



# News for Broward Taxpayers

Winter - Spring 2010

Visit us online at [WWW.BCPA.NET](http://WWW.BCPA.NET) or call 954.357.6830

## Contaminated Chinese Drywall Problems

As has been extensively reported in the news, some homes constructed in Broward within the past few years contain contaminated Chinese drywall. This drywall -- over time -- emits sulfur odors and seemingly causes visible corrosion to copper pipes and air conditioner evaporator coils. However, until a homeowner contacts our office to notify us, we have no way of independently identifying which homes contain contaminated Chinese drywall. We understand these drywall problems seriously impact the value of homes. To ensure fair assessments for these damaged properties, we will reduce the building value by 50% -- subject to the owners providing us with sufficient documentation of the condition. To request this reduction for 2010, please contact our Residential Department Manager Bob Zbikowski at [rbzikowski@bcpa.net](mailto:rbzikowski@bcpa.net) or at 954.357.5880 to notify us if your home has documented Chinese drywall issues. Note: You do **NOT** need to notify us again of this condition for the 2010 assessment if you previously provided this documentation to our office last year.



## The Duties of the Property Appraiser

We know there is quite a bit of confusion about what our office does versus other governmental entities, based upon the emails and calls we receive daily. Hopefully, this 60-second guide will help point you in the right direction:

**WHAT WE DO:** By law, we monitor all recorded property sales and reassess all property in Broward County every year using mass-appraisal methods (regardless of whether there was a recent sale). We process all applications for property tax exemptions (homestead, disability, seniors, non-profit, etc.) and classifications (agricultural) and maintain the integrity of these valuable savings by investigating all allegations of fraud and abuse. We maintain the official "tax roll" -- which is a written, computerized inventory filed with the Florida Department of Revenue in Tallahassee identifying and valuing all real property and commercial personal property in Broward. We prepare and mail the TRIM Notices every August informing taxpayers of their proposed assessments and tax rates. We engage in extensive public outreach to keep people informed of changes in law impacting property owners. We defend our values in cases heard by the independent Value Adjustment Board and in circuit court.

**WHAT WE DON'T DO:** We don't set your tax rates (contact your City Commission, School Board, etc.). We don't send the tax bills nor do we collect the taxes (contact the County Revenue Collector). We don't record deeds, liens or mortgages (contact the County Recording Division). We don't conduct individual appraisals of specific properties (contact a private appraiser). We don't investigate forged deed signatures or mortgage fraud schemes (contact the police).

Dear Broward Neighbors,

We're constantly working to improve our office. If you have ideas to make our office even better, please drop me a note or email me at [lori@bcpa.net](mailto:lori@bcpa.net).

*Lori*  
Lori Parrish, CFA

Broward County Property Appraiser



Our Main Office: 115 South Andrews Avenue, Room 111, Fort Lauderdale, Florida 33301 - 954.357.6830

Our Branch Office: 1 North University Drive, Suite 111-A, Plantation, Florida 33324 - 954.370.3700

Website: [www.bcpa.net](http://www.bcpa.net) Facebook: [www.facebook.com/propertyappraiser](http://www.facebook.com/propertyappraiser) Twitter: [www.twitter.com/loriparrish](http://www.twitter.com/loriparrish)

Printed on recycled paper. This document is available in alternative formats upon request (large print, electronic, etc.) for persons with disabilities under Title II of the ADA.



# News for Broward Taxpayers

Winter - Spring 2010

>>> Guide to Additional Exemptions: See Inside <<<

## Understanding the Different Types of Ownership

We often hear from taxpayers -- all well-intentioned -- who lost or seriously compromised their valuable exemptions or Save Our Homes (SOH) protection when they attempted to make "do-it-yourself" changes to a deed. We always recommend you seek **professional advice from a qualified attorney** when making title changes. If you still decide to try making these changes on your own, the information below should help you better understand the key differences between the most common forms of home ownership. Keep in mind these are **VERY simplified explanations of some rather complicated legal issues**. There are many variations (and legal and tax consequences) of ownership types, but this list should give you a basic understanding of these important concepts:

**TENANTS IN COMMON (TIC):** Each of the owners owns a share of the property, which may be sold separately. Florida law presumes **equal** ownership interests, unless specific percentages are written in the recorded deed. Example: "To Bill Johnson and Mary Smith" would give Bill and Mary ownership of 50% each. **IMPORTANT:** Unless a different type of ownership (see below) is specified in the deed, Florida law **ALWAYS** defaults the co-ownership to TIC. Under TIC, if one of two owners files for homestead, only the percentage of ownership of the applicant will be covered by the homestead exemption and SOH cap. The remainder of the ownership percentage not covered by homestead will be assessed at the full just (market) value.



