

## **Reasons for Department of Revenue Proposed Portability Administrative Process**

The Department's proposed administrative process for transfer of Save Our Homes assessment differences as contained in SB 4D (see <http://dor.myflorida.com/dor/property/proportality.pdf>) relies on a single application by the owner or owners of a new homestead. Details of the previous homestead are supplied by the applicant. If the county of the previous homestead is different than the county of the new homestead, the application is sent to the property appraiser in the previous county. A certificate containing relevant transfer information is completed by that property appraiser and returned directly to the property appraiser where the new homestead is located.

In developing this proposal, the Department considered other options proposed by various interested parties. These included a process based on a certificate of transfer supplied directly to the applicant by the previous property appraiser and a centralized database from which all relevant information would be available.

In assessing the other options available, there were four main considerations:

**Ease of application for taxpayer:** Many taxpayers applying for the transfer of an assessment difference will not be located in the county of their previous homestead and may be applying close to or on the due date for the application. Requiring a certificate issued to the applicant from the previous property appraiser may be difficult given the physical distances for some taxpayers and may be impossible for applicants filing on or near the due date.

**Accuracy of information:** Requiring that the information regarding the transferred assessment difference be transmitted directly from the previous property appraiser to the new property appraiser without going through a third party should improve the reliability of the information.

**Workload issues:** A system requiring a property appraiser to complete a transfer certificate at the request of a taxpayer might lead to additional workload if all taxpayers do not use their certificate to apply for a transfer. For example, a taxpayer, having received his transfer certificate, could decide to move out of state or to rent a home. Requiring the previous property appraiser to provide information only after the taxpayer has actually applied for a transfer should limit workload.

**Elimination of Confusion:** The final transfer amount is dependent on the just value of the new homestead. The amount will be calculated by the property appraiser in the new county only after the just value of the new home is determined for the coming year. A process where relevant information is exchanged directly between the property appraisers' offices would eliminate any possibility of confusion concerning the amount of the assessment difference to be transferred.

Based on the above considerations, the Department's proposal is for an administrative process in which information on the previous homestead is provided only after an application for transfer has been made and in which the information flows directly to the office of the new property appraiser. This should allow more accurate and timely data to be used in the process and result in less confusion and easier application for the taxpayer.