MEETING SUMMARY
PROPERTY TAX ADMINISTRATION TASK FORCE
August 28, 2002 10:00 AM TO 3:00 PM
(LOCATION: Tallahassee Regional Airport)

FULL MEMBER SESSION-10:00 AM to 3:00 PM

MEMBERS PRESENT: Jim Zingale, Rod Adams,, George Burnham, Will Bussey, Fred Cole, Bill Coleman, Morgan Gilreath, Bob McKee sitting in for Bob Rackleff, Sharon Outland, John Seay, Ken Small, Bill Suber, Vicki Weber

MEMBERS ABSENT: Keith Baker, Bob Banting, Bill Graham, Ali Korman, Terri Lewis, Richard Masching, Fred Meeker, Matt Ryan, and a representative for Tax Executive's Institute, and a representative for Associated Industries of Florida.

Chairman Zingale welcomed the members at the 12th meeting of the Property Tax Administration Task Force.

The Chair provided an overview of the 2002 roll approval process focusing on the non in-depth side of the roll and reported that the in-depth study method was substantially improved. Property appraisers increased taxable value in 2001 by 10.6% and growth continued into 2002 at 10.2%. Sales tax generated $16.9 billion in revenue. Ad valorem is the second highest, and generated $15.7 billion. Corporate tax is estimated at $3.2 billion.

Lisa Echeveri provided a legislative update: The only controversial law change was with the requirement that counties use special masters for VAB hearings. Counties with populations under 75,000 were concerned. DOR is preparing a list of special masters and anticipates having the list on the DOR web site in early 2003. Rule making is still in process for 2002.

Steve Keller provided a litigation update. Coverage of the litigation included:

- **Supreme Court issued an opinion regarding special taxing districts. Although emergency medical services may provide a sense of security to individuals, neither the service nor the sense of security is provided to the property itself. Emergency medical services do not provide any special benefit to property.**

- **Supreme Court issued opinion on Constitutional challenges. The statutory prohibition of constitutional challenges by property appraisers is in accord with the general common law principle denying ministerial officers the power to challenge the constitutionality of statutes.**

- **4th DCA held that there is no merit to the contention that counties which are charter counties are not immune from taxation. Charter counties are not similar to municipalities and have the same standing under the Constitution as any other county.**

- **5th DCA held that there is no merit to claim that a tax deed is invalid because notice of tax deed sale was not sent by clerk of court to attorney who prepared mortgage and whose address was listed on face of mortgage.**

- **2nd DCA held that where record lacked competent substantial evidence of value, the trial court should have remanded the matter to property appraiser to reassess the property.**

- **5th DCA held that sixty-day period for challenging tax assessment set forth in section 194.171(2) does not apply to challenging classification of property for valuation purposes.**

Business Process Improvement: Property Tax Administration has identified strategy teams to improve its processes. A new methodology was developed this year for non in-depth study counties. Seven different methodologies were laid against all strata in an attempt to identify which worked the best. Spotlight was centered on methodology with underlying fieldwork.

Discussion of Flip Charts from the May 22, 2002 Meeting: Seventeen issues were identified, categorized and reviewed at the meeting. Staff assignments were made and have been completed. Issues were broken into 3 categories: Issues Close to Final Action, Issues Requiring Additional Research and Issues Needing Substantial Research. Issues identified by the PTA Task Force at this meeting as fully developed will be considered for inclusion in the Department's legislative package.

Discussion of New and On-Going Issues in Sequential Order: The chair instructed that the Task Force can vote to move the concept forward, in which event the issue leaves the task force and is presented to the Department of Revenue for possible inclusion in its legislative package, or vote for additional research. In addition, statutory language has been drafted by staff to capture task force recommendation and can be voted to be included with the task force recommendation, or a vote to modify wording. Members were advised that they should be aware that there will be several changes to proposed language along its path through the Legislature and "language going in does not always resemble the language when passed on by the Legislature."

