

WORKSHOP

Review of 2/3 Special Assessment Program
for Improvements to Street, Water, and Sewer
Systems to Reconsider the Nature of the
Lien for Assessments

1:30 p.m. to 3:00 p.m.
Tuesday, February 14, 2006

Leon County Board of County Commissioners
Chambers, 5th Floor, Leon County Courthouse

This document distributed: February 9, 2006

Board of County Commissioners
Workshop Item

Date of Meeting: February 14, 2006
Date Submitted: February 8, 2006
To: Honorable Chairman and Members of the Board
From: Parvez Alam, County Administrator 
Alan Rosenzweig, Director, Office of Management and Budget
Tony Park, P.E., Public Works Director
Herbert W. A. Thiele, Esq., County Attorney 
Subject: Review of 2/3 Special Assessment Program for Improvements to Street,
Water, and Sewer Systems to Reconsider the Nature of the Lien for
Assessments

Statement of Issue:

The purpose of this workshop is to review the nature of the lien for assessments in the 2/3 special assessment program for improvements to street, water, and sewer systems and to present for the Board's consideration a financial assistance program for property owners in danger of losing their homes in a tax deed sale resulting solely from nonpayment of the special assessment.

Background:

At its November 8, 2005 regular meeting, the Leon County Board of County Commissioners (the "Board") directed that a workshop or an agenda item be presented that would address the nature of the lien for assessments under the 2/3 special assessment program for improvements to street, water, and sewer systems governed by Chapter 16, Article II and Chapter 18, Article II, Division 2 of the Leon County Code (the 2/3 Program). The Board direction resulted from Commissioner Sauls' concerns arising from information she had received from the Clerk's office indicating that a property owner was in jeopardy of losing his residence in a tax deed sale due to nonpayment of a special assessment against his property for street improvements made under the 2/3 Program. Commissioner Sauls asked if the special assessment lien could simply run with the property and be collected when the house is sold.

Special Assessment as Tax Lien Against Homestead

The 2/3 Program originated on October 19, 1982 with the Board's adoption of Ordinance 82-45 for the improvement to streets and drainage systems. The ordinance was originally codified as Chapter 20, Article II in the Leon County Code (the "Code"). It was later changed to Chapter 16, Article II in the reorganization of the Code in 1992. On April 27, 1993, a companion ordinance was adopted which created Chapter 18, Article II, Division 2 for the installation of water or sewer systems using the same process as in the streets and drainage program.

The 2/3 Program has always been intended as a way to improve the condition and maintenance of private roads, water systems, and sewer systems by the transfer of ownership of the necessary lands to the County and the County's advancement of the costs for constructing the improvements. The County's costs are then recouped with the imposition of a special assessment against each of the properties specially benefitted by the project.

From the inception of the 2/3 Program in 1982, the special assessment has always been intended to be a tax lien upon the property collectible in the same manner as a lien for general county taxes. The ordinance language addressing the nature of the lien, which has remain unchanged since its inception, is included in Code Sections 16-32 and 18-53, as follows:

All assessments for any special improvements made under the provisions of this article shall constitute liens upon the property especially improved and assessed from the date of the filing in the public records of the county of the resolution adopted by the Board of County Commissioners imposing special improvement assessment liens, and *shall be of the same nature and to the same extent as liens for general county taxes and be collectible in the same manner with the same fees, interest and penalties for default in payment, and under the same provisions as to sale and forfeiture as apply to general county taxes.* Collection of such special improvement assessment liens with such interest and penalties and with a reasonable attorney's fee may also be made by foreclosure in a court of equity . . . (emphasis added).

Thus, the Board established the 2/3 Program with the authority to enforce the collection of delinquent special assessments liens by foreclosure against the assessed property. Additionally, because the lien is of the same nature and to the same extent as a tax lien, the foreclosure remedy is available even if the assessed property is the owner's homestead.

Notice to Owners of Consequences of Nonpayment

The procedure used by staff in the 2/3 Program includes information provided to the property owners at various stages of the process, forewarning them of the consequences of nonpayment of the special assessment. Upon presenting staff with a petition to initiate the 2/3 Program, one or more neighborhood meetings are conducted by staff. Those property owners in attendance at the meetings are generally advised of the various aspects of the 2/3 Program, including the fact that the special assessment will be a lien on the owner's property and be of the same nature and to the same extent as liens for general county taxes and be collectible in the same manner. However, neither the Ordinance nor the Uniform Method requires a written notice to each of the affected property owners until after the improvements have been constructed.

