

[What properties must be appraised?](#)

- **REAL PROPERTY** - the physical land and appurtenances affixed to the land, e.g., structures. The term "land", "real estate", "realty" and "real property" are often used interchangeably.
- **TANGIBLE PERSONAL PROPERTY** - any item other than real estate that is used in a business and has value. It includes such assets as furniture, computers, tools, machinery, signs, equipment, leasehold improvements, supplies and leased equipment.
- **MINERALS**
- **CENTRALLY ASSESSED PROPERTIES** - commonly thought of as railroads, appraised by the Department of Revenue.
- **MOBILE HOMES & MANUFACTURED HOMES** - when permanently in place with a real property (RP) decal.

[How are properties appraised?](#)

Escambia County uses the same appraisal techniques normally used by independent fee appraisers. These are the Cost Approach, Sales Comparison Approach and Income Approach.

COST APPROACH - The principle of substitution is basic to the cost approach. This principle affirms that no prudent buyer would pay more for a property than the cost to acquire a similar site and construct improvements of equal desirability and utility without undue delay. Information pertaining to cost is acquired from builders, cost information services and from market abstraction. If the property is not new, the appraiser must estimate depreciation and deduct it from replacement cost new.

SALES COMPARISON APPROACH - This approach is the process in which a market value estimate is derived by analyzing the market for sales of similar properties and comparing these properties to the subject. Sales of similar properties must be carefully analyzed to make sure that no adverse conditions existed that would affect the purchase price. Once this is determined we can estimate value of the subject property.

INCOME APPROACH - This approach is a unique method to evaluate property, usually commercial property. It requires a study of how much revenue the property would produce if rented. From the gross estimated revenue the appraiser would adjust for losses and expenses. The net estimated income would then be converted into an indication of value by a mathematical process called "capitalization."

[Ad Valorem Tax](#)

In Florida, property taxes and real estate taxes are also known as ad valorem taxes. Ad valorem means, "based on value".

Escambia County property taxes provide the funds so local governments can provide needed services--like educating our children and protecting us from crime. Without property taxes many of the services provided by local government would not be available.

The Property Appraiser is not the person who determines the amount of taxes levied. Those who are responsible are known as the taxing authorities. Examples being the county commission, school board, citys, fire department and water management district. The Property Appraiser's responsibility is to determine market value of your property and to maintain equity within the tax roll. The assessed value of your property is only one part of the equation.

- **Assessed Value** - Provided by the Property Appraiser
- **Exemptions** - Granted by the Property Appraiser

- **Assessment Rate** - Determined by Taxing Authorities
- **Taxes Payable** - A mathematical calculation

[Exemptions](#)

There are several exemptions available to homeowners, disabled individuals, veterans, widows, widowers, persons over age 65, and not for profit organizations, economic development, etc.

Homestead tax exemption is the most common exemption applied for and granted in Escambia County. If you own property used as your primary residence as of January 1 of the tax year, you may apply for homestead tax exemption. This will reduce the taxable value on your home resulting in substantial savings on your property taxes.

[Property Tax Exemptions for the Homeowner \(Quick Reference\) \[.pdf\]](#)

STATE OF FLORIDA ELIGIBILITY CRITERIA FOR PROPERTY TAX EXEMPTION

[When to file for Exemptions \[Florida Statute 196.011\]](#)

Your initial application for all exemptions must be made in person by March 1st of the assessment year. You may pre-file for exemptions, not based on income, for the forthcoming year after March 1st. *A person may have only **one** permanent residence at a time.* If you are physically unable to visit our office, please call for assistance.

[Exemption Renewal \[Florida Statute 196.011\]](#)

You will receive an automatic renewal notice each January, unless your status changes. Income based exemptions must be renewed each year after January 1st.

