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**SUBJECT:** Additional Homestead Exemption for Seniors

**ACTION REQUESTED:** Adoption of Ordinance No. 2016-22, on second reading, amending the Additional Homestead Exemption to include an additional exemption for qualifying low-income seniors who maintain long-term residency on property

**REQUESTED BY:** June Solanes, Finance Director

**SUPPORTING DOCUMENTS:** Yes

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#### **SUMMARY**

Pursuant to discussion at the July 25<sup>th</sup> Budget Workshop, the accompanying ordinance amends the additional homestead exemption for qualifying seniors to include an additional exemption that exempts 100% of the assessed value of the property if the just value is less than \$250,000 and (1) the property has been the owner's permanent residence for at least 25 years; (2) the owner is 65 years of age; and, and (3) the owner's household income is less than the limit established for the low-income senior exemption. This is a local option exemption only available to qualifying property owners if the local government adopts an ordinance to establish the additional exemption. The household income limit for 2015 was \$28,482 or less. The \$20,000 income limit within the ordinance is based on Florida Statute 196.075(3) with the effective date of January 1, 2001. Qualified income levels are automatically adjusted every January based on the cost-of-living index.

As of October 17, 2016, the Property Appraisers Office advised that there are 100 property owners that may qualify for this additional exemption based on their property records, which goes back 22 years. Assuming there are 100 qualifying property owners, the maximum impact on the City's ad valorem tax revenue is estimated at \$4,890.

Paragraph (c) in this Ordinance requires a super majority (a majority plus one) vote of the members of the governing body of the municipality granting such exemption.

To implement this additional exemption for qualifying low-income seniors who have maintained long-term residency, Ordinance No. 2016-22 must be adopted and delivered to the Property Appraiser's office no later than December 1<sup>st</sup>, which would place the exemption in effect for the Fiscal Year 2017-2018 budget.

ORDINANCE NO. 2016 - 22

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF SAFETY HARBOR, FLORIDA, AMENDING THE CITY OF SAFETY HARBOR CODE, CHAPTER 22, ARTICLE V, SECTION 22.51, ADDITIONAL HOMESTEAD EXEMPTION, TO PROVIDE ADDITIONAL HOMESTEAD EXEMPTIONS AUTHORIZED BY SECTION 6(d), ARTICLE VII OF THE STATE CONSTITUTION AND SECTION 196.075, FLORIDA STATUTES, FOR PERSONS 65 AND OLDER; PROVIDING FOR PUBLICATION IN ACCORDANCE WITH THE REQUIREMENTS OF THE LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Safety Harbor, Florida recognizes the importance of granting an additional homestead exemption to low-income senior citizens within the municipal boundaries of Safety Harbor, Florida; and

WHEREAS, the City desires to make all of the authorized homestead exemptions for senior citizens provided for under state law available to its residents.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAFETY HARBOR, FLORIDA, IN SESSION DULY AND REGULARLY ASSEMBLED THAT:

Section 1. Chapter 22, Article V, Section 22.51 of the Safety Harbor Code of Ordinances is hereby amended to read as follows:

**ARTICLE V: Additional Homestead Exemption**

- (a) The City of Safety Harbor, Florida, acting by and through its city commission, by the authority of the provisions of the Charter of the City of Safety Harbor, Florida, and by the authority of Section 196.075, Florida Statutes, hereby grants both of the following additional *homestead* exemptions on real property as may be applicable to residents 65 and older:
  - (b) up to fifty thousand dollars (\$50,000.00) for persons sixty-five (65) or older who have legal or equitable title to real estate within the City and maintains permanent residence thereon, and whose household income does not exceed twenty thousand dollars (\$20,000.00); and/or
  - (c) the amount of the assessed value of the property for any person who has legal or equitable title to real estate with a just value less than two hundred and fifty thousand dollars (\$250,000) and has maintained permanent residence thereon for at least twenty-five (25) years, who is sixty-five (65) or older, and whose household income does not exceed twenty thousand dollars (\$20,000) as prescribed in subsection (b) above and as calculated in subsection (d) below
- (d) The income limitation shall be adjusted annually, on January 1, by the percentage change in the average cost of living index in the period January 1<sup>st</sup> through December 31<sup>st</sup> of the immediate prior year, compared with the same period for the year prior to that year, in

accordance with Section 196.075(3), Florida Statutes. The index is the average of the monthly consumer-price-index figures for the stated 12-month period, relative to the United States as a whole, issued by the United States Department of Labor.

**Section 2.** This Ordinance shall be published in accordance with the requirements of law.

**Section 3.** Each provision of this Ordinance shall be deemed separate and severable and if any section or part thereof is held to be invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected.

**Section 4.** This Ordinance shall become effective immediately upon its passage and adoption.

**PASSED ON FIRST READING OCTOBER 17, 2016.**

**PASSED ON SECOND AND FINAL READING NOVEMBER 7, 2016.**

**APPROVED AS TO FORM:**

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**Alan S. Zimmet, City Attorney**

**ATTEST:**

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**Karen Sammons, CMC, City Clerk**

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**Mayor - Commissioner**

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**Vice Mayor - Commissioner**

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**Commissioner**

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**Commissioner**