Upon completion of the improvements, the Ordinance requires that a special assessment roll be prepared and presented to the Board for adoption. Only at this stage does the Uniform Method require that a letter be mailed to each affected property owner (Attachment #1). The letter must be mailed no less than 20 days prior to the public hearing at which the Board will consider the

adoption and certification of the non-ad valorem assessment roll. The letter must include a statement that failure to pay the special assessment will cause a tax certificate to be issued against the property which may result in a loss of title. Under the current procedure used for the 2/3 Program, this notification letter is the only written notice to each of the affected property owners of the consequences of nonpayment of the special assessment.

Collection and Enforcement of Delinquent Special Assessments

Prior to 2000, the collection of special assessments for the 2/3 Program was administered by the Clerk's Finance Division. During that time, the Board never utilized the foreclosure authority in the Ordinance to enforce the collection of delinquent special assessments. Instead, the special assessment simply remained delinquent and continued to accrue interest until paid, which typically did not occur until the sale, probate, or other such transfer of ownership of the property. Although the County's sensitivity to such financial hardship kept many homestead properties out of foreclosure, it also resulted in a poor collection rate of delinquent special assessments, thereby jeopardizing the feasibility of advance funding for future projects in the 2/3 Program.

In a March 1999 Workshop, the Board considered a change in method of collection of special assessments. Based on staff recommendations, the Board directed staff to proceed with a revision to the 2/3 Program to include the adoption of the uniform method of levy, collection, and enforcements of non-ad valorem assessments as provided in Fla. Stat. §197.3632 (the "Uniform Method"). The change to the Uniform Method for collection of existing special assessments was initiated by Resolution of the Board on November 23, 1999. Upon the Board's subsequent adoption of the then-existing non-ad valorem assessment rolls on September 12, 2000, the Uniform Method was put into practice for the first time.

Under the Uniform Method, the Tax Collector handles the collection of the special assessment as a non-ad valorem assessment to be paid on the annual tax bill along with the property owner's regular ad valorem taxes. The nonpayment of the non-ad valorem assessment is subject to the issuance by the Tax Collector of tax certificates and tax deeds in the same manner as with regular ad valorem taxes, regardless of whether the property is a homestead.

Although the election to utilize the Uniform Method has significantly improved the collection rate of the County's special assessments, it also initiated the Tax Collector's nondiscretionary process of collecting delinquent special assessments with the issuance of tax certificates and, if necessary, the sale of properties by tax deed. Upon receiving the certified non-ad valorem assessment roll from the County, the Tax Collector is obligated by law to institute the statutory procedure for the sale of tax certificates and tax deeds in the event of nonpayment.

The use of the Uniform Method appears to have had the greatest impact on those homeowners whose homestead properties are valued at less than \$25,000. Prior to the use of the Uniform Method, such homeowners were not faced with paying any taxes because the homestead exemption reduced their taxable value to zero. With the implementation of the Uniform Method, those homeowners are now receiving tax bills requiring payment in the amount of the non-ad

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valorem assessment. In some instances, such homeowners have been unable to pay the tax bill, and tax certificates have been sold. In the situation described in the introductory paragraph above, the holder of the tax certificate has made application for a tax deed sale. Upon receiving the application, the Tax Collector had no choice but to proceed with the statutory process of notifying the Clerk that a public auction for a tax deed sale must be held as requested. Thus, the nonpayment of the special assessment put the homestead property in jeopardy. To the best of staff's knowledge, this is the only instance in the history of the 2/3 Program in which a delinquent special assessment has resulted in a request for a tax deed sale.

Analysis:

Staff has completed a review of all projects completed under the 2/3 Program. Those projects for which records could be obtained are included in the attached spreadsheet (Attachment #2). Two additional projects, not included in the spreadsheet, were completed in the early years of the 2/3 Program: the Sherbourne Road and Hickory Lane projects resulted in approximately 48 special assessments, all of which have been paid.