FACILITATED DISCUSSION

After the individual presentations were completed, the task force continued its discussion and ranking of issues identified by the task force as those issues which could be handled and/or investigated by the task force for the remainder of the task force term. The membership requested staff provide the panel with additional information and reports in order to clarify the issues.

For a replicated copy of the flip charts created during the meeting, see the attached document, "Flip Charts -- Property Task Administration Task Force, August 28, 2002.

The final business of the day was spent discussing a date, time and place for the next meeting. Members agreed that the date and time would be determined through an email solicitation to the members later on in June.

The meeting adjourned at approximately 3:00 PM.

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PREPARED BY KATHY HENLEY
November 19, 2002

Flip Charts
Property Tax Administration Task Force
August 28, 2002
Staff Assignments

Issues Close to Final Action

Issue 2: Confidentiality of information provided to VAB and property appraiser:

Moved and seconded – Reported out.

Issue 11: VAB appeals notification

Issue raised in response to Walmart decision

The importance of the second certification raised as an issue

Does proposed statutory language capture the concept?

Proposal 1: Staff reword language and circulate to members

Proposal 2: Keep the first sentence and strike the second

Vicki Weber – Language OK as proposed with slight modification

Concept voted out

Language voted out – To be distributed to members

Statutory cite needs to be changed

Issue 14: Property Access

Language needs to clarify who the term "property appraiser" refers to – PA or DOR employee

DOR sample voiding language to provide statutory authorization for voiding

Should the PA be required to reassess property if there is a VAB challenge?

Problem – Including PA and DOR in the same language

Staff requested to redraft and separate the PA and DOR provisions

Email language to members for confirmation

Concept approved

New language would require notification of taxpayer

Look at CSE language for notification of fathers

Issues Needing Some Additional Research and Discussion

Issue 1: Real and tangible personal property tax guideline changes

Court decisions? All courts? Supreme Court only?

How open-ended should the language be?

Staff: Research additional specific issues that could be listed

Notification of proposed changes?

Concept reported to move forward

Staff to circulate language

Issue 3: TRIM procedures

Isolate "growth" (new construction) from base discussion

Issue is where pressure should be. Is current law in TRIM the proper allocation of pressure

Definition of tax increase – rate increase versus revenue increase

Ethics violation? Misstatement of TRIM tax increase by elected officials

Middle ground – mechanism to create language to clarify issues

Move issue to "needing substantial research and discussion"

Members to email suggestions to staff. Summarize and bring back to next meeting. [Staff needs to get request out to members]

Issue 5: Overpaid taxes

Concept approved

Take out "good faith" language

Change reference to "197" to "194"

Issue 8: Levels of assessment for FEFP

Incentive to under assess issue

Statutory and practical accuracy possible by DOR – Statistics not accurate at the 5% level

Concept: Move forward, one dissent

Issue 10: Sale of Save Our Homes property

Draft letter to DBPR and Association and mortgage companies. Notification should be earlier than the closing.

Concept: Move forward
By PTATF to Governor and Cabinet
To realty board

Issue 13: Senior exemption simplification/definition of income

Concept: Move forward

Issue 15: Household TPP valuation in real property transfers

Concept: Complicated – Keep researching

Remaining issues not discussed:

Issue 16: Valuation of percentage complete on January 1
Issue 4: Sales tax on TPP
Issue 6: Airport/seaport and special district issues
Issue 7: 1st and 8th criteria – Options
Issue 9: Mobile home taxes
Issue 12: TRIM calendar
Issue 17: Non-Ad Valorem Assessment - TRIM

New Issues:

Adams issue from 5/22/02 meeting: Notice requirement for annexations and new municipalities

Add to "Issues Needing Some Additional Research and Discussion" package

Coleman issue from 5/22/02 meeting: Requirement for VAB's to adopt rules and/or guidelines

Add to "Issues Needing Substantial Additional Research and Discussion" package

Equity of Assessed Value – Statistical

Add to "Issues Needing Some Additional Research and Discussion" package