2009 Complete Submission and Roll Evaluation Standards

Florida Department of Revenue

March 31, 2009

Table of Contents

Section **Page**

Table of Contents **2**
Introduction **4**
1.0 Complete Submission Standards for 2009 Preliminary Assessment Rolls. **4**
1.1 Uniform Standards and Minimum Requirements. 4
1.2 Items and Documentation to be Submitted. 4
1.3 Map Data File. 5
1.4 Hardship Status of New Data Requirements. 5
1.5 Technical Tests. 5
1.6 Sale Data File Naming Convention. 5
1.7 Data Field Analysis. 6
1.7.1 2009 Preliminary Roll Data Edits. 6
1.7.2 Completely Blank Data Fields. 7
1.7.3 Social Security Numbers. 7
1.7.4 Taxing Authority Code. 7
1.7.5 Allowance for the 1st and 8th Factors. 7
1.7.6 Residential Condominium Use Code 004. 8
1.7.7 Residential Use Codes 001 and 002. 8
1.7.8 Special Assessment Code Field. 8
1.7.9 Portability Fields. 8
1.7.10 Split/Combine Field. 9
1.7.11 Removal of SOH Cap. 9
1.7.12 Assessed Value and Just Value. 9
1.7.13 Homestead Assessment Increase Limitation. 9
1.7.14 The 10 Percent Assessment Increase Limitation 10
1.7.15 Exemption codes. 10
1.7.16 Centrally Assessed Property. 10
2.0 Assessment Roll Evaluation Standards for 2009 Preliminary Assessment Rolls. **11**
2.1 Qualified Sales Submitted on the Preliminary Assessment Roll. 11
2.2 Sale Qualification Study. 11
2.3 Level of Assessment. 11
2.4 Fourth Quarter Sales Analysis. 12
2.5 Coefficient of Dispersion (COD) and Price-related Differential (PRD). 12
2.6 Tests of Representativeness. 13
2.7 Horizontal Equity. 13
2.8 Adjustment of Sales for Changes in Market Conditions. 13
2.9 Procedural Review. 13
3.0 Documentation of Value Changes. **13**
3.1 In-depth Study Exchange of Information. 13
3.2 Population Form Letter. 14
3.3 Web-based Changes. 14
3.4 Subsequent Analysis. 15
4.0 Sale Issues. **15**
4.1 Sale Submission Cycle Due Date. 15
4.2 Sale Submission Files. 15
4.3 Requirement for Sale Data to be Current. 15

4.4 Sale Price. 15
4.5 Sale Property Change Code..... 15
4.6 Sale Validation..... 16
4.7 2009 Sales Listed on the 2009 Preliminary Assessment Roll. 16
4.8 New Sales Qualification Codes. 16
4.9 Request for a Sales Submission from Non-indepth Counties. 16
4.10 Real Property Transfers Related to Actual or Potential Foreclosures. 16
5.0 Other Issues. 17
5.1 Request for Extension of Time to Submit Preliminary Roll. 17
5.2 Electronic Submission of Assessment Rolls..... 17
5.3 Contact List..... 17
Attachment One **..... 18**
Attachment Two **..... 19**
Attachment Three **..... 20**
Attachment Four **..... 21**
Attachment Five **..... 22**

Introduction

Effective July 1, 2008, section 193.114, Florida Statutes, was amended to add new data requirements for the real property and tangible personal property rolls. These Complete Submission and Roll Evaluation Standards have been substantially revised for 2009 to reflect these new requirements that apply to the 2009 preliminary assessment roll submission. Under section 193.1142(1)(a), Florida Statutes, property appraisers are required to submit these files to the department by July 1 each year, unless the department has granted an extension.

In this document, the term "department" means the Florida Department of Revenue, including the Executive Director or his or her designee, and including the Property Tax Oversight Program. The term "property appraiser" means the locally-elected official responsible for the assessment of property in each Florida county. The term "county" may be used in place of the term property appraiser. In several places in this document, Florida Statutes is abbreviated as "F.S." and Florida Administrative Code is abbreviated as "F.A.C.".

1.0 Complete Submission Standards for 2009 Preliminary Assessment Rolls. Counties submitting assessment rolls that do not comply with the following standards or that do not include the documentation described below may be required to correct and resubmit those rolls.

1.1 Uniform Standards and Minimum Requirements. The uniform standard and minimum data requirements for the preliminary assessment roll submission are described in Florida Statues and Florida Administrative Code. Please note that the record layout for the preliminary NAL and NAP files have changed substantially for the 2009 preliminary assessment roll submittal.

Descriptions of the new file layouts, a special features code list, two documents containing frequently asked questions, and other specifications are located on the Internet at:
http://dor.myflorida.com/dor/property/dataformats.html

1.1.1 Data Files That Counties are Required to Submit. Counties are required to submit three assessment roll data files to the department: (1) the real property data file (NAL); (2) the real property sale data file (SDF); and (3) the tangible personal property data file (NAP).

1.1.2 Comma Delimited Format. All files will be required to be in a comma delimited format as prescribed by the department. Counties which are unable to produce the comma delimited file should contact the executive director of the department in writing by May 1st, under section 193.1142(1)(c), F.S.

1.2 Items and Documentation to be Submitted. The following items and documentation must be included in the 2009 preliminary assessment roll submission:

- **a.** Name--Address--Legal File (NAL CD, DVD or FTP) R. 2/09
- **b.** Name--Address--Personal File (NAP CD, DVD or FTP) R. 2/09
- **c.** Sale Data File (SDF) R. 2/09
- **d.** Form DR-489 Preliminary Tax Roll Certification R. 3/09 (Form should be signed and dated.)
- **e.** Form DR-489AC, Preliminary Recapitulation of Ad Valorem Assessment Rolls—County R. 3/09
- **f.** Form DR-489AM, Preliminary Recapitulation of Ad Valorem Assessment Rolls—Municipality R. 3/09

g. Form DR-489PC, Value and Number of Parcels on Real Property Assessment Roll by Category R. 3/09
h. Form DR-489EB, Assessment Roll Exemption Breakdown R. 02/08
i. Form DR-493 Summary of Adjustments to Tax Roll R. 6/92
j. Agricultural Schedules: A tabular summary of per acre land valuations used in preparing the assessment roll for each class of agricultural property. See Rule 12D-8.002(4), F.A.C., or call George Wheeler at (386) 758-0422 (e-mail: WheelerG@dor.state.fl.us) with questions regarding the content of the tabular summary.