In order to analyze the potential of additional homestead properties being jeopardized by nonpayment of special assessments, staff's review was narrowed to properties which fit the following criteria: 1) homestead exempted, and 2) property values less than \$25,000. The properties meeting such criteria would generate a tax bill with a zero taxable value and, therefore, the owners of those properties would owe zero property taxes other than the non-ad valorem assessment from the 2/3 Program. Although these properties would also have annual assessments for solid waste and stormwater totaling \$60, those assessments have been excluded from this analysis due to their negligible impact. Any properties with a taxable value greater than zero were not included in this analysis, as those properties would have ad-valorem taxes due and owing in addition to the non-ad valorem assessment. Thus, the issuance of a tax certificate would not necessarily result solely from the 2/3 Program non-ad valorem assessment.

The results of the analysis are provided in the following table:

All Special Assessments --Total To Date	1,526
Special Assessments Remaining Unpaid	556
Special Assessments Remaining on Homestead Properties -- All Values	374
Special Assessments Remaining on Homestead Properties -- Value <\$25K	28
Tax Certificates Issued on Homestead Properties -- Value < \$25K	11
<i>Tax Certificates on Homestead Properties Remaining Unpaid -- Value <\$25K</i>	7

As depicted above, there have been a total of 1,526 properties imposed with the 2/3 Program special assessment since its inception in 1982. Of that total number, there are 556 properties with special assessments remaining to be paid, 374 of which are properties with the homestead exemption. Only 28 of those homestead properties are valued at less than \$25,000. Staff reviewed those 28 parcels to determine if tax certificates had ever been issued against them. It was discovered that only 11 of those homestead properties had ever had tax certificates issued

against them. Of those 11 homestead properties with tax certificates, only 7 of the tax certificates remain unpaid with the possibility of a tax deed sale being requested. The subdivisions in which those tax certificates were issued included only two: Country Oaks (2 issued, 1 paid) and Crown Ridge (9 issued, 3 paid).

Based on staff's analysis of homestead properties with tax bills due and owing solely from a 2/3 Program non-ad valorem assessment, the 2/3 Program itself does not appear to be putting a significant number of property owners at risk of losing their homes for nonpayment. Thus, the Board's use of the Uniform Method does not appear to be causing a significant problem with jeopardizing the continued ownership of an affected owner's homestead property.

Staff also researched the availability of any options available to offer assistance to a property owner in the event the financial hardship in paying a special assessment presents the risk of losing a homestead property.

Statutory Assistance Through the Tax Collector

Upon the Board's election to use the Uniform Method, the Tax Collector has no discretion in moving forward with the statutory collection process involving the issuance of tax certificates and the processing of applications for sale by tax deed. Thus, the Tax Collector has no discretion to stop the collection process due to an owner's financial hardship or any other such reason.

However, the Florida Statutes provide two ways for the Tax Collector to assist property owners with the payment of their taxes. Fla. Stat. §197.222 allows for the prepayment of estimated tax by installment method, while Fla. Stat. §197.252 provides for the deferral of a portion of taxes due on a homestead property. Both of these methods are explained in more detail in a free pamphlet made available to the public at each of the branch offices of the Tax Collector (Attachment #3).

Prepayment by Installment Method

Section 197.222, *Florida Statutes*, provides for a means by which a property owner may prepay estimated property taxes in four equal installments. The amount of estimated taxes to be paid is equal to the actual amount of taxes levied on the property in the prior year. An application for the installment method must be made no later than May 1 of the year in which the taxpayer elects to prepay taxes in installments. In other words, the taxpayer must make the decision to use the installment method at least six months before the tax bill is mailed. The four installments then must be paid no later than June 1, September 30, December 31, and March 31.

Homestead Property Tax Deferral Act

Section 197.252, *Florida Statutes*, provides that any person who is entitled to claim the homestead exemption may elect to defer payment of a portion of the combined total of the ad valorem taxes and any non-ad valorem assessments levied on that person's homestead by filing

an annual application for tax deferral with the Tax Collector on or before January 31 following the year in which the taxes and non-ad valorem assessments are assessed. Known as the Homestead Property Tax Deferral Act (the "Act"), the statute provides a means by which a property owner facing difficulty in paying a special assessment could make application with the Tax Collector to defer payment and avoid the public sale of a tax certificate against a homestead property. The amount deferred becomes payable upon any transfer of ownership of the property by sale, probate, or other such conveyance.

