NORTH MIAMI
FLORIDA
776 N.E. 125 Street, North Miami, Florida 33161

Council Report

To: The Honorable Mayor and City Council

From: Vernon Paul, Finance Director

Date: February 12, 2013

RE: Full Tax Exemption for Certain Qualified Senior Citizens

RECOMMENDATION

It is recommended that the Mayor and City Council adopt an ordinance in accordance with Florida Constitutional Amendment 11 – Providing for Additional Tax Exemption from County and Municipality taxes for Certain Qualified Seniors. The new exemption can only be applied to a County or Municipality taxing authority once an ordinance is adopted by a super majority of the members of the Council. The Miami-Dade Board of County Commissioners is also in the process of adopting such an ordinance that will apply to the upcoming 2013 tax roll.

BACKGROUND

On November 6, 2012, voters approved Amendment 11 of the Florida Constitution providing an additional homestead exemption for low income seniors that totally exempts a taxing authority's portion of taxable value. The eligibility requirements for this new additional senior exemption are the same as the current senior exemption. However the qualifying senior must also have maintained their home as their permanent residence for at least 25 years and a market value less than $250,000.

Based on 2012 Preliminary Roll, North Miami's operating tax levy is $15,874,833. There are approximately 205 qualified seniors in the City of which 32 will be affected by Amendment 11. This will result in an estimated loss in taxable value of $567,851 and at the adopted millage rate of 8.100, the tax revenue impact would be a loss of $4,600 to the City's budget.

If the City wishes to extend this new benefit to its constituents on the 2013 tax roll, an adopted ordinance must be delivered to the Office of the Property Appraiser no later than March 1, 2013.

Attachments

Ordinance
Property Tax Oversight Bulletin 12-13
Impact of Full Exemption to Senior Properties – Amendment 11 within Miami-Dade County.

ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, ESTABLISHING AN ADDITIONAL HOMESTEAD EXEMPTION FOR CERTAIN LOW-INCOME QUALIFYING SENIOR CITIZENS WHO ARE LONG-TERM RESIDENTS PURSUANT TO ARTICLE VII, SECTION 6(D), FLORIDA CONSTITUTION AND SECTION 196.075, FLORIDA STATUTES, TO BE APPLIED TO TAXES LEVIED BY THE CITY IN ACCORDANCE WITH SECTION 29-8, MIAMI-DADE COUNTY CODE OF ORDINANCES, AS AMENDED FROM TIME TO TIME; AND FURTHER PROVIDING THAT A COPY OF THIS ORDINANCE BE FILED WITH MIAMI-DADE COUNTY PROPERTY APPRAISER; PROVIDING FOR THE ANNUAL SUBMISSION OF A SWORN STATEMENT TO THE PROPERTY APPRAISER; ALLOWING SUPPORTING DOCUMENTATION; PROVIDING FOR WAIVER OF EXEMPTION; PROVIDING FOR COMMENCEMENT OF EXEMPTION; PROVIDING FOR REPEAL, CONFLICTS, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREAS, on November 6, 2012, voters approved amendment 11 of the Florida Constitution providing an additional homestead exemption for low income seniors that totally exempts a taxing authority portion of taxable value. The eligibility requirements for this new additional senior exemption are the same as the current senior exemption; however, the qualifying senior must also have maintained their home as their permanent resident for at least twenty-five (25) years and have a market value less than Two Hundred and Fifty Thousand Dollars ($250,000); and

WHEREAS, a county or municipality can adopt an ordinance granting an additional senior exemption authorized by the constitution for qualifying seniors; and

WHEREAS, the Mayor and City Council of the City of North Miami, have determined that the adoption of the proposed Ordinance creating an additional homestead exemption for qualified seniors, is in the City's best interests.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, THAT:

Section 1. **Purpose and Intent**. In accordance with Section 6(d), Article VII of the Florida Constitution and Section 196.075 of the Florida Statutes, any person sixty-five (65) years

of age or older who has legal or equitable title to real estate located within the City in Miami-Dade County and has maintained thereon his/her permanent residence for at least twenty-five (25) years, and whose household income does not exceed applicable income limitations, shall be entitled to make an application for an additional homestead exemption of up to Two Hundred and Fifty Thousand Dollars ($250,000.00). This additional homestead exemption, if granted, shall be in addition to and shall not replace the additional Fifty Thousand Dollars ($50,000) senior citizen homestead exemption and shall be applied to all ad Valorem tax millage rates levied by the City.