1.3 Map Data File. Under section 193.1142(1)(c)(2), Florida Statutes, counties are required to submit parcel level Geographic Information System information to the department. Map Data Files are considered part of the preliminary complete submission package. However, the department requests that counties provide this information by April 1 of each year to allow the department adequate time to evaluate the file. As with the NAL, NAP, and SDF files, map files may be submitted electronically via the department's secure FTP site.

Specifications for this information are listed in **Attachment One**. The department will review map data for correct form and format and will return map files not submitted in the correct form or format to the county for correction and resubmission.

1.4 Hardship Status of New Data Requirements. Section 193.114, F.S., details data requirements for the NAL and NAP assessment rolls. Some of the data fields specified in statute are new for 2009. Counties having a hardship with supplying the required data in the specified format must identify the hardship and constraints and send a written plan to the department which outlines the planned steps to comply with new data and format requirements not met last year. The county's plan must include a timetable for fully complying with the requirements. The department will monitor subsequent submissions to evaluate the county's progress toward compliance in accordance with the written plan. The required format for requesting hardship status is included as **Attachment Two.**

1.5 Technical Tests. The department encourages all counties to submit test files as early as possible. Testing will be limited to data formatting issues only. Testing by the department was available as of March 1, 2009. Prior to submission of any NAL or NAP test file, please contact Charlie Gordon at (850) 922-7951.

a. The naming convention for the standard NAL or NAP test files is:
NAL (or NAP)/ T/ County number/ Submission year/ Submission number .TXT
For example, (NALT110901.TXT) or (NAPT110901.TXT)

b. The naming convention for the Sale Data File (SDF) test file is:
SDF/ T/ County number/ Submission year/ Submission number .TXT
For example, (SDFT110901.TXT)

1.6 Sale Data File Naming Convention. The Sales Data File will be named as follows:

SDF/ S, P, F or T/ County number/ Submission year/ Submission number .TXT

Note: S= Sale submission; P=Preliminary submission; F=Final; T=Test

For the 2009 Sale submission cycle, we would expect the following files (using County 11 Alachua) as an example:

1. The full NAL file layout named NALS110901.TXT (the 2009 sale submission will be in the 2008 preliminary roll format)
2. The SDF file layout named SDFS110901.TXT

For the 2009 Preliminary submission cycle, we would expect the following files:

1. The standard NAL file layout named NALP110901.TXT
2. The SDF file layout named SDFP110901.TXT
3. The standard NAP file layout named NAPP110901.TXT

The process for the final would replace the "P" with an "F" for all three required files.

1.7 Data Field Analysis. As part of the complete submission analysis, the department programmatically conducts data field edits on all NAL and SDF files submitted by a county. For NAL files, these edits are designated Level 1 through 4. The department reviews issues identified by the data field edits to determine the importance of the issue and the number of parcels involved. After the review, the department determines those issues that need to be communicated to the county. These issues are communicated to the county through a telephone conversation and e-mail notification. Property appraisers, or their staff, must take corrective action where required.

Level 1 and 2 data edits identify areas that should be reviewed and corrected as needed. These edits may not require changes depending on the data variations within a particular jurisdiction and are communicated to the county after the roll evaluation process. The department will check on the county's progress on correcting these issues in connection with the final roll submission.

Issues revealed by Level 3 edits are of higher importance and the department communicates these issues to the county during the complete submission analyses. These are data quality issues that a county is required to review and correct, as needed, in a timely fashion. The department will check on the county's progress on correcting these issues in connection with the final roll submission.

Issues revealed by Level 4 edits are considered to be of critical importance and are also communicated to the county during the complete submission analyses. Such issues that are found to be mistakes require immediate correction by the county. In some cases, correction and resubmission of the roll by the county is required. For some issues revealed by level 4 edits, the county must send to the department a written response that the correction has taken place. This response must be sent to the department prior to a roll being considered a complete submission, but resubmission of the roll is not required. The determination on whether a roll must be resubmitted is made on a case-by-case basis depending on the extent of the problem and the number of parcels involved.

The department conducts edits on the sale submission SDF file submitted by the county by April 1. Issues identified regarding the SDF will be communicated to the county prior to the preliminary roll submission. Any problems found will be communicated to the county through a telephone conversation and e-mail notification. Correction and resubmission of the sale data file by the county may be required.

1.7.1 2009 Preliminary Roll Data Edits. Data edits for the 2009 NAL Preliminary and Final Submissions and 2009 Sale Data File are located on the department's website at:

http://dor.myflorida.com/dor/property/dataformats.html

1.7.2 Completely Blank Data Fields. The department has identified several counties that have completely blank data fields where data is logically expected. These include, but are not limited to, Land Square Feet, Improvement Quality, Construction Class and Number of Buildings.

Prior approval is required if data for a field will be completely missing from the preliminary submission of the NAL. A written explanation and plan for complying with section 193.014, F.S., should be submitted to the department prior to the preliminary submission. The plan should include the steps the county will take to obtain the data and an expected timetable. The required format for the plan is in the addenda section (Attachment Two). Please direct this correspondence to:

Sue Harlan,
Property Tax Oversight,
Tax Roll Evaluation & Approval
725 S. Calhoun Street, Suite 204,
Tallahassee, Florida, 32399-0100

Or e-mail it to: HarlanS@dor.state.fl.us

1.7.3 Social Security Numbers. Section 196.011, F.S., requires that the property appraisers' records contain social security numbers (SSNs) for each homestead exempt parcel on the assessment roll and that such information be included on all assessment rolls submitted to the Department of Revenue. The threshold for compliance with regard to submitting SSNs is 90 percent. Rolls will be tested to determine if they comply with this standard. Any assessment roll that does not comply with this standard will be returned as an incomplete submission.