If the property owner qualifies for the relief provided under the Act, the amount of taxes allowed to be deferred is based on various criteria including, but not limited to, the applicant's annual income, the amount of mortgages encumbering the property, and the amount of prior tax deferrals still owing on the property. The Act requires the Tax Collector to notify the taxpayer of each property of the right to defer taxes by printing such notice on the back of the envelopes used to mail the tax bill. Upon inquiring about the Act, a taxpayer is required to complete an application in order to determine eligibility (Attachment#4).

Proposed Assistance Through Board of County Commissioners

Staff has analyzed the potential of any future adverse impact on homestead properties with the continued use of the Uniform Method for collection of the special assessments. Of the 556 special assessments with payments remaining, only 28 of those involve homestead properties valued at less than \$25,000, and only one of those has resulted in a request for a tax deed sale. Thus, the risk of potential loss of a homestead property resulting solely from the levy of a special assessment under the Uniform Method is relatively low. In addition, the use of the Uniform Method has significantly improved the collection rate on special assessments, which has resulted in the County more quickly recouping the funds advanced for the projects in the 2/3 Program. For these reasons, staff recommends that the Board continue to utilize the Uniform Method for the collection of special assessments in the 2/3 Program.

In those rare instances, however, when a property owner is at risk of losing a homestead property due solely to the levy and nonpayment of a special assessment, staff proposes that the Board adopt a program to provide financial assistance for those homestead property owners who meet specific criteria. The program proposed by staff would involve a loan to the qualifying property owner in an amount equal to the amount required to redeem the tax certificate and cancel the scheduled public auction for sale by of the homestead property by tax deed. The loan amount, together with accrued interest, would be secured with a lien on the homestead property payable upon transfer of ownership of the property by sale, probate, or other such conveyance.

The proposed assistance program would be intended as a means of last resort for a property owner to avoid the loss of a homestead property due solely to the levy and nonpayment of a 2/3 Program special assessment. In order for a property owner to qualify for such financial assistance, staff proposes that the following criteria be met:

1. The property must be the owner's homestead;
2. The taxable value of the property must be no greater than \$25,000;
3. The property owner must first exhaust all possibility of qualifying for relief under the Homestead Property Tax Deferral Act; and
4. The loss of title of the property must be imminent due to the notice of a request for public sale by tax deed.

Upon meeting these criteria and executing the appropriate documentation, a property owner would be advanced the amount of funds necessary to redeem the tax certificate and cancel the public auction for sale of the property by tax deed. Upon the Board's approval of this proposed program, staff will return to the Board as soon as possible for consideration of the adoption of the program policy.

Summary and Recommendations

Based on its research and analysis, staff has concluded that the risk of potential loss of a homestead property resulting solely from the levy of a special assessment under the Uniform Method is relatively low. In addition, the collection rate on special assessments in the 2/3 Program has been much more consistent and timely since the Board converted to the use of the Uniform Method. Thus, with the use of the Uniform Method, the County has more quickly recouped the funds advanced for the projects in the 2/3 Program. For these reasons, staff recommends that the Board continue to utilize the Uniform Method for the collection of special assessments in the 2/3 Program.

However, in order better protect against the potential loss of an owner's homestead property, staff is also recommending an enhanced notification and public information process. It is recommended that each of the property owners who will be potentially affected with a special assessment be provided written notice before the Board's consideration of adopting the initial petition requesting the special improvements. Such written notice would include a statement informing each of the potentially affected property owners that failure to pay the special assessment would cause a tax certificate to be issued against the property which may result in a loss of title. Under the current process, such written notice to each of the owners is not provided until after the completion of the project when the Board considers the adoption and certification of the non-ad valorem assessment roll. In addition, staff recommends that a similar statement regarding the potential loss of title be included in the written informational pamphlet provided to property owners, as well as in the petition itself.

Finally, in order to provide help in those rare instances when a property owner is at risk of losing a homestead property due solely to the levy and nonpayment of a special assessment, staff proposes that the Board adopt a program to provide financial assistance for those homestead property owners who meet specific criteria, as outlined above.

Options:

1. Continue to utilize the Uniform Method for the collection of special assessments in the 2/3 Program.
2. Provide enhanced notification to potentially affected property owners in advance of Board's adoption of initial petition, as set forth above or as otherwise directed in the Workshop.
3. Direct staff to return with a proposed policy creating a financial assistance program as set forth above or as otherwise directed in the Workshop.
4. Do not continue to utilize the Uniform Method for the collection of special assessments in the 2/3 Program.
5. Do not provide enhanced notification to potentially affected property owners in advance of Board's adoption of initial petition.
6. Do not direct staff to return with a proposed policy creating a financial assistance program.
3. Board Direction.

