

# **Save Our Homes --- Amendment 10 The Florida Homestead Exemption**

## **Frequently Asked Questions**

### **WHAT is the Save Our Homes amendment?**

The Save Our Homes Amendment of the State's Constitution was approved by Florida voters in 1992 and put into effect in 1995. Section 193.155(1) of the Florida Statutes was enacted to implement this amendment to the state constitution to limit annual increases in property value assessments on real property qualifying for and receiving **Homestead Exemption**.

### **HOW does the amendment limitation apply?**

This amendment places a limitation of 3% on any annual assessment increases on Homestead Properties in Florida.

### **HOW is my property affected?**

Property granted Homestead shall be assessed at full market value (Just Value) as of January 1 of the year in which the property receives the exemption. In subsequent years, the assessed value of homestead exempt property will not increase more than 3% or the percentage change in the Consumer Price Index, whichever is less with the exception of changes, additions or improvements. The Department of Revenue set 3% as the Amendment 10 cap based on the 2001 CPI.

### **WHAT about any changes, additions or improvements to the homestead property?**

The exceptions to that limitation are new construction or additions which are found to have escaped taxation in the past.

### **WHAT properties are not subject to the limitation?**

Residences without homestead, non-residential property, vacant land, tangible personal property, commercial property, and agricultural property, are not eligible for the amendment limitation.

### **WHY would my assessment increase when my market value stayed the same?**

This is probably due to the "recapture" rule. In 1995, the Department of Revenue adopted a rule approved by the Governor and Cabinet directing property appraisers to raise the assessed value of a qualifying homestead property by the maximum of 3% or the Consumer Price Index, whichever is less, on all properties assessed at less than full market value. New construction or additions shall be assessed at full market value as of the first January 1 after the changes are substantially completed. In these circumstances, it is possible that the assessed value may exceed the amendment limitations. However; after the first year that the changes are assessed at full market value, they also are subject to the amendment limitations.

### **WHAT happens if a property is sold or conveyed to a new owner?**

The limitation does not apply the year following a change of ownership. The year following the granting of homestead exemption the property is subject to the limitation. Once the property has been conveyed to the new owner, it is raised to full market value January 1 of the following year. The new owner must apply for and receive homestead exemption. Even if the property received a homestead exemption under the previous owner, the limitation, just like the exemption, expires January 1 of the year following a change of ownership.