1.7.4 Taxing Authority Code. For each parcel of real property, Rule 12D-8.011(1)(b), F.A.C., provides that a code indicating the taxing authorities whose jurisdiction includes this parcel must be included on the NAL. Rolls will be reviewed for compliance with this rule and if the codes are missing or incomplete, the roll will be returned to the county for correction and resubmittal.

a. **Taxing authority code description:** Taxing authority codes have been required as part of the NAL and NAP file submittal for a number of years but this requirement was new for the 2008 assessment roll submission. Documentation sufficient to identify each taxing authority levying tax is required to be submitted with the **final** assessment roll. The code identifies the taxing authorities levying on each parcel. A preferred format for this documentation is attached (Attachment Three).

1.7.5 Allowance for the 1st and 8th Factors. For any adjustments made under subsections 193.011(1) and (8), F.S., which exceed 15 percent, complete, clear, and accurate supporting documentation must be submitted with the preliminary assessment roll. This documentation must describe in detail the study on which such adjustment for each use code group is based and must include a detailed narrative description of all procedures used in deriving the total percentage adjustment for each use code group.

The documentation also must list each sale used in the study and must include individual data for each of these sales. The study must clearly demonstrate the market prevalence, statistical representativeness, and appropriateness of any adjustment in excess of 15 percent.

The study must be based on actual transactional data and all data and analysis must be verifiable and must justify the adjustment derived and reported. A statement such as "…up to 15%…" will not be considered adequate documentation. The amount of the adjustment must be specified on Form DR-493. Please note that a signed and current DR-493 must be submitted each year even if there is no change. Adjustments greater than 15 percent must be reviewed and approved by the department.

Any assessment roll that does not comply with this standard will be returned as an incomplete submission.

1.7.6 Residential Condominium Use Code 004. The department has observed problems in the following areas on some assessment rolls regarding Use Code 004; Condominium.

a. Some counties have incorrectly applied the 004 use code to commercial, industrial, or vacant property. This code is an improved, **residential** use code that may be used only for residential condominium parcels. No commercial, industrial, or vacant properties should be coded 004 by a county. For internal county purposes, a suffix (2 digit property appraiser designated use code) may be added at the end of the appropriate DOR use code to denote that a non-residential property is also a condominium. For example, for a professional service building condominium (DOR use code 019), a county may make use of the additional 2 digit property appraiser use codes and identify the parcel, for their use, as 01904.

b. Parcels with DOR use code 004 should have a '1' in the Number of Residential Units field. The Number of Buildings field for condos should be '0'. Condominium Home Owner Association parcels should have the correct number of buildings in the Number of Buildings field.

c. Use Code 004 is an **improved** use code. All improvement fields (such as Year Built, Improvement Quality, and Total Living Area) should have an entry in the appropriate field.

1.7.7 Residential Use Codes 001 and 002. The department has observed problems in the following areas on some assessment rolls regarding Use Codes 001 (single-family homes) and 002 (mobile homes).

a. Parcels with this use code should have a '1' in the Number of Residential Units and Number of Buildings fields. If there is more than 1 residential unit on the property, an appropriate use code denoting multi-family use, such as 003 or 008, should be used. (In some instances, a guest or pool house would require a different number in the field.)

b. Individually-owned townhouses should be coded as DOR Use Code 001.

c. These use codes indicate an **improved** parcel. All improvement fields (such as year built, improvement quality, and total living area) should have an entry in the appropriate field.

1.7.8 Special Assessment Code Field. The Special Assessment Code field requires a code indicating the type of special assessment applicable to the parcel. The property appraiser may continue to use any existing codes provided they are translated to one of the following three numeric codes when submitted to the department:

1 - Pollution Control Device(s)
2 - Land subject to a conservation easement, environmentally endangered lands, or lands used for outdoor recreational or park purposes when land development rights have been conveyed or conservation restrictions have been covenanted.
3 - Land subject to a moratorium.

If this data field is not applicable in your county, please leave it blank.

1.7.9 Portability Fields. Portability fields were added to the NAL layout as a result of 2008 legislation that requires identification of Save Our Homes assessment difference transfers.

a. Parcels for which a transfer application has been made but rejected by the property appraiser should not be identified.

b. For parcels where the transfer application was accepted but no value was available for transfer, zero should be entered as the assessment difference value transferred.

c. If a parcel is identified as having an accepted assessment difference transfer, all portability-related fields should be completed.

1.7.10 Split/Combine Field. This was a new, single digit data field required for the preliminary 2008 assessment roll. Beginning with the 2009 preliminary file submissions, a five digit code entry will be required for this data field for all parcels that have been split or combined since January 1, 2008. For all other parcels, this data field must be left blank. Below are the requirements for this five digit code.

a. The first digit indicates whether the parcel has been split or combined. If the parent parcel has been split in the current year, a code "1" must be entered in this field. For new parcels, this field should not be coded unless the parcel subsequently is split again the same year. If the parcel is a combination of two or more parcels that were present on the previous year's assessment roll, a code "2" must be entered in this field.

b. Following the first digit entry will be a four digit entry indicating the month and year in which the split or combination occurred. For example, if a parcel was split in July 2008, the five digit entry would be 10708. If a parcel was combined in July 2009, the five digit entry would be 20709. There is no need to fill in this field for splits or combines that occurred prior to 2008.

c. For 2008 entries only, if a county does not have dates in its system for this code, the department will accept the appropriate 1 digit code followed by 2 zeros and 08. (Example: 10008 or 20008). Both the month and year will be required for splits and combines that occurred after 2008.

1.7.11 Removal of SOH Cap. Assessed value should equal just value for 2009 for all parcels reported as a 2008 qualified sale unless an assessment limitation difference was transferred to the property by the new owner. If assessed value is less than just value for such parcels, the county must provide a written explanation describing the reason for the difference for each property. This explanation must be submitted prior to approval of the preliminary assessment roll.

1.7.12 Assessed Value and Just Value. Under no circumstances should the assessed value of a parcel exceed its just value.