Recommendation:

Option #1, #2, and #3

Attachments:

1. Sample notification letter to affected property owners.
2. List of all projects completed under the 2/3 Program.
3. Tax Collector informational pamphlet.
4. Application for Homestead Property Tax Deferral Act.

HWAT: DJR/djr/jm

Leon County
Department of Public Works
Division of Engineering Services
2280 Miccosukee Road
Tallahassee, Florida 32308
(850) 606-1500

[date]

[Property Owner's Name]
[Address]

Re: **[Project], Special Assessment**
Parcel # _____

Dear Property Owner:

This letter is to advise you that the Leon County Board of County Commissioners has scheduled a public hearing for Tuesday, _____, 2006, beginning at 6:00 p.m., in the Commission Chambers on the 5th floor of the Leon County Courthouse, 301 South Monroe Street, Tallahassee, Florida, for the purposes of:

Receiving comments of all interested persons to the proposed assessments for the [Project] special improvements. The special assessment roll is located in the Board of County Commissioners office on the 5th floor of the Leon County Courthouse for your review prior to the _____ 2006 meeting ,and a copy is enclosed for your convenience; and

Receiving comments of all interested persons to the County's adopting the non-ad valorem assessment roll for the [Project] improvement project and to certify the roll to the Leon County Tax Collector. The unit of measurement applied against each parcel to determine the non-ad valorem assessments is "per lot," and the number of units contained within each parcel is one (1). The amount of the assessment to be levied against each parcel is \$ _____, and the total amount of revenue that will be collected by the assessment is \$ _____. The failure to pay the assessment will cause a tax certificate to be issued against the property described by the above referenced parcel number, which may result in a loss of title.

All affected property owners have a right to appear at the public hearing and to file written objections with the Leon County Board of County Commissioners within twenty (20) days of this notice.

If you have any questions regarding this letter, I may be reached at (850) 606-1500, or forward any written comments to me at the address listed above.

Sincerely,

James C. Pilcher
Chief of Survey and Right of Way Services

JCP/

Enclosure

	Subdivision Name	Tax Item Number	Resolution Date Imposing Special Assessment Lien	Number of Lots Assessed	Remaining Assessments	Percentage of Remaining Assessments	Years	Payoff Year
1	Ida Road	22-25-20	09/08/87	30	1	3%	8	2008
2	Ocleon Road	14-22-08	11/08/88	18	0	0%	8	1996
3	Country Oak Acres	22-25-05	02/21/89	101	15	15%	8	2008
4	Louvenia Court	31-16-20	05/23/89	7	0	0%	8	1997
5	Quail Valley	14-23-18	07/31/90	52	0	0%	8	1998
6	Hickory Court	33-16-52	06/25/91	25	0	0%	8	1999
7	Ortega Drive	21-14-10	02/11/92	27	1	3%	8	2008
8	Lakewood Business Center	21-06-51	09/22/92	68	2	3%	8	2008
9	Lakebreeze	21-03-10	09/29/92	99	0	0%	8	2000
10	Yorktown Pond	21-12-20	03/11/96	13	3	23%	12	2012
11	Groveland Hills Drive	11-25-10	04/30/96	49	12	24%	12	2008
12	Pine Lakes	41-13-15	06/18/96	170	65	38%	15	2015
13	Miccosukee Meadows	12-04-14	08/25/98	65	13	20%	12	2012
14	Landover Hills	12-19-12	09/28/99	76	34	45%	8	2008
15	Brandon Woods	21-11-03	10/12/99	85	45	53%	8	2008
16	Gateshead Circle	12-27-08	09/12/00	18	13	72%	10	2010
17	Arvah Branch	12-07-22	05/15/01	99	3	3%	15	2016
18	Crown Ridge Estates	41-23-06	05/15/01	186	156	84%	15	2016
19	Frontier Estates	32-06-26	06/24/03	119	85	71%	15	2018
20	The Glen at Golden Eagle	14-05-35	06/24/03	92	46	50%	8	2011
21	Winfield Forest	12-23-70	07/13/04	68	52	76%	15	2019
22	Beech Ridge Trail	14-03-50	06/28/05	11	10	91%	12	2017
			Totals	1478	556	38%		



Doris Maloy,
Leon County Tax Collector

This brochure provides an overview of the Installment Plan as a method for paying property taxes and describes the Tax Deferral alternative. If you have any questions, please visit any of our customer service centers, call (850) 488-4735 or access our web site at www.leontaxcollector.net.