Section 2. Annual Application Requirement. Every person claiming the additional homestead exemption pursuant to this Ordinance must file an application with the Miami-Dade Property Appraiser no later than March 1st of each year for which such exemption is claimed. Such application shall be filed on a form prescribed by the Florida Department of Revenue. Every applicant must file supporting documentation with the Property Appraiser on or before June 1st of each such year, which shall include copies of all federal income tax returns, wages and earning statements, and other documentation required by the property appraiser, including documentation necessary to verify the income received by all members of the household for the prior year.

Section 3. Availability of Additional Exemption. Section 196.075, Florida Statutes requires that this Ordinance and all ordinances implementing this exemption for a jurisdiction must be delivered to the Property Appraiser by March 1, 2013, for it to be effective for the 2013 tax year. This additional exemption shall be available commencing with the year 2013 tax roll, and the Property Appraiser may begin accepting applications and sworn statements for the year 2013 tax roll as soon as the appropriate forms are available from the Department of Revenue.

Section 4. Failure to File Application. Failure to file the application and sworn statement by March 1st or failure to file the required supporting documentation by June 1st of any given year shall constitute a waiver of the additional exemption privilege for that year.

Section 5. Transmittal to the Property Appraiser. The City Clerk shall deliver a certified copy of this Ordinance to the Miami-Dade County Property Appraiser to be applicable for the year 2013, immediately upon adoption.

Section 6. **Repeal.** All ordinances or parts of ordinances in conflict or inconsistent are repealed.

Section 7. **Conflicts.** In the event that the provisions of this Ordinance are in conflict with any other ordinance, rule or regulation, the provisions of this Ordinance shall prevail.

Section 8. **Severability.** If any word, clause, phrase, sentence, paragraph or section of this Ordinance is held to be invalid by a court of competent jurisdiction, such declaration of invalidity shall not affect any other word, clause, phrase, sentence, paragraph or section of this Ordinance.

Section 9. **Codification.** The provisions of this Ordinance may become and be made a part of the Code of Ordinances of the City of North Miami, Florida. The sections of the Ordinance may be renumbered or re-lettered to accomplish such, and the word "ordinance" may be changed to "section," "article" or any other appropriate word.

Section 10. **Effective Date.** This Ordinance shall become effective upon adoption on second reading.

PASSED AND ADOPTED by a by _____ vote of the Mayor and City Council of the City of North Miami, Florida, on first reading this _____ day of _____, 2013.

PASSED AND ADOPTED by _____ vote of the Mayor and City Council of the City of North Miami, Florida, on second reading this _____ day of _____, 2013

_____
ANDRE D. PIERRE, ESQ.
MAYOR

ATTEST:

_____
MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

_____
REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Andre D. Pierre, Esq.	_____ (Yes)	_____ (No)
Vice Mayor Marie Erlande Steril	_____ (Yes)	_____ (No)
Councilperson Michael R. Blynn, Esq.	_____ (Yes)	_____ (No)
Councilperson Scott Galvin	_____ (Yes)	_____ (No)
Councilperson Jean R. Marcellus	_____ (Yes)	_____ (No)

Additions shown by underlining. Deletions shown by ~~overstriking~~.

MIAMI-DADE COUNTY
OFFICE OF THE PROPERTY APPRAISER

Honorable Pedro Garcia
Property Appraiser

December 19, 2012

Mr. Stephen Johnson
Manager
City of North Miami
776 NE 125th Street
North Miami, FL 33161

Dear Mr. Johnson:

RE: Florida Constitutional Amendment 11 – Provides for Additional Tax Exemption from County and Municipality taxes for Certain Qualified Seniors

On November 6, 2012, voters approved Amendment 11 of the Florida Constitution providing an additional homestead exemption for low income seniors that totally exempts a taxing authority's portion of taxable value. The eligibility requirements for this new additional senior exemption are the same as the current senior exemption. However, the qualifying senior must also have maintained their home as their permanent residence for at least 25 years and a market value less than $250,000.

The new exemption can only be applied to a County or Municipality taxing authority once an ordinance is adopted by a super majority of the members the governing body. Therefore, I would like to inform you that this new senior benefit afforded by Amendment 11 is available for your jurisdiction to adopt.

The Miami-Dade Board of County Commissioners is in the process of adopting such an ordinance that will apply to the upcoming 2013 tax roll. Section 196.075, Florida Statutes, requires a county or municipal governing authority deliver their adopted ordinance to the Property Appraiser no later than December 1, 2012, for the exemption to be applicable for the 2013 tax roll. However, we will accept your ordinance approving this new exemption, if adopted and submitted to our office no later than March 1, 2013.