1.7.13 Homestead Assessment Increase Limitation. Beginning in 2008, a Save Our Homes homestead assessment limitation difference could be transferred from a previous homestead to a new homestead. The new NAL record layout requires that such a transfer be identified in the year in which it takes place and specific information concerning the transfer should be included on the submitted assessment roll. In analyzing the assessment roll, the department will examine and require the following:

a. For 2009, the assessment increase limitation under section 193.155, F.S., on the assessed value of homestead exempt property is 0.1 percent (one-tenth of one percent). Homestead parcels with an assessed value less than just value and an increase in assessed value not equal to 0.1 percent will be reported to the property appraiser for analysis, unless an assessment limitation difference was transferred to the property by a new owner.

b. Parcels receiving a homestead exemption which changed ownership in 2008, whether or not the change in ownership is a sale qualified by the property appraiser, must have the assessment cap removed unless the change is not considered a change of ownership under section 193.155(3), F.S., or an assessment limitation difference was transferred to that property by a new owner.

c. Assessed value should equal just value for all parcels reported as a 2008 qualified sale unless an assessment limitation difference was transferred to the property by a new owner. If assessed value is less than just value for such parcels, the county must provide a written explanation describing the reason for the difference for each property. This explanation must be submitted prior to approval of the preliminary assessment roll.

d. In all cases where a homestead assessment limitation difference was transferred to a new homestead parcel, the owner's previous homestead property must be reassessed at just value unless an assessment limitation difference was transferred to the property by a new owner.

e. Under no circumstances should the assessed value of a parcel exceed its just value.

1.7.14 The 10 Percent Assessment Increase Limitation on Non-Homestead Residential, Other Residential and Non-Residential Property. For levies other than school district levies, all real property, with certain exceptions, is subject to a 10% assessment increase limitation beginning in 2009. Such exceptions include: homestead property, agricultural land, land producing high water recharge to Florida's aquifers, and land used exclusively for noncommercial recreational purposes.

Section 193.1554, F.S., addresses the assessment increase limitation for non-homestead residential property containing 9 or fewer residential units, including vacant residential property. Section 193.1555, F.S., addresses the limitation for all other non-homestead real property. For property under both sections, changes resulting from reassessment may not exceed 10% of the assessed value annually. Property with an assessed value less than just value due to the assessment increase limitation must be increased by 10% annually until assessed value is equal to (but does not exceed) just value. For property under both sections, 2008 was the base year. The 10% cap applies to assessed values beginning in 2009 or the year following the year the property is placed on the tax roll, whichever is later. The sections have similar but not identical provisions for determining when property should be assessed at just value following changes in ownership or control and for addressing additions and improvements, and splits and combinations, subject to exceptions from the 10% cap.

For purposes of reporting in the NAL file format, the just and assessed value of property under section 193.1554, F.S., and section 193.1555, F.S., must be separately stated by applicable section. Qualifying parcels with an assessed value change of more than 10% will be reported to the property appraiser for analysis. For questions concerning this limitation, contact David Beggs at (850) 487-7020 or e-mail: BeggsD@dor.state.fl.us.

1.7.15 Exemption codes. The 2009 NAL record layout requires that the value of each exemption applicable to a parcel be listed and identified with a specific code. A list of codes is located on the department's website. Codes for the veterans discount and the assessment difference due to a parent-grandparent assessment reduction are included on the list even though they are not technically considered exemptions. County and municipal local option exemptions are required to be coded and listed separately.

1.7.16 Centrally Assessed Property. The department will compare centrally assessed property values (railroads and private car lines) from Form DR-489AC for agreement with the just values on the

assessment roll. Please call Bob Pace at (850) 414-7414 (e-mail: PaceR@dor.state.fl.us) with any questions regarding central assessments.

2.0 Assessment Roll Evaluation Standards for 2009 Preliminary Assessment Rolls.

The department will process each assessment roll in the order that it is received from the property appraiser. For the purpose of issuing any review notices, the department will consider all rolls received before July 1st as having been received on July 1st. Assessment rolls must meet the content and format requirements identified in section 193.114 F.S., and other requirements contained in this memorandum.

Approval of a non-in-depth assessment roll will be based on the aggregate level of assessment for all studied strata, while approval of in-depth assessment rolls will be based on the level of assessment for each individual stratum studied, in addition to the aggregate level of assessment for all studied strata.

The department will use the following standards to approve, approve with noted defects, or disapprove the 2009 preliminary assessment rolls.

2.1 Qualified Sales Submitted on the Preliminary Assessment Roll. In analyzing assessment rolls and developing evaluation statistics, the department will use only those sales and sale qualification decisions recorded on the first preliminary assessment roll submitted by a county that is deemed to meet complete submission standards. Changes to sales or sale qualification decisions submitted on subsequent assessment roll submittals will not be recognized.

2.2 Sale Qualification Study. On April 12, 2006, a memorandum outlining the department's sales qualification study procedures for certain types of sales was sent to all property appraisers. Key points in this memorandum are:

a. Sales representing arms-length sale prices should not be disqualified. The department will not consider any changes in market conditions (increase or decrease in prices) between the date of sale and the date of appraisal as a reason for disqualification.

b. If a county believes that a sale should be disqualified because of substantial changes in market conditions during an abnormally long period between the contract date and the deed date, the county must provide credible, verifiable, and documented evidence that justifies the disqualification decision.

c. Documentation required for sales qualified or disqualified as a result of examining the deed and comparing it to the disqualification criteria in Rule 12D-8.011(1)(m)3, F.A.C., includes only the deed and the required qualification code.

d. Documentation required for sales qualified when the deed matches one or more disqualification criteria in Rule 12D-8.011(1)(m)3., F.A.C., or for sales disqualified when the deed does not match such disqualification criteria, must include credible, verifiable, and documented evidence that justifies the qualification or disqualification decision.

In addition, in some cases the department has previously accepted a determination by a county that a sale was an "outlier" as a reason for changing its preliminary qualification decision. The department will no longer accept such reasoning for changing its preliminary sale qualification decision.

2.3 Level of Assessment. If a county is the subject of an in-depth review, a level of assessment of 90 percent or greater must be met for each stratum studied. If a county is the subject of a non-in-

depth review, the 90 percent level of assessment threshold will be required for the overall assessment roll.

Any in-depth county with a stratum level of assessment of **less than 90 percent**, which is not due to material mistakes of fact, will be issued a review notice and a new submission will be required. See section 193.1142, F.S. If the property appraiser fails to make the necessary corrections on the re-submission, the assessment roll will be disapproved and the procedure for an interim assessment roll outlined in section 193.1145, F.S., will begin.

