## Tampa Bay Times: Bills would give Florida home buyers more time to safeguard valuable tax break

The bill, the idea of Pinellas County Property Appraiser Mike Twitty, would give buyers another year to transfer their tax savings under Florida's Save Our Homes assessment cap to a home they've bought.

It wouldn't help the Tampa family who camped in a tent outside their unfinished house, and it would require amending Florida's constitution.

But Pinellas County Property Appraiser Mike Twitty believes legislation before the House and Senate could help homeowners carry a potent property tax break from one home to another.

Two bills, House bill 369 and Senate bill 148, would schedule a constitutional referendum for this November on whether to add a year to the period when homeowners can transfer their accumulated benefits under the Save Our Homes property tax assessment cap to a new house.

It's an issue worth thousands or even tens of thousands of dollars a year in property taxes for some Florida homeowners.

Save Our Homes limits the growth of tax assessments on homes with homestead property tax exemptions to 3 percent a year. In the kind of booming real estate and construction market Florida has now, the difference between the Save Our Homes capped assessment and what it would be without the cap can grow quickly from year to year and build up.

Save Our Homes also allows homeowners to carry the accumulated reduction in their assessment, up to $500,000, from one home to another. This is called portability, but it comes with a deadline.

Florida law currently says a homeowner must have "received a homestead exemption as of Jan. 1 of either of the two immediately preceding years" in order to transfer Save Our Homes benefits from one home to the next.

"Problem is, it's not really two years," Twitty says, especially if a home is sold later in the year. In the case of a home sold in late December of 2019, for example, the homestead exemption would no longer be there on Jan. 1, 2020. If the owner doesn't buy and move into a new home by Jan. 1, 2021, a homestead wouldn't be established at the new residence within the current portability timeframe. So in the space of a year and a few days, not two full years, the portability period would have expired.

The poster couple for what happens when the deadline is missed is L. Lowry and Jennifer Baldwin of Tampa.

When the Baldwins sold their old home in 2013 and the builder of their new home took longer than expected, they pitched a tent in the yard of the house under construction in an effort to show that it was their permanent residence and thus should be eligible for a homestead exemption before the portability period expired after Jan. 1, 2015.

The Hillsborough County Property Appraiser's Office said camping out didn't qualify, and so far Florida courts have agreed. The Baldwins are trying to take the case to the Florida Supreme Court. Because they lost their portability, the taxes on their new $2.15 million home are about $5,200 a year more than they would be with portability.

"Adding another year certainly would have alleviated some of the problems confronting the Baldwins, particularly in a situation where you have a contractor who's not finishing on time," said Tampa attorney Rob Kelley, who represents the couple.

It also would make the application of the law more uniform across the state, he said, adding that he knows of a similar case in Miami-Dade County where the property appraiser allowed the homeowner to transfer the benefit.

"There are many counties in Florida that would have allowed them to port their value under their circumstances," Kelley said. "You shouldn't be penalized or rewarded based just on the county you reside in."

"Extending the period to three years would create more of a certain two-year window that's consistent with the common understanding of the intent of the law," Twitty says. If passed, the change wouldn't affect the Baldwins, but because it would go into effect on Jan. 1, 2021, Twitty says it could help people who sold homes in 2018.

It also would reduce the possibility of a delay in construction keeping someone out of their new home or condominium in time to establish their homestead exemption.

"When I came into office in early 17, I knew it was going to be an issue with all the construction we're having and everybody moving around," Twitty says.

So he pitched the idea to legislators and watched bills die before the end of the last two legislative sessions. This year, the bills are sponsored by state Sen. Jeff Brandes, R-St. Petersburg, and Rep. Rick Roth, R-West Palm Beach. But even if they win the approval of the full Legislature, the change still requires passage of a constitutional amendment, so 60 percent of Florida voters would have to approve it at a statewide referendum on Nov. 3.

For the handful of hard cases his office sees every month, Twitty thinks it would be worth the effort.

"I think a lot of the ones that miss the window we don't hear from," he says, but typically several times a month we end up with people that just miss the deadline."

"We've had some odd situations where people ... might have put sleeping bags in the floor of an unfinished house to try to sleep in there before Jan. 1," he says. "Some of them understand. They say, 'Well, we had to try.' Others can be quite upset. Some say, 'I'm building this house now, and as soon as it's finished, I'm going to have to sell it because I can't afford the taxes.'"

The fiscal impact of the change is estimated to be minuscule.

Extending the deadline by another year would reduce local government property tax revenues by a total of $2.1 million at first, according to a legislative staff analysis. Later it would ramp up to a statewide loss of $6.5 million in property tax revenues. That would be a revenue loss of .00018 percent out of the $35.7 billion in property taxes that local governments levied statewide last year.

"This would eliminate a bunch of heartache and some of the gamesmanship that ends up occurring with people trying to figure out how to get under the wire when they've legitimately missed it," Twitty says. "Most of the time when they do miss it, it's not by more than six months or so."

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