

To: Property Appraisers
From: James McAdams
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Bulletin: PTO 10-12

**FLORIDA DEPARTMENT OF REVENUE
PROPERTY TAX INFORMATIONAL BULLETIN**

**Change of Ownership
Assessment of Nonhomestead Residential Property
Assessment of Certain Residential and Nonresidential Real Property**

The 2010 Legislature enacted Chapter 2010-109, Laws of Florida, (CS/HB 927) effective July 1, 2010. Section 2 and 3 amends Sections 193.1554 and 193.1555, Florida Statutes, to provide that it is not considered a change in ownership of nonhomestead residential property or certain residential and nonresidential property when the cumulative transfer of more than 50% of the ownership of the entity that owns the property occurs through the buying and selling of shares involving a publicly traded company. This does not apply to a transfer made through a merger with or an acquisition by another company, including an acquisition by acquiring outstanding shares of the company.

Section 2. Subsection (5) of section 193.1554, Florida Statutes, is amended to read (words stricken are deletions; words underlined are additions):

193.1554 Assessment of nonhomestead residential property.—

(5) Except as provided in this subsection, property assessed under this section shall be assessed at just value as of January 1 of the year following a change of ownership or control. Thereafter, the annual changes in the assessed value of the property are subject to the limitations in subsections (3) and (4). For purpose of this section, a change of ownership or control means any sale, foreclosure, transfer of legal title or beneficial title in equity to any person, or the cumulative transfer of control or of more than 50 percent of the ownership of the legal entity that owned the property when it was most recently assessed at just value, except as provided in this subsection. There is no change of ownership if:

- (a) The transfer of title is to correct an error.;**
- (b) The transfer is between legal and equitable title;~~;~~~~or~~**
- (c) The transfer is between husband and wife, including a transfer to a surviving spouse or a transfer due to a dissolution of marriage.**
- (d) For a publicly traded company, the cumulative transfer of more than 50 percent of the ownership of the entity that owns the property occurs through the buying and selling of shares of the company on a public exchange. This exception does not apply to a transfer**

made through a merger with or an acquisition by another company, including an acquisition by acquiring outstanding shares of the company.

Section 3. Subsection (5) of section 193.1555, Florida Statutes, is amended to read (words stricken are deletions; words underlined are additions):

193.1555 Assessment of certain residential and nonresidential real property.—

(5) Except as provided in this subsection, property assessed under this section shall be assessed at just value as of January 1 of the year following a qualifying improvement or change of ownership or control. Thereafter, the annual changes in the assessed value of the property are subject to the limitations in subsections (3) and (4). For purpose of this section:

(a) A qualifying improvement means any substantially completed improvement that increases the just value of the property by at least 25 percent.

(b) A change of ownership or control means any sale, foreclosure, transfer of legal title or beneficial title in equity to any person, or the cumulative transfer of control or of more than 50 percent of the ownership of the legal entity that owned the property when it was most recently assessed at just value, except as provided in this subsection. There is no change of ownership if:

- 1. The transfer of title is to correct an error;~~;~~ or**
- 2. The transfer is between legal and equitable title.**

3. For a publicly traded company, the cumulative transfer of more than 50 percent of the ownership of the entity that owns the property occurs through the buying and selling of shares of the company on a public exchange. This exception does not apply to a transfer made through a merger with or acquisition by another company, including acquisition by acquiring outstanding shares of the company.

The full text of the change can be accessed at: http://laws.flrules.org/files/Ch_2010-109.pdf.

The Department of Revenue provides this bulletin for your general information. If you have questions regarding this matter, you may e-mail DORPTO@dor.state.fl.us.