



Florida Property Tax and Homestead Law Disclosure

Property Address: _____

Customer: _____

Please read this disclosure carefully as the issues mentioned here can have a large effect on the property tax bill for your home.

It's also important you understand that INI Realty, Inc. ("INI Realty") is unable to provide you with advice on the matters discussed in this disclosure. If a licensee or other representative of INI Realty provides you with any advice on this matter, such advice is given without any authority (actual, apparent, or otherwise) from INI Realty and therefore should not be construed as advice provided by INI Realty.

The purpose of this disclosure is to give you a basic overview of the issues and point you to a qualified source of further advice and assistance, if needed. **It is NOT by any means an exhaustive list or discussion of these issues, however.**

Florida has some rather unique property tax laws. They are generous, but they are also complicated. They revolve around the concept of "Homestead". Your "Homestead" is the property in which you principally reside with the intent to permanently remain. You can only have one Homestead and in order to claim Homestead status the property must be owned by a natural person or persons or sometimes ownership by a trust is permissible. You cannot put homestead property in an LLC or other corporate entity. You can also claim Homestead status so long as you are in Florida legally. You do not have to be a citizen, green card holder, etc.

"Homesteading" a property has two advantages. First, it protects the property from certain claims and legal judgments and secondly, it gives you savings on your property tax bill. If you agree to a mortgage against the property or allow a carpenter or other workman to perform work on your property, then if you fail to pay the mortgage payment or the services rendered your homestead can be taken through the foreclosure process. There is a whole body of law about homestead judgment and lien protection and if you have questions on these issues there are many attorneys in Florida who specialize in this and you should consult one for more information. The savings to your property tax bill come from 3 different places: (1) the Save our Homes Act, which "caps" the amount by which the value on which you pay tax to no more than a 3% or CPI (whichever is less) annual increase; (2) Exemptions which reduce the value on which you pay tax; and (3) the

“Portability” laws which allow you to take savings accrued under the Save Our Homes Act from one Florida home to the next, up to a maximum savings amount of \$500,000.

There is a lot to know about the property tax savings aspects of the Homestead laws. Many people think that if they “file for Homestead” that they are covered and will get all of the savings that they should get. This is for the most part not true. To receive benefits you must properly file for them and it is not all handled in one filing. Also, things do not stay the same from year to year. Each January 1 the valuations on which your tax is based change, and your personal situation which determines eligibility for one or more of the many exemptions may change. Exemptions also change with just about every election cycle. So your Homestead filing situation must be monitored on an annual basis to ensure that nothing is getting out of order and needs to be addressed. The property appraiser’s office will NOT automatically notify you if you become eligible for an additional exemption in the future (e.g., when you become a senior citizen).

The “Portability” aspects to the property tax laws in Florida are especially complicated. Portability acts as a savings account which you can take from home to home in Florida, and as an additional exemption which lowers your taxable value and thus lowers your tax bill. When you are selling your home it is especially critical that you check two things: (1) You must make sure that you have properly filed for portability on the home such that any accrued savings in your prior home (if you had one) are “ported” into your current home so that they can be passed forward to your next home. (2) It is quite often that the Market Value of your property on the tax rolls is not the same as what your home actually is selling for. If this is the case the error will act to reduce the amount of Portability and thus cause the tax bill on your next home to be higher. If you close on the sale of your home without checking on these things and addressing any issues the associated savings will be PERMANENTLY lost. If you are buying a home in Florida it is very important that you make the proper initial filings including all available exemptions before the filing deadline.

The easiest way to protect yourself is to have a property tax analysis company perform an analysis on your home tax valuations and your property tax filings. We recommend Florida Homestead Check, LLC for this service. There is a cost for this service; the report (called a Homestead Check™) generally takes 2-3 business days to obtain. If any issues are spotted then the report will detail the problem, the amount by which the issue will raise your tax bill, and the steps for correcting it so that your savings are optimized. If you have questions you can speak with FHC’s counseling service and if you do not wish to fix issues yourself you can hire them to fix them for you, typically on a contingency fee basis. To obtain the report please visit www.floridahomesteadcheck.com.

Please note that INI Realty receives no benefit if you use this service. Nor is INI Realty responsible for taking any corrective action(s) to fix any issues highlighted in a Homestead Check™ report or your own homestead research.

You must make all required filings at your county property appraiser’s office. The deadline for all filings is March 1 of the year *following* the year in which you “established” your new homestead. In general, to establish your new homestead you must purchase it, move into it, and change your driver’s license to the new address. A Homestead Check™ will provide you with all required forms and filing information.

By signing below, you acknowledge and agree to the following:

1. You have received and read through this Disclosure, and further acknowledge that an advisory service is available to you (for a fee) that can identify any property tax related issues, evaluate the financial impact thereof, and provide instructions on how to correct any problems.

2. INI Realty has not provided you with tax advice or counsel. INI Realty has been provided with the above information by a third-party provider, and we are simply passing this information onto you as a courtesy.

3. INI Realty is not and shall not be responsible for checking your market valuations, providing you with tax filing forms, checking as to whether you have filed for portability, or providing you with any explanations relating to Florida’s Homestead Laws other than the information provided herein, which (again) is being provided to you as a courtesy.

4. You shall *hold harmless and indemnify* INI Realty (as well as its licensees, employees, independent contractors, assignees, etc.) from any and all liability, claims, damages, losses, attorney’s fees, and/or court costs whatsoever related to you properly filing property tax related forms; investigating market valuations, portability, or exemption filings; or any act or omission related whatsoever to property tax or homestead related filings or matters.

Signed on this _____ day of _____, 20____.

Customer

Customer

Customer