MEMORANDUM

Date: December 27, 2012

TO: Dave Bullock, Town Manager

FROM: Tom Kelley, Finance Director

SUBJECT: Ordinance 2013-06, Providing for Additional Homestead Exemption of $250,000 for Qualifying Low Income Seniors

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At the December 10, 2012 Regular Workshop Meeting the Finance Director presented information regarding the recently adopted Amendment 11. The Amendment allows local governments to grant an additional homestead exemption to qualifying low-income seniors and passed in the November 5, 2012 election.

The new exemption exempts 100% of the assessed value of a senior's homestead property if:

1. the property's just value is <u>less</u> than $250,000 and
2. the property has been the owner's permanent residence for at least 25 years and
3. the household income, as defined by general law, does not exceed $20,000.
4. The Commission may elect to approve this Ordinance (2013-06), for Amendment 11, separately from the other proposed senior exemption Ordinance (2013-02), provided that Ordinance 2013-02 is adopted first.
5. This exemption can only be granted by a <u>supermajority</u> of the members of the Town Commission (majority plus one).

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 there will be an immaterial effect on ad valorem revenues.

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

ORDINANCE 2013-06

AN ORDINANCE OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE CODE OF ORDINANCES OF THE TOWN OF LONGBOAT KEY, CHAPTER 37, FINANCES AND TAXATION, SECTION 37.15, ADDITIONAL HOMESTEAD EXEMPTION FOR PERSONS 65 AND OLDER, TO PROVIDE AN ADDITIONAL HOMESTEAD EXEMPTION FOR LOW-INCOME SENIORS WHO HAVE BEEN PERMANENT RESIDENTS FOR AT LEAST 25 YEARS AND HAVE HOMESTEADED PROPERTY WITH AN ASSESSED VALUE OF LESS THAN $250,000; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in 2012 an amendment to the Florida Constitution was passed by the state electorate approving a new homestead exemption for long-term resident low-income seniors; and

WHEREAS, the Town Commission must adopt the new homestead exemption in order for it to be available to residents; and

WHEREAS, the Town Commission of the Town of Longboat Key desires to amend Section 37.15 of the Town of Longboat Key Code of Ordinances to include the homestead exemption.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY, FLORIDA, THAT:

SECTION 1. The recitals stated above are hereby incorporated herein by reference.

SECTION 2. Chapter 37, FINANCE AND TAXATION, Section 37.15, Additional homestead exemption for persons 65 and older, is hereby amended to read as follows:

(A) In accordance with ~~Section~~ § 6(d~~f~~), Article VII, Florida Constitution, and F.S. § 196.075, any person 65 years or over who has legal or equitable title to real estate located within the Town of Longboat Key and maintains thereon his/her permanent residence which residence qualifies for and receives homestead exemption pursuant to § 6(a), Art. VII, Florida Constitution, and whose household income does not exceed $20,000.00 shall be entitled to make application for an additional homestead exemption of either:

(1) $50,000.00~~.~~; or

(2) the assessed value of the property if the just value is less than $250,000 and the permanent residence of the owner has been maintained thereon for at least 25 years.

(B) The~~is~~ additional homestead exemption, if granted, shall be applicable to all ad valorem tax millage rates levied by the town.

(C~~A~~) Definitions. For the purpose of this subsection, the following words and phrases shall have the meanings respectively ascribed to them as in F.S. § 196.075:

"Household." A person or group of persons living together in a room or group of rooms as a housing unit, but the term does not include persons boarding in or renting a portion of the dwelling.

"Household income." The adjusted gross income, as defined in Section 62 of the United States Internal Revenue Code, of all members of a household.

(D~~B~~) Requirements. Every person claiming an ~~the~~ additional homestead exemption pursuant to this section is subject to the following provisions:

(1) An application therefore must be filed with the county property appraiser not later than March 1 of each year for which such exemption is claimed. Such application shall include a sworn statement of household income for all members of the household and shall be filed on a form prescribed by the Florida Department of Revenue.

(2) On or before June 1 of each such year every applicant must file supporting documentation with the property appraiser. Said documentation shall include copies of all federal income tax returns for the prior year, wage and earning statements (W-2 forms), and any other documentation deemed necessary and required by the property appraiser, including documentation necessary to verify the income received by all members of the household for the prior year. The taxpayer's statement shall attest to the accuracy of such copies and documentation.

(3) Failure to file the application and sworn statement by March 1 or failure to file the required supporting documentation by June 1 of any given year shall constitute a waiver of the additional exemption privilege for that year.

(4) If title is held jointly with right of survivorship, the person residing on the property and otherwise qualifying may receive the entire amount of the additional homestead exemption.

(5) Receipt of an additional homestead exemption provided for in this section shall be subject to the provisions of F.S. §§ 196.131 and 196.161, pertaining to wrongful receipt of a homestead exemption.

SECTION 3. Copies of this Ordinance shall be immediately furnished to the Property Appraisers of Sarasota and Manatee Counties, Florida.

SECTION 4. If any section, subsection, sentence, clause or provision of this Ordinance is held invalid, the remainder of the Ordinance shall not be affected.

SECTION 5. All ordinances and parts of ordinances in conflict herewith shall be and the same are hereby repealed.

SECTION 6. This Ordinance shall take effect upon second reading in accordance with Law, and the Charter of the Town of Longboat Key.

PASSED on the first reading the _____ day of _____, 2013.

ADOPTED on the second reading and public hearing the ____ day of _____, 2013.

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James L. Brown, Mayor

ATTEST:

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Trish Granger, Town Clerk

End of Agenda Item