**TENANTS BY THE ENTIRETY (TBTE):** This applies only to a husband and wife, who should be identified in the deed as "husband and wife" or "a married couple." This TBTE status -- which is automatic when that language is stated -- gives each spouse overlapping 100% interests, full exemption coverage (when either one files), and rights of survivorship. This interest automatically converts to TIC status when a divorce is finalized (unless or until the property is transferred to one spouse pursuant to the divorce settlement or court order). Also, if co-owners marry after previously purchasing a property as single persons, please let us know about the marriage (i.e., copy of marriage certificate) so we can update our records. You may also want to consider recording a new deed to reflect the changed marital status and to secure TBTE rights.



**JOINT TENANTS WITH RIGHT OF SURVIVORSHIP (JTRS):** This gives two or more unmarried co-owners legal rights to property largely similar to those granted to TBTE owners. Example: "To Beth Wright and Jane Gonzalez, as joint tenants with right of survivorship." The JTRS co-owners would each own overlapping 100% interests -- and any one owner filing for homestead would qualify for 100% of the homestead and SOH coverage. When a JTRS co-owner dies, all remaining title interests are automatically divided between the living JTRS co-owner(s). We strongly urge all eligible JTRS owners living on the property to file for homestead.

**LIFE ESTATE (LE):** This is the present interest to use a property for life, but leaves the remainder interest (i.e., title ownership after the life estate holder dies) to one or more future owners. Example: "To Holly Wilson for life, and with the remainder to her sons Tim Wilson and Steve Wilson." Holly (the life estate holder) is the **only** person eligible for homestead during her lifetime. It is also possible to create joint life estates allowing more than one person to have full rights to use the property at the same time (example: an elderly couple retains joint life estates before leaving the remainder to their child). **IMPORTANT:** There are different ways to create life estates -- some allow for more flexibility and retention of future "take back" rights -- so discuss this with an attorney to learn more.

**REMAINDER:** This is the future interest that follows a life estate. Example: "To Ruth Brown for life, and with the remainder to Ted Goldman." Under Florida law, Ted does **not** have any present right to possess the property until Ruth dies. So long as Ruth (the life estate holder) is alive, Ted (the remainder interest) is not eligible to claim homestead on the property. This is true as a matter of Florida law even if Ted is living on the property with Ruth's permission during her lifetime.



## A Homestead Exemption and “Save Our Homes” Could Save You Hundreds Each Year in Property Taxes

**REAL TAX SAVINGS:** An eligible Broward County homeowner in 2009 with homestead and a property value of \$75,000 or higher saved anywhere from \$686 to \$1,015 (depending upon your city’s tax millage rate) in taxes. Additionally -- once the real estate market rebounds -- all homesteaded properties will benefit from the “Save Our Homes” (SOH) 3% taxable value assessment cap that automatically comes with the Homestead Exemption (starting in the year after you first obtain homestead). The SOH cap limits assessment increases during years of rising market values.

**THE BASICS:** All Florida permanent residents are potentially eligible under state law for a Homestead Exemption on their homes, condominiums, co-op units, and certain mobile home lots. Every person who has legal or equitable title to a residential property and who lives there permanently may be eligible for homestead. **To be eligible, you:**

- Must **permanently reside** on the property as of **January 1** of the year applied for;
- Must be a US citizen, permanent resident alien, or hold “PRUCOL” asylum/refugee status;
- Cannot have a homestead or other residency-based exemption or tax credit in **any** other county, state or country. Florida Statutes allow only one homestead per “family unit.” This means you are not legally entitled to claim the exemption in Broward if you or your married spouse is currently receiving a residency-based tax exemption or credit on property anywhere else in the world.
- Cannot rent out the home (unless you are active duty US military).



The property may also qualify for homestead if it is the permanent home of a person who is **legally dependent** on the owner, even if the owner is not eligible. A **Life Estate** holder is eligible for homestead if he/she meets the eligibility requirements. Likewise, if the real estate is held in a **Trust**, you will need to provide us with a notarized Certificate of Trust form (available on our website) showing you have the necessary ownership interest for homestead.

**FILING PROCESS:** You may file for homestead either online at [www.bcpa.net](http://www.bcpa.net), in person at our offices, or at any of our outreach events. To file, you must have the following documents showing you reside at the property:

- **Broward Voter’s Card** or recorded **Declaration of Domicile** (form available at our office or on our website).
- **Florida Driver’s License** (or -- for non-drivers only -- an official **Florida I.D. Card**). A “Valid In Florida Only” license does **NOT** qualify.
- **For Non-US Citizens: Permanent Resident Card**, proof of **asylum/refugee status**, or other documentation from Immigration showing your **intent to be a permanent resident** of the United States. *Note: Holders of work, student, investor and other temporary US visas are not eligible for homestead under state law.*

**FILING PERIOD:** The timely filing deadline for any 2010 exemption is March 1, 2010. The absolute deadline to LATE FILE for any 2010 exemption is **September 20, 2010** -- and state law does not allow late filing for exemptions after this date regardless of the reason for missing the deadline.