[Homestead Exemption \[Florida Statute 196.031\]](#)

Every permanent Florida resident who has legal or beneficial title to real property, resides thereon and in good faith makes it their permanent home on January 1st is eligible for a \$25,000 exemption on the assessed valuation that applies to all property tax levies. Also, every person who qualifies is entitled to an additional exemption of up to \$25,000 on the assessed valuation greater than \$50,000 for all levies other than school district levies. This additional exemption takes affect for the 2008 tax roll. Applicants will be asked to provide the following documents to show eligibility:

- Evidence of Ownership [deed, contract or other recorded document]
- Social Security number for applicant and spouse
- Proof of Florida residency:
 - Florida driver license
 - Florida vehicle registration card
 - Florida voter registration card
 - Other documents to determine Florida residency

[Save Our Homes \(SOH\) \[Florida Statute 193.155\(1\)\]](#)

This constitutional amendment caps the increase in taxable value of homestead property at 3% or the

Consumer Price Index (CPI), whichever is less. This protection is void if the home was sold, rented or there is a change in ownership status.

Portability of Save Our Homes (SOH) Benefit

[Section 193.155\(8\)](#) provides for the transfer of accumulated Save-Our-Homes benefits. Homestead property owners will be able to transfer their Save-Our-Homes benefit to a new homestead within 1 year and not more than 2 years after relinquishing their previous homestead. If the new homestead is established on January 1, 2008, the previous homestead must have been relinquished in 2007. If the new homestead has a higher just value than the previous one, the accumulated benefit can be transferred; if the new homestead has a lower just value, the amount of benefit transferred will be reduced. The transferred benefit may not exceed \$500,000. This provision applies to all taxes and takes effect for the 2008 tax roll.

Tangible personal property exemption.

[196.183\(1\)](#) authorizes an exemption from property taxes of \$25,000 of assessed value of tangible personal property. Tangible property is defined as property used in a business. This provision applies to all taxes and takes effect for the 2008 tax roll.

Assessment limitation on nonhomestead properties.

[Sections 193.1554](#) and [193.1555](#) limit the assessment increases for specified non-homestead real property to 10 percent each year. Property will be assessed at just value following an improvement, as defined by general law, and may be assessed at just value following a change of ownership or control as provided by general law. This limitation is repealed effective January 1, 2019, unless renewed by a vote of the electors in the general election held in 2018. This limitation does not apply to school district taxes and takes effect for the 2009 tax roll.

\$500 Widow/ Widower Exemption [\[Florida Statute 196.202\]](#)

Any widow or widower who is a permanent Florida resident may claim this exemption. The surviving spouse *must* provide a death certificate when filing for this exemption. If remarried or divorced before the spouse's death, there is no eligibility.

\$500 Medical Disability [\[Florida Statute 196.202\]](#)

Every permanent Florida resident who is totally and permanently disabled or blind qualifies for this exemption. Proof of total and permanent disability is required and may be provided by the Social Security Administration or a licensed Florida physician.

\$5,000 Veteran Partial Disability [\[Florida Statute 196.012\]](#) & [\[196.101\(14\)\]](#)

Any permanent Florida resident who is an honorably discharged veteran, disabled to a degree of 10% or more is entitled to this exemption. Proof should be provided from the Veteran's Administration. Please bring evidence of disability and honorable discharge.

The un-remarried surviving spouse of an honorably discharged, disabled ex-service member who, on the date of the disabled ex-service member's death, had been married to the disabled ex-service member at least 5 years is entitled the exemption. Please bring evidence of disability from the Veterans Administration, proof of marriage and Florida residency in order to apply for this exemption. Should you have questions, please contact this office for further assistance.

Total Disability Exemption [\[FL Statute 196.101\]](#)

Real estate used and owned as a homestead by any quadriplegic is exempt from ad valorem taxation. The homestead of a paraplegic, hemiplegic or other totally and permanently disabled person who

uses a wheelchair for mobility or is legally blind, is exempt from ad valorem taxation providing they meet an income cap established annually by the Legislature. Applicants **must** meet the basic qualifications for homestead exemption and make application between January 1st and March 1st of the assessment year.

Veteran's Total Disability [\[Florida Statute 196.081\]](#)

Any honorably discharged veteran with a service-connected total and permanent disability is entitled to an exemption on real estate owned and used as a homestead. Applicants must meet the basic qualifications for Homestead Exemption. Under certain circumstances, the benefit of this exemption can carry over to the veteran's surviving spouse. Documentation from the Veterans Administration is required.