INSTALLMENT PLAN

Taxpayers may choose to pay property taxes quarterly by participating in an installment payment plan. To be eligible for the program, the taxpayer's estimated taxes must be in excess of \$100.00. Those who qualify must submit an Installment Application to the Tax Collector's Office prior to May 1.

The plan requires that the first installment must be made no later than June 30 to receive a discount. Payments accepted after June 30, but before July 30, are not discounted, and will include a 5% penalty. Failure to make the first payment will automatically cancel the participant from the plan, and the taxpayer will be required to pay the taxes due in full by March 31.

Upon meeting the first installment deadline, the taxpayer is then obligated to participate in the program for the entire year. Discounts do not apply to delinquent payments and any amount remaining unpaid on April 1 is treated as a delinquent tax bill.

PAYMENT SCHEDULE FOR THE INSTALLMENT PLAN

- 1st installment due by June 30**
1/4 of the total of estimated taxes discounted 6%.
- 2nd installment due by September 30**
1/4 of the total estimated taxes discounted 4.5%.
- 3rd installment due by December 31**
1/4 of the total estimated taxes plus 1/2 of any adjustment made for actual tax liability, discounted 3%.
- 4th installment due by March 31**
1/4 of the total estimated taxes plus the remaining 1/2 of any adjustment for actual tax liability. No discount applies.

The first two installments are based upon the prior years tax bill. Any changes to ownership, value, or exemption(s), will be reflected in the final two bills.

Taxpayers participating in the installment payment plan are automatically re-enrolled each year and are not required to submit a new application.

DEFERRED TAXES

Tax deferral is designed to help taxpayers whose income is low relative to the amount of real estate tax due on their residence. With the deferral plan, taxpayers may defer all or part of their taxes, with interest accruing on the deferred amount until it is paid. The tax deferral becomes a lien on the property and is collected as other liens for taxes. Applications for the deferral plan are available at the Tax Collector's Office and must be submitted each year between November 1 and January 31.

Several conditions must be met in order to defer taxes.

- (a) Applicant must be entitled to claim homestead tax exemption.
- (b) Applicant must meet certain household income or age requirements.
 - (1) Must not have taxable income or prior year's income must be less than \$10,000. The entire tax amount and any non-ad valorem assessments may be deferred.
 - (2) May defer that portion of taxes and any non-ad valorem assessments that exceeds 5 percent of household income for the prior calendar year.
 - (3) Must be 65 years of age or older to defer that portion of taxes and any non-ad valorem assessments that exceeds 3 percent of household income for the prior calendar year.
 - (4) Must be 70 years of age or older with household income for the prior calendar year of less than \$12,000 to defer the entire amount of taxes and any non-ad valorem assessments.
- (c) Applicant's home mortgage cannot exceed 70 percent of the assessed value of the homestead property.
- (d) All liens and deferred taxes may not exceed 85% of the home's assessed value.
- (e) The homestead must have fire and extended insurance coverage and the insurance policy must have a payable clause to the Tax Collector.

Deferred taxes and interest become payable under certain conditions. These include a change in the use of tax-deferred property, a change in ownership of the property and failure to maintain the required fire and extended insurance coverage.

[Redacted Box]

Application For
Homestead Tax Deferral

Property Identification No.

I hereby make application to defer payment of a portion or all of the combined total of ad valorem taxes and any non-ad valorem assessments which would be covered by a tax certificate sold under Chapter 197, Florida Statutes for 19____.

In connection with this application, I hereby agree to submit copies of my federal income tax returns for the prior year or other documents, as may be required, for each member of the household, not including persons boarding or renting a portion of the above upon which application is made.

Applicant _____

Date Of Birth _____

Property Address _____

Mailing Address _____

Property Description _____

Phone Numbers _____

Current value of primary mortgage outstanding on the home \$ _____

And other outstanding liens on the homestead \$ _____ \$ _____ \$ _____

Annual gross income for all household members based on Federal Income Tax Return \$ _____

Annual gross income for all household members if no Federal Income Tax Return filed \$ _____

Other Income _____

Number Of Household Members _____

I understand that I shall furnish proof of fire and extended coverage insurance in the amounts which is in excess of the sum of all outstanding liens, deferred taxes, non-ad valorem assessments and interest with a loss payable clause to the county tax collector.