Enclosed is Property Tax Oversight Bulletin 12-13 containing additional details about these changes and an estimated fiscal impact for your review. If you have any questions concerning this matter, you may call me at 305-375-4004.

Again, if you wish to extend this new benefit to your constituents on the 2013 tax roll, an adopted ordinance **MUST** be delivered to the Office of the Property Appraiser no later than March 1, 2013.

Sincerely,

Lázaro Solís

Lazaro Solis
Deputy Property Appraiser

References:
House Joint Resolution 169 – amendment language adopted by the 2012 Florida Legislature.
Chapter 2012-57, Laws of Florida (HB 357) – Implementing language passed by the 2012 Florida Legislature.
Section 196.075, Florida Statutes, Additional Homestead Exemption for Persons 65 and Older.

Property Tax Oversight	Bulletin: PTO 12-13

To: Property Appraisers; Tax Collectors
From: James McAdams
Date: November 7, 2012
Bulletin: PTO 12-13

FLORIDA DEPARTMENT OF REVENUE
PROPERTY TAX INFORMATIONAL BULLETIN

CONSTITUTIONAL AMENDMENT 11
2012 General Election

Additional Homestead Exemption for Persons 65 and Older; Low-Income Seniors Who Maintain Long-Term Residency on Property; Equal To Assessed Value

Amendment 11 was approved by voters in the November 6, 2012 general election. This amendment changes Section 6(d) of Article VII of the State Constitution. It revises the existing additional homestead exemption for seniors, and authorizes a new additional homestead exemption for them.

Changes To the Existing Additional Homestead Exemption for Qualifying Seniors

- The amount of the exemption that can be granted to a qualifying senior in the ordinance adopted by a county or municipality, as changed by Chapter 2012-57, L.O.F., is now a flat $50,000, instead of an amount up to $50,000;
- A county and/or municipality can adopt an ordinance granting either or both of these additional exemptions authorized by the constitution for qualifying seniors.

Provisions Regarding the New Additional Homestead Exemption for Qualifying Seniors

- The amount of this exemption is equal to the assessed value of the homestead, up to a just value of less than $250,000; and,
- The owner must have made the property his or her permanent residence for at least 25 years; and,
- This exemption can only be granted by a super majority of the members of the county or municipal governing body (majority plus one).

Provisions That Apply to Both Additional Exemptions for Qualifying Seniors

- Existing provisions about how the income limitation is calculated and applied;
- Existing requirements for how a county or municipality can adopt an ordinance granting either or both of these exemptions; and,
- That the 2012 changes to the constitutional and general law provisions regarding both these additional exemptions will first apply to the 2013 tax roll, and to all subsequent tax rolls.

The changes to this amendment are implemented by Chapter 2012-57, Laws of Florida (L.O.F.).

The full text of HJR 169 can be accessed at: http://laws.flrules.org/2012/r169.
The full text of Chapter 2012-57, L.O.F., can be accessed at: http://laws.flrules.org/2012/57.

This bulletin is provided by the Department of Revenue for your general information. If you want to discuss this issue, you may send your questions to DORPTO@dor.state.fl.us.

MIAMI-DADE COUNTY
OFFICE OF THE PROPERTY APPRAISER
Impact of Full Exemption to Senior Properties - Amendment 11
November 13, 2012

