

Regular Workshop – December 10, 2013
Agenda Item 8

Agenda Item: Discussion Regarding Changes to Existing Homestead Exemption for Qualifying Seniors and Consideration of an Additional Exemption for Qualifying Low Income Seniors

Presenter: Town Manager and Finance Director

Summary: A recent change to Florida Statutes Section 196.075(2) provides an additional Senior Homestead Exemption as a “flat” amount of \$50,000. The current Town Code provides for a \$25,000 exemption which now conflicts with Florida Statutes. Local property tax officials advise that the Town must amend our local ordinance to provide for a \$50,000 senior homestead exemption for consistency with Florida Statutes if the Town Commission wishes to preserve our senior homestead exemption. An amendment that allows local governments to grant an additional homestead exemption to low-income seniors was approved in the November 6, 2012 election. Staff will seek Commission direction regarding whether to provide for this additional exemption in the Town Code.

Attachments: 12-04-12 Memo, Finance Director to Town Manager;
PowerPoint Presentation

Recommended

Action: Pending discussion, provide direction to Manager

M E M O R A N D U M

Date: December 04, 2012

TO: Dave Bullock, Town Manager
FROM: Tom Kelley, Finance Director
SUBJECT: Discussion Regarding Changes to Existing Homestead Exemption for Qualifying Seniors and Consideration of an Additional Exemption for Qualifying Low Income Seniors

There are two discussion items regarding low income senior homestead exemptions.

1. A recent change to Florida Statutes Section 196.075(2) provides an additional Senior Homestead Exemption as a "flat" amount of \$50,000. The current Town Code provides for a \$25,000 exemption which now conflicts with Florida Statutes. Local property tax officials advise that the Town must amend our local ordinance to provide for a \$50,000 senior homestead exemption for consistency with Florida Statutes if the Town Commission wishes to preserve our senior homestead exemption

2. Amendment 11 provides for an additional homestead exemption up to \$250,000 for qualifying low income seniors.

I have outlined the conditions and effects of both items in the attached power point presentation

If you have any questions please feel free to contact me.



Changes to the Existing Homestead Exemption for Qualifying Seniors

December 10, 2012



Current Town Code

Title 3 Chapter 37 Section 37.15

- Eligibility for the LBK Senior Low-Income Exemption:
 - Any person 65 years or over who has legal or equitable title to real estate located within the Town of Longboat Key
 - and maintains his/her permanent residence qualifies for and receives homestead exemption
 - and whose household income does not exceed \$20,000 shall be entitled to make application for an additional homestead exemption of \$25,000.



Changes to the Existing Low-Income Senior Exemption Under the Florida Statute

- The existing low-income senior exemption adopted by the Town is currently \$25,000 and has been superseded by the legislature.
- Therefore, the Town's existing exemption cannot remain as it is.



Town Commission Options for Addressing Its Existing Low-Income Senior Exemption are:

1. Adopt an ordinance to increase the low-income senior exemption (now under FL. Statute 196.075(2)(a) to \$50,000 or
 2. Adopt an ordinance repealing the existing low-income senior exemption for 2013.
- If the Commission takes no action, its existing low-income senior exemption will be superseded by State law and will be disallowed for the 2013 tax year resulting in no low-income senior exemption.
 - There was a problem with the State's translation of its intention to the written law. Instead of the new exemption being "up to" \$50,000 as intended, it was written as a flat \$50,000. This is currently under review by the State and if the Town intends to keep the exemption, it must be adopted as a flat \$50,000.



Additional Option of Adopting a New Exemption for Long-Term-Resident Low-Income Seniors from Amendment 11

- The new exemption exempts 100% of the assessed value of a senior's homestead property if:
 1. the property's just value is less than \$250,000 and
 2. the property has been the owner's permanent residence for at least 25 years.
 3. the household income, as defined by general law, does not exceed \$20,000.
- The Commission may elect one or both (\$50,000 and/or \$250,000) of the senior exemptions, but each option must be adopted by ordinance.
- This exemption can only be granted by a supermajority of the members of the Town Commission (majority plus one).



Timeframe for Adoption

- Due to the additional work these exemptions are placing on the county's property appraisers, the Town would need to have its desired changes made to the ordinance by the Regular Commission meeting on February 4th.



Potential LBK Revenues Effects of Increasing the Existing LBK Senior Low-Income Exemption

- It is very difficult to calculate with any certainty at this point what the exact effects of the exemption changes will have on LBK revenues. The table on the following slide represents very rough estimates based on information provided by the Manatee Property Appraiser and Sarasota Property Appraiser.



Potential LBK Revenues Effects of Increasing the Existing LBK Senior Low-Income Exemption

	Manatee County	Sarasota County
Current Number of Senior Exemptions	19	8
Longboat Key Ad Valorem Tax Amount per \$25,000 Exemption	\$47.18	\$47.18
Total Tax Exempted by \$25,000 Exemption	\$896.42	\$377.44
Total Tax Exempted by Allowing an Additional \$25,000 Exemption for a Total of \$50,000	\$1,792.84	\$754.88



Potential LBK Revenues Effects of Adopting Amendment 11 \$250,000 Exemption

- At this time the property appraisers have no way to tell what the effects of the \$250,000 Amendment 11 exemption will have if adopted on Longboat Key. Finance's estimate is that it would be minimal.



Next Steps

- After Town Commission consideration at the Workshop, the appropriate ordinance(s) will be prepared for the January Regular Meeting.
- If approved at the January Regular Meeting, the ordinance(s) will be moved to the February Regular Meeting for Second Reading.



End of Agenda Item