

## **DOR releases 2012 'Save Our Homes' Change**

Bradford County Property Appraiser Jimmy Alvarez has announced that the Annual Assessment Change applicable to Save Our Homes properties has been officially released by the Florida Department of Revenue. This is the rate that determines the annual increase in assessed value of homestead properties that are capped under Save Our Homes when their assessed value is less than their market value. For 2012 the rate is 3%. This is commonly referred to as "recapture".

"This is the most confusing part of our current property tax system", Alvarez said. "People don't understand how their assessed value can increase, when the market value of their property has decreased. The answer lies in this annual certification from DOR, which requires each county property appraiser in the state to increase the assessed value of homestead properties that have an assessed value that is less than market value. So, their market value goes down but their assessed value goes up. Try explaining that to someone. It doesn't even make sense to me, but that's what the law requires."

This anomaly only occurs when market values decline, and is an unintended consequence of the Save Our Homes constitutional amendment. Alvarez said that based on early market analysis by the appraiser's office, there will again be a reduction in market values for the 2012 tax roll, since values continued to decline during 2011.

The January 19<sup>th</sup> DOR memorandum states, in part, "The December to December 12 month CPI percent change reported in January 2012 increased 3.0%. Therefore, 3.0% shall be used as the homestead valuation limitation for the 2012 tax roll". For 2011, the rate was 1.5%.

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Executive Director  
Lisa Vickers

January 19, 2012

**MEMORANDUM**

**TO:** All Property Appraisers

**FROM:** James McAdams, Director  
Property Tax Oversight

**SUBJECT:** Save Our Homes 2012 Annual Assessment Change

As provided in section 193.155(1), Florida Statutes, beginning in 1995, or the year after the property receives a homestead exemption, annual reassessments shall not exceed the lower of the following:

- (a) Three percent of the assessed value of the property for the prior year: or
- (b) The percentage change in the Consumer Price Index (CPI) for all urban consumers, U.S. city average, all items 1967 = 100 or successor reports\* for the preceding calendar year as initially reported by the U.S. Department of Labor, Bureau of Labor Statistics.

\*The current successor report is the 1982-84=100 series.

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If you have any questions, please contact Seong Hong, Economic Analyst, at (850) 617-8858 or [Hongs@dor.state.fl.us](mailto:Hongs@dor.state.fl.us).