The un-remarried surviving spouse of an honorably discharged, totally and permanently disabled ex-service member may be entitled to this exemption. Please bring evidence the deceased spouse was a permanent Florida resident as of January 1st of the year of death and proof of disability from the Veterans Administration.

Veteran's Discount [\[FL Statute 196.082\]](#)

Real estate owned and used as a homestead by an honorably discharged veteran who was a Florida resident at the time of entering military service, is over the age of 65 and has a documented combat-related disability may be eligible for the Veteran's discount. The property tax discount equal to the percentage of their service connected disability. Please provide proof of Florida residency and evidence of disability from the Veteran's Administration.

Deployed Military Exemption [\[FL Statute 196.173\]](#)

An additional homestead property tax exemption for certain members of the Armed Forces.

Service members who receive homestead exemption may be entitled to an additional ad valorem tax exemption on their homestead property. Members or former members of any branch of the United States military or reserves, the United States Coast Guard or reserves, or the Florida National Guard deployed on active duty during the previous calendar year outside the continental United States, Alaska, or Hawaii in support of military operations Noble Eagle, Enduring Freedom, Iraqi Freedom, New Dawn or Odyssey Dawn may apply.

Completed application, [Form DR-501M](#), should be returned along with a copy of DD Form 214, Record of Foreign Service or other proof of qualifying deployment dates outside the US, Alaska or Hawaii. The filing deadline is **June 1st**, however applications received by **September 1st** will be considered.

Military Homestead Exemption [\[Florida Statute 196.071\]](#)

Initial application and exemption qualifications are the same for all residents. Permanent Florida residents away from home on active duty must renew their exemption by providing this office the following information each year:

- Copy of active duty orders
- Proof of Florida residency:
 - Florida driver license
 - Florida vehicle registration
 - Florida voter registration
 - Copy of Leave and Earning Statement (LES)

Over 65 Exemption [\[Florida Statute 196.075\]](#)

Escambia County senior residents who claim homestead exemption, are age 65 or older by January

1st and whose annual adjusted gross household income meets the income cap established annually by the Legislature are entitled to this additional exemption. Application must be made by March 1st of the assessment year and renewed annually. Applicants must meet the basic qualifications for Homestead Exemption. The county exemption is \$50,000 and only applies to county taxes. The City of Pensacola exemption is \$25,000 and only applies to City of Pensacola taxes.

Assessment Reduction for Living Quarters of Parents or Grandparents [\[Florida Statute 193.703\]](#)

Any owner with an existing homestead may qualify for a property tax reduction if they constructed/re-constructed living quarters for a parent or grandparent. The new dwelling *must* be properly permitted and comply with local regulations. The **occupant** (parent/grandparent) must be at least 62 years of age by January 1st of the assessment year and cannot receive residency benefits from any other county or state.

Wholly and Economic Development Exemption [\[Florida Statute Chapter 196\]](#)

Organizations and businesses applying for exemption from ad valorem taxation, should contact this office for details.

Agricultural Classification [\[Florida Statute 193.461\]](#)

Any landowner who in good faith utilizes their property for a bona fide commercial, agricultural operation is entitled to this classification. The property owner is required to file a return with the Property Appraiser no later than March 1st of the assessment year.

 [PROPERTY TAX EXEMPTIONS FOR THE HOMEOWNER \(Quick Reference\) \[.pdf\]](#)

[View Document](#)

 [Save Our Homes - Amendment 10 Q and A - Recapture Rule](#)

What is the law?

Section 193.155(1), Florida Statutes, was enacted to implement an amendment to the state constitution to limit annual increases in property value assessments on real property qualifying for and receiving the homestead exemption.

Which property is affected?

Only homestead property that remains under the same ownership during the calendar year qualifies for the limitation.

What about improvements or additions to the property?

The full market value of physical alterations to the property such as additions or improvements (not including normal maintenance) will be added to the property assessment after the cap has been applied to the qualifying homestead property.

How is property with a partial homestead exemption affected?

Only that portion of the property receiving homestead exemption is subject to the assessment limitation. The remainder of the property is assessed at full market value under the law.