In-depth counties with an individual stratum level of assessment of less than 90 percent which is due to material mistakes of fact will be issued a postaudit notification of defects. Provided that the roll approval requirements for level of assessment and sample representativeness are met, the statistical and analytical review of individual sub-classes such as age groups, size groups, market areas, or use codes will not be used as roll approval criteria.

The standard for approval of a non-in-depth assessment roll will be based on the aggregate level of assessment for all strata. Any non-in-depth county with an overall level of assessment of less than 90 percent will be issued a review notice and a new submission will be required. As with the in-depth study rolls, if the property appraiser fails to make the necessary corrections on the re-submission, the assessment roll will be disapproved and the procedure for an interim assessment roll outlined in section 193.1145, F.S., will begin.

In the postaudit review process, the department will review by stratum, regardless of in-depth or non-in-depth status, any sales ratio level of assessment that does not equal or exceed 90%.

2.4 Fourth Quarter Sales Analysis. Depending on the quantity and quality of sale data available, the department may rely on fourth quarter sales in its sale ratio study. Property appraisers should evaluate all available data in arriving at their January 1 assessment. If there are special situations that could lead to misleading or anomalous roll statistics, property appraisers are encouraged to communicate these circumstances to the department so that it may better understand and evaluate the assessment roll.

2.5 Coefficient of Dispersion (COD) and Price-related Differential (PRD). The established uniformity standards for the COD and PRD for the 2009 tax rolls are as follows:

Standards for the Price-Related Differential (PRD):

- Strata 01, 02, 04, 05, and 06 $.98 \leq PRD \leq 1.03$
- Stratum 03 $.90 \leq PRD \leq 1.10$

Standards for the Coefficient of Dispersion (COD):

- Stratum 01 $COD \leq 15.0$
- Strata 02, 04, 05 and 06 $COD \leq 20.0$
- Stratum 03 $COD \leq 25.0$

In applying such standards, the department will rely on a determination of whether systemic problems underlie the calculated statistics. Calculated stratum PRDs or CODs outside the established parameters will be used as indicators in determining the existence of systemic problems that may result in the issuance of a postaudit notification of defects. Other such indicators include, but are not limited to, systemic problems identified in mapping, data collection and management, stratification and data analysis, valuation planning, land valuation, improved property valuation, and quality assurance.

Provided that both the calculated stratum PRD and COD are within the established parameters listed above, the statistical and analytical review of individual sub-classes such as age groups, size groups, market areas, or use codes will not be used as the sole basis for the issuance of a postaudit notification of defects.

Even if a calculated stratum PRD or COD is outside the established parameters listed above, such individual sub-class review will not be used as the sole basis for the issuance of a defect letter. If a postaudit notification of defects is issued, a response from the property appraiser's office is required within 15 days and a conference will be held, if requested. If an administrative order is subsequently issued, it will be issued with specificity concerning corrective actions to be taken.

2.6 Tests of Representativeness. The department will conduct tests to measure the representativeness of samples. Where the tests of representativeness indicate a level of assessment for the sample that is not reflective of the level of assessment for the population, the department may issue a review notice or a postaudit notification of defects. The alternate ratio will be calculated as part of the roll approval process.

2.7 Horizontal Equity. During the postaudit review process, an additional measure of horizontal equity will be reviewed. The level of assessment for each stratum under review should be within five percent of the overall level of assessment of the roll. This measure will be considered with other equity measures during the postaudit review process.

2.8 Adjustment of Sales for Changes in Market Conditions. The department has contracted with Bob Gloudemans (of Almy, Gloudemans, Jacobs & Denne, Property Taxation and Assessment Consultants) to develop models that adjust for any changes in market conditions that affect sale prices (i.e., time trending). These models may employ sale data sets consisting of multi-month or multi-year sales to produce level of assessment and equity measures. These models will be tested using the 2009 preliminary rolls.

2.9 Procedural Review. The department will continue to conduct procedural reviews in 2009. These reviews will vary in scope but may include a review of office practices, data integrity, and conformance to the requirements of law. A portion of this effort will involve parcel inspections conducted by departmental employees. Overall coordination will also be performed by the department's staff. The process for determining the counties subject to procedural reviews will consider such factors as those counties subject to in-depth review, those counties with statutory strata subject to sale ratio studies, and other factors that indicate the appropriateness of a procedural review.

3.0 Documentation of Value Changes.

The department has modified the process by which it may include in sample statistics certain changes made by a county to the just values of sample parcels. At the end of the in-depth review, the department conducts a final conference with representatives of each in-depth county to discuss the results of the review. During this final conference, the department may decide to include in the sample statistics just value changes made by a county to certain sample parcels, but only upon assurances from the county that it will also make commensurate just value changes to the population of parcels that correspond to <u>each</u> sample parcel for which a just value change is included in sample statistics.

3.1 In-depth Study Exchange of Information. Prior to the final conference, the department and the county meet to exchange information relating to the in-depth review sample parcels. This exchange of information must occur <u>prior</u> to the final conference in the <u>following sequence</u> of steps. (Note: Steps b, c, and d must occur on the same day.)

a. The in-depth review county provides to the department a current electronic copy of the NAL record format. This electronic record must be submitted no later than the day on which steps b, c and d below occur. This step is required to provide a baseline for confirming that a county made commensurate just value changes to the populations of parcels corresponding to the sample parcels for which the department may include in its sample statistics any just value changes made by the county.

b. The department provides to the county a list of sample parcels on which the county records the current just value for each parcel.

c. The county returns to the department the list of sample parcels with the county's just values recorded for each parcel and also provides to the department a current property record card for each sample parcel.

d. The department provides to the county another list of sample parcels that contains the department's just values for each sample parcel.

3.2 Population Form Letter. When the department agrees to include just value changes made to sample parcels and the sample statistics based on commensurate population changes, property appraisers are required to identify and describe the affected populations that is generated by the department's web-based system in a form letter (Attachment Five), to the Director of the Department's Property Tax Oversight Program in a manner that will allow the department to conduct quality assurance tests verifying that population changes have been appropriately made.

