aware, SOH limits annual increases to Homesteaded property to the lesser of 3% or the CPI published by the US Department of Labor annually. As a result, when new capital improvements are made to a Homesteaded residence, the Property Appraiser is tasked with determining 100% of the just value of the new improvements so they may be added to both the just value of the existing subject (land and existing improvements) as well as to the SOH assessed value of the existing subject property which may be significantly lower than just value. Because the nature of the new improvements may vary from something simple like a swimming pool to something much more significant such as a 3,000 SF addition on a 1,000 SF existing residence, the method of determining the just value contribution of the new improvement(s) may also vary in an effort to increase reliability; these varying methods are stated as examples within the existing Rule 12D-8.0063 FAC, however they are not stated within FS 193.155 (4)(a). The existing Rule 12D-8.0063 FAC also uses the term "the measure of this incremental, just value" to describe the contributory value attributed to the new improvement(s). This term is, in my opinion, well-crafted as it clearly identifies that the determination of any change in value above the 3% or CPI annual increase on the land and existing improvements must clearly be attributed to the new improvement(s) only.

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As it is currently written, Rule 12D-8.0063 FAC provides a framework and valuable guidance for both the property appraiser and taxpayer to understand and evaluate the incremental just value and assessment increase of an addition or improvement to a Homesteaded property. Without it, the current language of FS 193.155 (4)(a) provides no real framework or guidance and makes the methodology for determining the incremental just value somewhat murky, especially for property owners. I will also point out that our existing system allows for informal discussions between the property owner and property appraiser when there is a concern regarding value; if there is no resolution from these discussions, VAB Petitions and Circuit Court cases may potentially occur. My personal belief is that when parties in these situations have a similar understanding of rules, facts, procedure and methodology, they tend to have a better chance of resolution without the need for hearings and court cases. My suggestion to DORPTO is to make no changes to Paragraphs 1 & 2 of Rule 12D-8.0063 FAC; the guidance it provides to both the property appraiser and property owner outweighs any perceived benefit from a slight reduction in wordiness within the FAC. I feel that anything that can potentially limit the need for unnecessary VAB hearings or court cases is something worth exploring. Please feel free to contact me anytime at 954.540.3960, and thanks again for your consideration.

Respectfully submitted,



S. James Akers, MAI
Cert. Gen. RZ 2481