I, the undersigned, hereby swear that the information on this application is true and correct.

FOR TAX COLLECTOR'S USE ONLY

PART ONE

Do not complete part one if entire amount is deferred.

- 1) Total Taxes Due Before Discount \$ _____
- 2) Less _____ Annual Gross Income \$ _____
3 or 5%
- 3) Total Deferred Taxes (1 - 2) \$ _____
- 4) Total Undeferred Taxes (1 - 3) \$ _____
- 5) Less Applicable Discount \$ _____
- 6) Total Due and Payable (4 - 5) \$ _____

PART TWO

- 1) Total Deferred Taxes \$ _____
- 2) Interest - prior Year(s) \$ _____
- 3) All Other Unsatisfied Liens Including Primary Mortgage Outstanding \$ _____
- 4) Total(1+ 2+3) \$ _____
- 5) Assessed Value \$ _____
- 6) %(4 divided by 5) _____ % (Cannot exceed 85%)
- 7) Total Primary Mortgage Outstanding \$ _____
- 8) %(7 divided by 5) _____ % (Cannot exceed 70%)

APPLICATION APPROVED DISAPPROVED

Signature _____ Date _____

By _____

STATE OF FLORIDA
County of _____

The following instrument was sworn to and subscribed before me this date _____

by _____ (DATE) who is personally

known to me or who has produced _____ as identification. (TYPE OF ID)

Applicant Signature _____ Date _____

WHITE COPY: TAX COLLECTOR

Notary Public Signature and Seal

YELLOW COPY: TO APPLICANT

Notice: * Application must be submitted by January 31st!!

**This application is classified confidential if Federal Income Tax Returns are attached.

Qualifications for Homestead tax deferral and amount of taxes and non-ad valorem assessments that may be deferred:

- a. Must be entitled to claim homestead tax exemption.
- b. Amount - - Based upon household prior year income and/or age
 - (1) No taxable income or if prior year income was less than \$10,000. The entire tax amount and any non-ad valorem assessments may be deferred.
 - (2) Anyone may defer that portion of taxes and any non-ad valorem assessments which exceeds 5 percent of their household's income for the prior calendar year.
 - (3) Anyone 65 years of age or older may defer that portion of taxes and any non-ad valorem assessments which , exceeds 3 percent of their household's income for the prior calendar year.
 - (4) Anyone 70 years of age or older with household income for the prior calendar year less than \$12,000 may defer the entire amount of taxes and any non-ad valorem assessments.
 - (5) The amount of primary mortgage financing on the Homestead cannot exceed 70% of the assessed value of the Homestead.

Conditions under which the deferred taxes and interest become due, payable and delinquent:

1) If there is a change in the use of tax-deferred property such that the owner is no longer entitled to claim homestead exemption for such property or such person fails to maintain the required fire and extended insurance coverage, the total amount of deferred taxes, non-ad valorem assessments and interest for all previous years shall be due and payable November 1 of the year in which the change in use occurs or on the date failure to maintain insurance occurs and shall be delinquent on April 1 of the year following the year in which the change in use or failure to maintain insurance occurs.

2) In the event there is a change in ownership of tax-deferred property, the total amount or deferred taxes, non-ad valorem assessments and interest for all previous years shall be due and payable on the date the change in ownership takes place and shall be delinquent on April 1 of following said date.

3) During any year in which the total amount of deferred taxes, non-ad valorem assessments and interest which exceeds 85% of the assessed value of the homestead shall be due and payable within 30 days of receipt of notice from the tax collector. Failure to pay the amount due shall cause the total amount of deferred taxes and interest to become delinquent.

4) Each year, upon notification each owner of property on which taxes, non-ad valorem assessments and interest have been deferred shall submit to the tax collector a list of and the current value of all outstanding liens on the homestead. Failure to respond to this notice within 30 days shall cause the total amount of deferred taxes, non-ad valorem assessments and interest to become payable within 30 days.

Notice: Pursuant to Section 197.262 F.S., the taxes, non-ad valorem assessments and interest deferred shall constitute a prior lien on the homestead and shall attach as of the date and in the same manner be collected as other liens for taxes.

The interest rate may not exceed nine and one half percent.