3.3 Web-based Changes. For in-depth review counties, the department has a web-based data entry process for approved population changes that are commensurate to allowed changes in a sample parcel. County staff authorized by the property appraiser will be given secure access to make changes to parcels on the assessment roll and can either upload these changes or request the department to assist in completing this process. A county user guide for making population changes using the department's web-based system is available. If you need a copy please contact Mike Roark by e-mail: roarkm@dor.state.fl.us or phone (850) 487-7021.

When making approved changes to samples and the population, the following steps should be followed:

a. Confirm with department field staff that the proposed population and changes to the population meet the department's criteria to permit a commensurate change to be made to a sample parcel.

b. Obtain and complete an electronic copy of the spreadsheet format for uploading each separate sample parcel change, and the respective parcels that changed in the population.

c. Login to the Department's web-based system, upload the population change information, review changes, lock the system and print a copy of the system generated, population change letter(s).

d. A separate signed letter is required for the population of each sample parcel that was changed at final conference.

e. Mail a copy of the signed letter(s) to the Revenue Service Center Manager that conducts the final conference with your county.

The department will conduct tests on the population change information using the "baseline" data that was submitted by the county prior to the final conference with the department.

3.4 Subsequent Analysis. Based on the requirements of section 1011.62(4)(c), F.S., the department will continue to electronically monitor the sample parcels throughout the year and until the next year's assessment roll submittal. After the final roll submission, property appraisers will be notified of any changes to sample parcels indicated by this analysis. These changes must be shown on the property record card and a written explanation for the changes must be provided to the department.

4.0 Sale Issues. Beginning in 2009, a new file format was developed for reporting by counties of sale-related information. The following information pertains to sales and the 2009 Sale Data File layout.

4.1 Sale Submission Cycle Due Date. For the 2009 sale submission cycle, and subsequent years, the two required files (NAL & SDF) should be sent to the department no later than April 1 of each year.

4.2 Sale Submission Files. Beginning with the 2009 sales submission cycle, two files will be required in order to process the NAL portion of any submission. One will be the standard full NAL file layout containing all required files relating to individual parcel information including but not limited to name, address, legal, value and exemption information. For 2009, this file should be in the same format as the 2008 Preliminary layout.

The second file will be a **Sale Data File (SDF).** This file will list all sales transactions from the prior year and all sales for the current year up to the date of the roll submission. The specifications for the separate Sales Data File are outlined on the department's website: http://dor.myflorida.com/dor/property/dataformats.html .

4.3 Requirement for Sale Data to be Current. Sale data must be current on all required sales data files submitted to the department, **and sale qualification decisions must be recorded within 3 months after the sale date.**

4.4 Sale Price. The sale price entered into the sale data file Field 8 is the unadjusted price based on the documentary stamps posted on the deed.

4.5 Sale Property Change Code. Under section 193.114(2)(o), F.S., each sold parcel, beginning with 2008 sales, must have a code if the physical attributes of the property, as of January 1, were significantly different than at the time of the last sale. The following six numeric codes indicate a significant change and must be entered on the Sales Data File:

1 = Split
2 = Combine
3 = New Construction – For the SDF, this should only relate to the period between the sale date & Jan 1. (There would be an expected corresponding entry in the new construction field on the standard NAL file.)
4 = Deletion (non-disaster) **–** For this file, this should only relate to the period between the sale date & Jan 1. (There would be an expected corresponding entry in the deletion field on the standard NAL file.)
5 = Disaster – (fire, flood, wind, etc.) – For this file this should only relate to the period between the sale date & Jan 1. (There may or may not be a corresponding entry in the new construction or demolition fields on the standard NAL file.)
6 = Other - Requires explanation

If this data field is not applicable, leave it blank.

4.6 Sale Validation. The department will review sale data to verify that sale prices agree with documentary stamp taxes recorded and that all sale transactions are reported by the county. If the department's review indicates sale prices are not in agreement with the documentary stamp tax stated on the deed, or sales are omitted from the assessment roll, the sale data file may be returned to the county for correction and resubmission.

4.7 2009 Sales Listed on the 2009 Preliminary Assessment Roll. Commencing with the 2009 preliminary submission and all subsequent submissions, the sales data file will be required to list all sales transactions from the prior year and all sales for the current year up to the date of the roll submission. Since sale qualification decisions must be entered within three months after the date of sale, sales on the 2009 **preliminary** roll should be correctly qualified through March of 2009. The date of recordation will be considered for purposes of determining whether a sale has been entered timely. Data entered into the Sale Year and Sale Month fields should reflect the date of the transaction, NOT the recordation date.

4.8 New Sales Qualification Codes. Due to the 2008 legislation, the department has developed a new list of **sale qualification codes**. These new codes are attached **(Attachment Four)**. Use of these new sale qualification codes will be required for **2009** sales which will be sent to the department for the **2010** sale submission. Qualification codes for the 2008 sales on 2009 submissions should continue to be 00, 01, 02, and 03.

4.9 Request for a Sales Submission from Non-indepth Counties. Per F.A.C. 12D-8.013(5), property appraisers in in-depth counties, and those in non-in-depth counties if requested at least 30 days in advance, are required to provide a sale data file to the department. **This letter serves as a written request from the Executive Director for a 2009 sale data file submission from all non-indepth counties at the time and in the manner required of in-depth counties.**

4.10 Real Property Transfers Related to Actual or Potential Foreclosures. Informational bulletin PTO 08-22 contains information on this subject. This document can be found at: https://taxlaw.state.fl.us/pta1.aspx .

5.0 Other Issues.

5.1 Request for Extension of Time to Submit Preliminary Roll.

a. Under Rule 12D-8.002(2), F.A.C., the property appraiser may submit a request for an extension for completion of assessments by sending the Executive Director a completed Form DR-483, or letter with the required statements, and a 10-day extension may be granted. If the request is for more than 10 days and the request is not received prior to June 10 of the requested year, an additional statement must be provided as to why the request was not filed prior to June 10. A request for an extension of time of 10 days or less may be made at any time if received by the Executive Director prior to July 1.

b. Under Rule 12D-8.002(2)(b), F.A.C., an extension may be granted for periods of more than 10 days under certain circumstances. For reasons described below, if a roll submission is not received by July 13, the department will request a Form DR-489AC with your best estimate of taxable value prior to July 13, so that information may be provided to the Department of Education in a timely manner as required by law.

