

To: Property Appraisers, Tax Collectors, Value Adjustment Board Members, Special Magistrates, Board Attorneys, and Interested Parties
From: James McAdams, Director, Property Tax Oversight
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**FLORIDA DEPARTMENT OF REVENUE
PROPERTY TAX INFORMATIONAL BULLETIN**

Assessment of Properties Affected by Imported or Domestic Drywall

Recent reports indicate that certain Florida properties are affected by drywall containing elevated levels of sulfur, which leads to corrosion of certain metals within the structure. The corrosion can affect heating and cooling systems, appliances, as well as electrical wiring.

To the extent that contaminated drywall affects the market value of any property, whether residential or commercial, property appraisers should reduce just value accordingly. If the property owner was unaware of the problem at the time of purchase, it is reasonable to consider the property damaged by misfortune or calamity for the purpose of applying the Save Our Homes assessment increase limitation under s. 193.155, F.S., or the 10% assessment increase limitation under ss. 193.1554 and 193.1555, F.S.

Property owners should be encouraged to contact the property appraiser's office if they feel their property value has been affected by contaminated drywall. Owners also have the right to appeal the property appraiser's determination of value to the Value Adjustment Board.

As an added tool for property appraisers, House Bill 965 (Chapter 2010-170, L.O.F.), provides special assessment criteria for single family residential properties affected by imported or domestic drywall containing elevated levels of elemental sulfur. If the property cannot be used for its intended purpose without remediation or repair, the value of the buildings affected by the contaminated drywall shall be deemed to have a just value of \$0. Based on expressions of legislative intent, the term single family residential property refers solely to single family detached dwellings.

The bill's provisions do not apply if the property owner was aware of the presence of the contaminated drywall at the time of purchase. If the affected property is homestead property, it shall be considered damaged by misfortune or calamity under s. 193.155(4)(b), F.S., except that the 3-year deadline for commencing improvements does not apply. Homestead property shall not be considered abandoned when the property is vacated for the purpose of remediation and repair, provided the homeowner does not establish a new homestead.

Upon the substantial completion of remediation and repairs, the property shall be reassessed at just value. The bill's provisions are repealed July 1, 2017, unless reviewed and reenacted by the Legislature on or before that date.

Please note that while this bill specifically addresses single family detached dwellings impacted by contaminated drywall, it does not preclude taking the presence of this drywall into account in determining just value of other types of property.

If you have questions regarding this matter, you may e-mail DORPTO@dor.state.fl.us.