Taxing Authority	Current Qualified Senior	Current Seniors Affected	Current Exemption Amount	Impact Based on 2012 Preliminary Assessment Roll: Loss in Taxable Value	Operating Millage	Revenue Loss	Debt Millage	Revenue Loss	Total Revenue Loss
0100 Miami	3,946	2,090	$50,000	$63,925,521	7.5710	$483,980	0.9000	$57,533	$541,513
0101 DDA	2	0	$50,000	$0	0.4780	$0	0.0000	$0	$0
0200 Miami Beach	305	89	$50,000	$2,637,449	6.0909	$16,064	0.2568	$677	$16,742
0201 Normandy Shores	2	2	$50,000	$81,782	1.1444	$94	0.0000	$0	$94
0300 Coral Gables	49	42	$25,000	$2,579,434	5.6690	$14,623	0.0000	$0	$14,623
0400 Hialeah	3,678	2,101	$50,000	$54,628,936	6.3018	$344,261	0.0000	$0	$344,261
0500 Miami Springs	111	106	$25,000	$7,177,097	6.9950	$50,204	0.0000	$0	$50,204
0600 North Miami	205	32	$50,000	$567,851	8.1000	$4,600	0.0000	$0	$4,600
0700 North Miami Beach	186	102	$25,000	$2,122,127	6.6036	$14,014	1.0409	$2,209	$16,223
0800 Opa-locka	82	1	$50,000	$628	9.1000	$6	0.0000	$0	$6
0900 South Miami	59	33	$50,000	$1,039,348	4.3639	$4,536	0.0000	$0	$4,536
1000 Homestead	55	7	$50,000	$118,592	6.2435	$740	0.0000	$0	$740
1100 Miami Shores	28	28	$0	$1,366,588	8.0000	$10,933	0.7500	$1,025	$11,958
1200 Bal Harbour	6	4	$50,000	$197,121	2.2678	$447	0.0000	$0	$447
1300 Bay Harbor Islands	16	9	$25,000	$252,493	5.2971	$1,337	0.0000	$0	$1,337
1400 Surfside	2	2	$50,000	$54,398	5.3000	$288	0.0000	$0	$288
1500 West Miami	169	168	$25,000	$7,500,996	6.8858	$51,650	0.0000	$0	$51,650
1600 Florida City	40	37	$0	$697,880	7.7500	$5,409	0.0000	$0	$5,409
1700 Biscayne Park	10	10	$25,000	$371,491	9.5000	$3,529	0.0000	$0	$3,529
1800 El Portal	17	7	$50,000	$157,577	8.3000	$1,308	0.0000	$0	$1,308
1900 Golden Beach	0	0	$25,000	$0	6.9950	$0	1.5050	$0	$0
2000 Pinecrest	2	0	$50,000	$0	2.2000	$0	0.0000	$0	$0
2100 Indian Creek	0	0	$0	$0	7.9518	$0	0.0000	$0	$0
2200 Medley	7	7	$0	$129,873	5.5850	$725	0.0000	$0	$725
2300 North Bay Village	22	9	$50,000	$310,089	4.7772	$1,481	1.2355	$383	$1,864
2400 Key Biscayne	9	9	$50,000	$416,838	3.2000	$1,334	0.0000	$0	$1,334
2500 Sweetwater	167	109	$50,000	$3,987,443	2.9200	$11,643	0.0000	$0	$11,643
2600 Virginia Gardens	34	34	$0	$2,106,321	5.4233	$11,423	0.0000	$0	$11,423
2700 Hialeah Gardens	33	3	$25,000	$143,170	5.3812	$770	0.0000	$0	$770
2800 Aventura	122	73	$25,000	$2,188,511	1.7261	$3,778	0.0000	$0	$3,778
3100 Sunny Isles Beach	97	50	$50,000	$1,395,837	2.8000	$3,908	0.0000	$0	$3,908
3200 Miami Lakes	49	40	$50,000	$1,831,261	2.3518	$4,307	0.0000	$0	$4,307
3300 Palmetto Bay	37	26	$50,000	$1,145,635	2.4470	$2,803	0.0000	$0	$2,803
3400 Miami Gardens	1,059	449	$25,000	$7,101,073	6.3620	$45,177	0.0000	$0	$45,177
3500 Doral	11	7	$50,000	$147,350	2.2215	$327	0.0000	$0	$327
3600 Cutler Bay	157	83	$50,000	$1,620,006	2.5702	$4,164	0.0000	$0	$4,164

County Authorities	Current Qualified Senior	Current Seniors Affected	Current Exemption Amount	Impact Based on 2012 Preliminary Assessment Roll: Loss in Taxable Value	Operating Millage	Revenue Loss	Debt Millage	Revenue Loss	Total Revenue Loss
Countywide	18,211	8,979	$50,000	$272,864,995	4.7035	$1,283,421	0.2850	$77,767	$1,361,187
3000 Unincorporated	7,444	3,776	$50,000	$124,991,423	1.9283	$241,021	0.0000	$0	$241,021
Fire & Rescue	10,224	4,654	$50,000	$149,636,848	2.4496	$366,550	0.0131	$1,960	$368,511
Library	14,090	6,789	$50,000	$216,252,008	0.1725	$37,303	0.0000	$0	$37,303
				Total County Impact		**$1,928,295**		**$79,727**	**$2,008,022**

Note:

The following criteria were used: (1) the folio had a senior exemption in 2012, (2) the last qualified sale took place prior to 1987 and (3) the just value of the property is under $250,000.

The count under "Qualified Seniors" represents all folios based on criteria. The count under "Seniors Affected" represents those folios that will actually show a reduction in taxable value. The difference are folios that already have a zero taxable value before applying the additional exemption.

These estimates are considered a worst-case scenario based on the 2012 Preliminary Roll values and 2012 adopted millage rates.

RECEIVED
DEC 21 2012
CITY MANAGERS OFFICE