



Gregory S. Brown, CFA
Santa Rosa County Property Appraiser



To: Hon. Durell Peaden, Chairman, Northwest Florida Legislative Delegation
From: Gregory S. Brown, Santa Rosa County Property Appraiser
Date: December 12, 2006
Re: Homesteads damaged or destroyed in tropical storms

In the Florida statutes 193.155 and 193.1551, we have two statutes referring to properties retaining their homestead exemption after a tropical storm in rebuilding their homes. There exists a difference in language between the two statutes for those who lost their homes in 2004 and all storms after 2004.

193.1551 Assessment of certain homestead property damaged in 2004 named storms.

...The provisions of this section are limited to homestead properties in which repairs are **completed** by January 1, 2008, and apply retroactively to January 1, 2005.

193.155 Homestead assessments.—

(4)(b)...This paragraph applies to changes, additions, or improvements **commenced** within 3 years after the January 1 following the damage or destruction of the homestead.

An additional problem now exists that was unforeseen with Hurricane Ivan. This problem is the time it takes some homeowners to settle their insurance claims with the insurance companies. Insurance companies were overwhelmed with the number of claims and now are at odds with many homeowners over their claims. Homeowners are suing the insurance companies and the legal process takes them through mediation. Some of the mediations will not even be conducted until 2007 and court actions will occur after this process. In these cases people will lose their homestead and their 3% capping of the SOH amendment. A possible solution is to require rebuilding to be commenced within 3 years after the January 1 following the damage or destruction or within 2 years after the January 1 following the settlement of their insurance claim. I believe it's a problem that needs to be addressed by the legislature. Since it is our citizens who suffered through Hurricanes Ivan and Dennis, I would hope you would spearhead the effort to assist our citizens through this difficult time.

MAIN OFFICE
6495 Caroline Street, Suite K
Milton, Florida 32570

(850) 983-1880

P.O. Box 606
Milton, Florida 32572

Fax: 850-623-1284

SOUTH SERVICE CENTER
5841 Gulf Breeze Pky Ste A
Gulf Breeze, Florida 32563

(850) 934-8175

The entire reading of both portions of the statutes follows:

193.155 Homestead assessments.

(4)(b) Changes, additions, or improvements that replace all or a portion of homestead property damaged or destroyed by misfortune or calamity shall not increase the homestead property's assessed value when the square footage of the homestead property as changed or improved does not exceed 110 percent of the square footage of the homestead property before the damage or destruction. Additionally, the homestead property's assessed value shall not increase if the total square footage of the homestead property as changed or improved does not exceed 1,500 square feet. Changes, additions, or improvements that do not cause the total to exceed 110 percent of the total square footage of the homestead property before the damage or destruction or that do not cause the total to exceed 1,500 total square feet shall be reassessed as provided under subsection (1). The homestead property's assessed value shall be increased by the just value of that portion of the changed or improved homestead property which is in excess of 110 percent of the square footage of the homestead property before the damage or destruction or of that portion exceeding 1,500 square feet. Homestead property damaged or destroyed by misfortune or calamity which, after being changed or improved, has a square footage of less than 100 percent of the homestead property's total square footage before the damage or destruction shall be assessed pursuant to subsection (5). This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the homestead.

193.1551 Assessment of certain homestead property damaged in 2004 named storms.-- Notwithstanding the provisions of s. [193.155](#)(4), the assessment at just value for changes, additions, or improvements to homestead property rendered uninhabitable in one or more of the named storms of 2004 shall be limited to the square footage exceeding 110 percent of the homestead property's total square footage. Additionally, homes having square footage of 1,350 square feet or less which were rendered uninhabitable may rebuild up to 1,500 total square feet and the increase in square footage shall not be considered as a change, an addition, or an improvement that is subject to assessment at just value. The provisions of this section are limited to homestead properties in which repairs are completed by January 1, 2008, and apply retroactively to January 1, 2005.