Pursuant to s. 1011.62(4)(a), F.S., not later than 2 working days prior to July 19, the Department of Revenue must certify to the Commissioner of Education its most recent estimate of the taxable value for school purposes in each school district based on the latest available data obtained from property appraisers. At the request of the Department of Education, this certification is made on or about July 13.

Please note that for counties that have submitted their assessment roll to the department, it is very important that school taxable value reported on Form DR-489AC be the same as the taxable value reported to the school district on the DR-420S.

5.2 Electronic Submission of Assessment Rolls. The department has established a procedure for the electronic submission of assessment rolls and encourages all counties to submit assessment rolls through the File Transfer Protocol (FTP) website. The contact person with the department for questions or assistance is James Diaz at (850) 488-3335 (e-mail: DiazJ@dor.state.fl.us). The department will still accept assessment rolls on a compact disk. Real property, tangible personal property and sale data files may be included in the same submittal provided they follow proper naming conventions.

5.3 Contact List. FOR FURTHER ASSISTANCE, PLEASE CALL:

Joel Schubert (850) 922-7972 (e-mail: SchuberJ@dor.state.fl.us) – General Information

Sue Harlan (850) 921-9394 (e-mail: HarlanS@dor.state.fl.us) – Complete Submission, Postaudit Review Issues

Charlie Gordon (850) 922-7951 (e-mail: GordonC@dor.state.fl.us) – Assessment Roll Format Issues

Kevin Gorham (850) 922-7954 (e-mail: GorhamK@dor.state.fl.us) – New Data Fields and Map Data Issues

James Diaz (850) 488-3335 (e-mail: DiazJ@dor.state.fl.us) – File Transfer Protocols

Claudia Kemp (850) 488-488-4436 (e-mail KempC@dor.state.fl.us) – Technical Assistance

Garth Grumme (850) 921-4289 (e-mail: GrummeGa@dor.state.fl.us) – Non-indepth Methodology and Recaps

Mike Roark (850) 487-7021 (e-mail: RoarkM@dor.state.fl.us) – In-Depth Review Population Changes

Tish Blick (850) 414-2214 (e-mail: BlickL@dor.state.fl.us) – Truth in Millage (TRIM)

Attachment One

Parcel Level Geographic Information System Information
Data Submission Format Specification:

This document specifies the Geographic Information System (GIS) Information to be submitted to the Florida Department of Revenue. This information is to be submitted to the Department no later than April 1st of each year.

Data Projection:
The GIS files submitted will be projected in the Florida State Plane Coordinate System, Units US survey feet, using NAD83/HARN datum (1990 adjustment).

Data Format:
The Parcel layer polygon file shall be submitted in the ESRI shapefile format. The data attributes should be limited to a **PARCELNO** field. This **PARCELNO** field is the unique parcel identification number as listed on the N.A.L. – name address legal file). The formatting of the **PARCELNO** field must also match that as on the NAL file.
Other parcel level GIS data layers submitted shall be in the ESRI Geodatabase format.

Requested data layers:

- **Parcel Polygons – Shapefile format only**
- **Parcel lines**
- **Parcel dimensions**
- **Condominium polygons or layer**
- **Lots, Lot numbers, Blocks and block numbers**
- **Subdivision boundaries and annotation**
- **Street or road centerlines and annotation**
- **Water features and annotation**
- **Municipal boundaries**
- **Taxing District boundaries**
- **Parcel Metadata**
- **Additional Parcel Level GIS Layers**

Electronic submission of GIS Data. The department has established a procedure for the electronic submission of data and encourages all counties to submit data to the Department through the File Transfer Protocol (FTP) website. The contact person with the department for questions or assistance is James Diaz at (850) 488-3335 (e-mail: DiazJ@dor.state.fl.us). The department will still accept GIS data on DVD, CD, FTP or portable hard drive.

Below is the address for mailed data:

Charles Russell Florida Department of Revenue Property Tax Oversight Post Office Box 3000 Tallahassee, FL 32315-3000	or	Charles Russell Florida Department of Revenue Property Tax Oversight 725 S. Calhoun Street Tallahassee, FL 32399

Attachment Two

Request for Hardship Status for NAL or NAP Data Fields

County:

Date of Request:

Roll Year(s):

Contact Person:

Contact Phone:

Please provide the following: the data field involved; current status of the data (percent complete); identification of the hardship and constraints; description of why the hardship and constraints make compliance with roll submission standards difficult; a plan for collecting, entering, and reporting the data; and the expected timeframe for compliance with requirements for each data field listed.

Additional sheets may be added as needed.

Data Field:

Current Status:

Identification of Hardship and Constraints:

Description of Why Hardship and Constraints Make Compliance with Roll Submission

Standards Difficult:

Plan for Collecting, Entering, and Reporting the Data:

Expected Timeframe for Compliance With Requirements For Each Data Field Listed:

Request for Aid & Assistance (Please specify such as Budget or GIS):

Additional Comments:

Property Appraiser signature: _____

Attachment Three

Preferred Format for Taxing Authority Codes

Example: Taxing Authority Code Description - Alachua County 2007

TAXAUTH	COUNT (RSID)	Taxing Authority	County					Library		School			City	WMD		TOTAL
			Operating	Debt	MSTU-Unincorp	MSTU-Law	MSTU-Fire	Operating	Debt	Required Local	Discre-tionary	Debt	Operating	Suwannee	Saint Johns	
0200	7,600	Unincorporated	7.6468	0.2500	0.3869	1.5329	1.1077	1.2645	0.0915	4.9770	2.7430	0.6750			0.4158	21.0911
0300	15,765	Unincorporated	7.6468	0.2500	0.3869	1.5329	1.1077	1.2645	0.0915	4.9770	2.7430	0.6750		0.4399		21.1152
0400	21,638	Unincorporated	7.6468	0.2500	0.3869	1.5329	1.1077	1.2645	0.0915	4.9770	2.7430	0.6750			0.4158	21.0911
0500	2,515	Unincorporated	7.6468	0.2500	0.3869	1.5329	1.1077	1.2645	0.0915	4.9770	2.7430	0.6750		0.4399		21.1152
1700	5,205	Alachua	7.6468	0.2500				1.2645	0.0915	4.9770	2.7430	0.6750	4.6480	0.4399		22.7357
2700	734	Archer	7.6468	0.2500		1.5329	1.1077	1.2645	0.0915	4.9770	2.7430	0.6750	4.5000	0.4399		25.2283
3600	31,913	Gainesville	7.6468	0.2500				1.2645	0.0915	4.9770	2.7430	0.6750	4.2544	0.4399		22.3421
3700	3,836	Gainesville	7.6468	0.2500				1.2645	0.0915	4.9770	2.7430	0.6750	4.2544		0.4158	22.3180
4600	1,171	Hawthorne	7.6468	0.2500				1.2645	0.0915	4.9770	2.7430	0.6750	5.4258		0.4158	23.4894
5700	3,504	High Springs	7.6468	0.2500				1.2645	0.0915	4.9770	2.7430	0.6750	6.2500	0.4399		24.3377
6700	235	LaCrosse	7.6468	0.2500				1.2645	0.0915	4.9770	2.7430	0.6750	1.8317	0.4399		19.9194
7600	468	Micanopy	7.6468	0.2500				1.2645	0.0915	4.9770	2.7430	0.6750	8.0000		0.4158	26.0636
8700	2,870	Newberry	7.6468	0.2500				1.2645	0.0915	4.9770	2.7430	0.6750	3.6946	0.4399		21.7823
9600	2	Waldo	7.6468	0.2500				1.2645	0.0915	4.9770	2.7430	0.6750	5.0314	0.4399		23.1191
9700	612	Waldo	7.6468	0.2500				1.2645	0.0915	4.9770	2.7430	0.6750	5.0314		0.4158	23.0950

Attachment Four
Sale Qualification Codes
for use by DOR & Property Appraisers Beginning January 1, 2009

(R. 3-23-09)

Sales qualified and included for sales ratio analysis

01. Sale qualified as a result of examination of the deed
02. Sale qualified as a result of credible, verifiable, and documented evidence

Sales qualified and excluded from (or DOR modified for) sales ratio analysis

03. Sale qualified at time of sale, but the physical property characteristics changed significantly after the sale
04. Sale qualified at time of sale, but legal characteristics have significantly changed after the sale
05. Sale qualified at time of sale, but transaction involved multiple parcels with multiple tax identification numbers

Sales disqualified as a result of examination of the deed

11. Corrective deed, quit claim deed, or tax deed; Deed bearing Florida Documentary Stamp at the minimum rate prescribed under Chapter 201, F.S.; Transfer of ownership where no doc stamps were paid; Transfer of ownership by other than a deed such as a final judgment or court order;
12. Deeds to or from financial institutions; Deed stating “In Lieu of Foreclosure” (including private lenders)
13. Deeds conveying cemetery lots or parcels
14. Deeds containing a reservation of occupancy for more than 90 days (life estate interest)
15. Deeds where the consideration is indeterminable
16. Deeds conveying partial interest
17. Deeds to or executed by a religious, charitable or benevolent organization or entity
18. Deeds to or executed by a federal, state, or local government agency (including trustees (or Board) of the Internal Improvement Trust Fund, courts, counties, municipalities, sheriffs, or educational organizations)
19. Deeds to or executed by trustees in bankruptcy, administrators, executors, guardians, or receivers
20. Deeds to or executed by utility companies

Sales disqualified as a result of credible, verifiable, and documented evidence

30. Transaction involving affiliated parties (family, corporate, business, landlord-tenant).
31. Deeds involving a trade or exchange of land
32. Pre-construction sale
33. Transaction that included incomplete or unbuilt common property
34. Deed or satisfaction recording payment in full of a recorded property contract
35. Deeds including non-typical amounts of personal property
36. Transaction involving atypical costs of sale
37. Sale not exposed to the open-market; sale involving atypical participant motivation
38. Forced sale or sale under duress; Sale to prevent foreclosure (occurs prior to date shown in judgment order for public sale)
39. Sale price verified to be different than sale price indicated by doc stamps
40. Transaction involving non-market financing or assumption of non-market lease
41. Other; requires documentation and prior approval of the Department of Revenue

Sale qualification decision pending

99. Sale occurred within 90 days and qualification decision has not been made yet

Attachment Five

Department's web-based system generated this unsigned example letter

2009 POPULATION CHANGE FORM LETTER

To: James McAdams, Program Director, Property Tax Oversight
Post Office Box 3000
Tallahassee, Florida 32315-3000

From: Honorable
X County Property Appraiser
XXX Street Name
City, FL XXXXX

Subject Sample with Population Changes:
Stratum-Grp-Seq. 6-2-93750
Assessor Parcel XXXXX-000-000
Use Code 048

The purpose of this letter is to identify, describe and document the population of parcels to which appropriate value changes were made in conjunction with a value change made to an identified, corresponding sample parcel. This letter certifies that this office has diligently searched for and identified all appropriate parcels to which changes similar to those made to the sample parcel also have been made.

The total number of parcels in the defined population that changed :	9
The pre-change assessed value of the subject sample parcel:	442260
Non-population assessed value changes to sample at review:	0
Are any non-population values included in the post-change assessed value?	No
The post change assessed value of the sample parcel:	1254316

The sample value was corrected for the below component change type(s):	Add +	Sub. (-)
Land Value Change (Unit or overall)	1+	
Improvement Value Change (Unit or overall)		
Improvement Depreciation (System Change or otherwise)		
Improvement Quality (System Change or otherwise)		
Extra Features or Lump Sum Items:		
Other		
Total of all component changes	1	

The reason for the population change is (Example- Lot values increased for Eastwick Section 2-3 subdivisions and the Department of Revenue provided additional information to support assessment increase): Per unit land values were low as indicated by the market

All parcel numbers for the affected population that are specific to this sample parcel have been listed on the PA Addendum Worksheet and electronically entered into the Department's web-based data entry system. I agree to provide any additional documentation such as, property record cards, maps and other items to appropriately document the population change for these parcels

Sincerely,

PA Name