**HOMESTEADS DO NOT TRANSFER:** A Homestead Exemption does **NOT** move with an owner from place to place -- but you may move your valuable Save Our Homes savings under Florida’s **Portability** Amendment. When moving to a new home, you **MUST** file for a new Homestead Exemption and (if eligible) also file a separate portability application. You may file for homestead and obtain the portability application on our website. Under Florida law, an owner has less than two years to establish a new homestead or the portability savings will be lost. Contact us if you have questions about portability.

**RENEWALS:** Once your Homestead Exemption is established, it **automatically renews** each year unless there is a change of ownership or eligible use of the property. Florida law requires the property owner to inform our office of any change in residency, use, or status that would affect an exemption. Failing to report these changes -- or wrongfully obtaining an exemption -- may cause an owner to be assessed for up to ten years of back taxes, costly penalties, and 15% interest per year.



**REPORT HOMESTEAD FRAUD:** *If you believe you have reliable information about someone engaging in fraud relating to exemptions or special property classifications, please call our Fraud Investigation Section at 954.357.6900 or use our online reporting system on our website and we’ll check it out.*

## Additional Personal Exemptions for Eligible Seniors, Surviving Spouses, Disabled Veterans, Disabled Persons, and Others

Florida Statutes grant additional tax-saving exemptions to qualified homeowners. **IMPORTANT: A Homestead Exemption is required as a pre-condition for obtaining nearly all of the following additional exemptions.** Below is what you must do to claim these additional exemptions. Please call **954.357.6830** if you have any questions.

**Additional Senior Citizen Exemption:** Applicants must be 65 years of age or older as of January 1 of the year for which they are applying and the total household adjusted gross income must not exceed \$25,873 (based on the 2009 limit). This amount is adjusted annually for inflation and **this exemption must be renewed annually**. You must complete an initial application by March 1, 2010, and provide us with a copy of last year’s IRS tax return or proof of non-filing (and 2009 SSA 1099 Form) by June 1, 2010. Late filing ends on September 20, 2010. **The renewal process is simplified and involves signing and returning a postcard, which is mailed to eligible seniors in early February.** This additional exemption saves eligible seniors roughly \$300 (or more) per year in taxes, depending upon the tax millage rate in your city.



**\$500 Widow’s/Widower’s Exemption:** Provide our office with a copy of your spouse’s death certificate, newspaper obituary, or memorial card. You are not eligible if you remarry. It will save you about \$10 each year in taxes.

**\$500 Disability/Blindness Exemption:** Provide our office with one letter from a Florida physician stating you are “totally and permanently disabled” or with a certificate from the Florida Division of Blind Services or the US Department of Veterans Affairs certifying the applicant to be legally blind. Unlike the Full Exemption (*see below*), this disability/blindness exemption has no household income requirement. It will save you approximately \$10 each year in taxes.

**\$5,000 Veteran’s Disability Exemption:** Provide us with a copy of your Certificate of Disability from the US Government or the US Department of Veterans Affairs (or predecessor agency). The disability must be military service-related and have occurred during a period of wartime service or by misfortune. The service-related disability must be to a degree of at least 10% before January 1 of the year for which you are applying. The **surviving spouse** of a disabled former service member may also claim this exemption, providing the spouse has not remarried. This exemption also requires the applicant be Homesteaded somewhere within Florida. It will save you about \$100 each year in taxes. Significant additional savings are available if you are a **Combat-Disabled Veteran** who was a Florida resident at the time you entered the military, was awarded a Purple Heart medal for combat injury, and who was age 65 or older as of January 1. Contact us for more information if you meet these additional conditions.



**Full Exemption for Veteran’s Service-Connected Total and Permanent Disability:** Provide us with a certificate from the US Government or US Department of Veterans Affairs showing you are an honorably-discharged veteran with a service-connected total and permanent disability. Surviving spouses of qualifying veterans or of Florida-resident soldiers who died from service-connected causes while on active duty are also entitled to the full exemption (so long as the spouse has not remarried). This exemption will fully exempt you from paying all *ad valorem* property taxes each year.

**Full Exemption for Totally and Permanently Disabled Persons:** Provide our office with certificates from two licensed Florida physicians, or one certificate from the US Department of Veterans Affairs stating you are a: (1) quadriplegic OR (2) paraplegic, hemiplegic or other totally and permanently disabled person who must use a wheelchair for mobility or who is legally blind. For persons entitled to this exemption under the second (non-quadruplegic) category, the prior year’s gross income of all persons residing in the homestead must not exceed \$25,221 (based on the 2009 cap, adjusted annually for inflation). A statement of gross income must accompany the application. This exemption will fully exempt you from paying all *ad valorem* property taxes each year.

**“Granny Flat” Exemption:** Taxpayers who build additions or perform renovations to an existing homestead to provide living quarters for a parent or grandparent may be entitled to an exemption equal to the amount of the new construction (up to 20% of the homestead value). This exemption is complicated, so please call us or visit our website for details.