How does the limit (cap) apply?

Property receiving the homestead exemption is to be assessed at full market value the year in which the property receives the exemption.

In the following year, the property is reassessed and any change from the prior year's value is not to exceed the lower of 3% of the assessed value for the prior year or the percentage change in the

Consumer Price Index. No assesment should exceed market value in any instance.

What happens when a property is sold or otherwise conveyed to a new owner?

The assessment on any property which is sold or otherwise conveyed to new owner during a calendar year is raised to full market value according to law. The limitation will be applied to the assessed value in the first year following the year in which the new owner qualifies the property for homestead exemption.

Even if the property received a homestead exemption under the previous owner, the limitation – just like the exemption – expires with a change in ownership. The new owner must apply for and receive a homestead exemption.

THE DEPARTMENT OF REVENUE “RECAPTURE RULE”

The “recapture rule” is contained in subsection (5) of Rule 12D-8.0062 of the Florida Administrative Code. The Governor and Cabinet approved this rule in September, 1995.

Below is the relevant portion of that rule.

12D-8.0062 Assessments; Homestead; Limitations.....

(5) Where the current year just value of an individual property exceeds the prior year assessed value, the property appraiser is required to increase the prior year’s assessed value by the lower of:

(a) Three percent; or

(b) The percentage change in the Consumer Price Index (CPI) for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

(6) If the percentage change in the Consumer Price Index (CPI) referenced in paragraph(5)(b) is negative, then the assessed value shall be the prior year’s assessed value decreased by that percentage.....

What does all this mean to a homestead property owner?

The residential real estate market is sagging and property values have declined. Amendment 1, which was approved by voters on January 29, 2008, provided an additional \$25,000 homestead exemption.

The public’s expectation is that this would equate to lower property taxes. However, because of the recapture rule, these potential tax savings stand to be wiped out or greatly reduced.

Although the rule allows for a reduction in the assessed value if the CPI is negative, it does not allow for a reduction in assessed value if the just value (fair market value) declines. The property appraiser is “required” to increase the assessed value when the larger just value either declines or remains unchanged. Here is an example:

Year Just Value Assessed Value

1 125,000 100,000

2 115,000 103,000 (just value declined, assessed value increases 3%)

3 115,000 106,090 (just value unchanged, assessed value increases 3%)

As seen in this scenario, the “recapture rule” will erode any benefit from the recently implemented additional homestead, while in a declining market.

What can or has been done to change this situation?

The “recapture rule” is in conflict with the intent of the 1992 Constitutional Amendment 10. The following statutory revision, underlined (c) , would alleviate this problem:

193.155 Homestead assessments.--Homestead property shall be assessed at just value as of January 1, 1994. Property receiving the homestead exemption after January 1, 1994, shall be

assessed at just value as of January 1 of the year in which the property receives the exemption unless the provisions of subsection (8) apply.

(1) Beginning in 1995, or the year following the year the property receives homestead exemption, whichever is later, the property shall be reassessed annually on January 1. Any change resulting from such reassessment shall not exceed the lower of the following:

(a) Three percent of the assessed value of the property for the prior year; or (b) The percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

(c) If the just value has decreased from the prior year, the assessed value shall be decreased by the same percentage as the percentage decrease in just value. If there is no change in just value from a prior year, then there shall be no increase in assessed value.

Your property appraiser is a vocal and active proponent of property tax reform. I have contacted the leaders of the Florida Senate and House as well as members of our local delegation seeking their support of various property tax relief measures. See the attached [correspondence](#).



[Millage Rates](#)

FINAL MILLAGE RATES

Authority	2013	2012
City of Pensacola		4.2895
Downtown Improvement Board		2.0000
Escambia County		6.9755
MSTU-Sheriff		0.6850
NW Florida Water District		0.0400
School Board		7.7580
Town of Century		0.9048

TOTAL FOR TAXING DISTRICTS

Authority	2013	2012
City of Pensacola		19.0630
Downtown Improvement Board		21.0630
Escambia County		15.4585
Pensacola Beach		14.7735
Town of Century		15.6783