A Florida Homeowner's Guide: Property Tax Relief for Catastrophic Events in 2023

OWNER

Effective January 1, 2023, section of 14 of Chapter 2022-97, Laws of Florida, created section 197.319, Florida Statutes (F.S.). This new law provides for a **refund of a portion of property taxes for residential improvements rendered uninhabitable for at least 30 days due to a catastrophic event** that occurs in 2023. The Department of Revenue developed this guide to help homeowners understand the statute. ***The information provided in this guide applies to catastrophic events that occur in 2023.*** *Amendments made to s. 197.319, F.S., by the 2023 Florida Legislature will apply to the 2024 tax assessment.*

What is a catastrophic event?

Under s. 197.319(1)(a), F.S., the term catastrophic event is defined to mean: "**an event of misfortune or calamity that renders one or more residential improvements uninhabitable**. The term does not include an event caused, directly or indirectly, by the property owner with the intent to damage or destroy the residential improvement."

The event may be caused by a weather event typically affecting multiple properties (for example, a hurricane, tornado, wildfire, flooding) or a non-weather event typically affecting individual properties (for example, an unintentional fire, water damage, structural failure).

Who is eligible?

A homeowner may be eligible for a refund of a portion of property taxes paid (for the year in which the catastrophic event occurred) if the property was uninhabitable for at least 30 days due to a catastrophic event. To be eligible for a partial property tax refund, the property appraiser must determine the residential property was "uninhabitable."

Section 197.319(1)(g), F.S., defines the term uninhabitable as: "the loss of use and occupancy of a residential improvement for the purpose for which it was constructed resulting from damage to or destruction of, or from a condition that compromises the structural integrity of, the residential improvement which was caused by a catastrophic event."

Who decides if I am eligible, and how will I be informed?

PA

The property appraiser is responsible for determining if a homeowner is entitled to a refund based on the information submitted by the homeowner on the application.

If eligible: Within 30 days of determination of eligibility (or no later than April 1), the property appraiser must notify both the applicant and tax collector.

If the property appraiser determines the homeowner is not entitled to a refund: the homeowner may file a petition with the value adjustment board requesting that such a refund be granted.

How and when do I apply?

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To apply, a homeowner must submit an ***Application for Catastrophic Event Tax Refund*** (Form DR-465) to the county property appraiser where the property is located.

On the form, the homeowner must attest to the number of days the residence was uninhabitable. For the purposes of determining uninhabitability, **the property appraiser may request supporting documentation**, such as utility bills, insurance information, contractors' statements, building permit applications, or building inspection certificates of occupancy.

The homeowner must apply by March 1 of the year immediately following the catastrophic event. An application may be filed if the residence is restored to a habitable condition before December 1 of the year the catastrophic event occurred (see s. 197.319(2), F.S.).

Applications may be submitted before or after property taxes are remitted. Homeowners are encouraged to submit the application as soon as possible after the catastrophic event regardless of the status of payment.

What if I miss the deadline?

Any person who is qualified for a refund of property taxes but fails to file by March 1 of the year immediately following the catastrophic event, may file an application for refund with the property appraiser and at the same time file a petition the value adjustment board requesting such a refund be granted (see s. 197.319(4), F.S.).

If eligible, how will I be refunded?

TC

Refunds are processed and calculated by the tax collector and are to be issued upon timely payment of property taxes by the homeowner, or immediately if such taxes have been paid.

See next page for an example of how the calculation is made.

If approved, how is the refund amount calculated?

If the property appraiser informs the tax collector of a homeowner's eligibility for a refund, the tax collector is responsible for calculating the refund amount and remitting it to the homeowner once the annual property taxes have been paid.

The refund amount is calculated by applying the percent change in value to the number of days the residential improvement was uninhabitable. The percent change in value is found by subtracting the January 1 pre-catastrophic event just value of the residential improvement from the January 1 post-catastrophic event just value of the entire parcel to establish the post-catastrophic event value and then calculating the percent change in value. The example below depicts these calculations.

> Under s. 197.319(1)(f), F.S., "a residential improvement does not include a structure that is not essential to the use and occupancy of the residential dwelling or house, including, but not limited to, a detached utility building, detached carport, detached garage, bulkhead, fence, or swimming pool, and does not include land."

For all approved refund applications, the property appraiser is required to provide the tax collector with the January 1 pre-catastrophic event just value of the residential improvement (as defined above), the number of days that the residential improvement was uninhabitable, the post-catastrophic event just value of the residential parcel, and the percent change in value applicable to the residential parcel.

The following example is for a residential property that was rendered uninhabitable for 95 days by a hypothetical catastrophic event. The following information is used to calculate the refund:

- January 1 **pre-catastrophic event** just value of the parcel: **$300,000**
- January 1 **pre-catastrophic event** just value of the residential improvement (the house, attached garage, and attached porches only): **$225,000**
- **Post-catastrophic event** just value of the parcel (January 1 parcel just value *less* residential improvement just value): **$75,000**
- Number of days the property was uninhabitable: **95 days**
- Total annual property taxes paid **$2,250**

The first step is to find the percent change in value by subtracting the parcel's post-catastrophic event just value from the pre-catastrophic event just value using the following calculations:

Change in value:	*$300,000 less $75,000 =*	$225,000
Percent change in value:	*$225,000 divided by $300,000 =*	.75 or 75%

The second step is to find the percent of days the residence was uninhabitable by dividing the number of days the residential improvement was uninhabitable by the number of days in the year using the following calculation:

Percent of uninhabitable days:	*95 days divided by 365 days =*	.26 or 26%

The third step is to find the damage differential by applying the percent change in value to the percent of uninhabitable days using the following calculation:

Damage differential calculation:	*.75 multiplied by .26 =*	.195

Finally, the refund amount is calculated by applying the damage differential to the total property annual taxes paid:

Refund calculation:	*$2,250 multiplied by .195 =*	$438.75 refund due