

Frequently Asked Questions

Do I have to sell my previous homestead before I qualify for portability?

- No. There is no requirement that the property be sold; however, the previous homestead must have been abandoned by all homesteaders.

If my co-owner and I abandon our previous homestead and move to a new homestead owned solely by me, may we transfer all of our Save Our Homes Cap?

- No. Because both of you are not in title to the new property, only you are eligible for a homestead exemption on the new property. You would only be allowed to transfer your share of the previous Save Our Homes cap, in this case 50%. To transfer 100% of the cap differential to the new property, all homesteaded owners of the previous homestead must apply for the new homestead.
- A DR-501T form for transfer of homestead assessment difference must be filled out.

What if my spouse and I divorce? Who gets the Portability?

Portability distribution in a divorce is based on the recorded Dissolution of Marriage agreement. Contact our office for more information.

- If the spouse leaving the homestead (the grantor), deeds their interest in the property to the spouse remaining in the property (the grantee), there is no portability available to the grantor.
- If both former spouses retain ownership as joint tenants with right of survivorship, the resident spouse retains the portability.
- If both former spouses remain in title after the Dissolution of Marriage is recorded, by statute they become *tenants in common*, (§689.15 F.S.). If one person remained in the homestead, the property would be reassessed on the following January 1st showing only 50% of the value subject to homestead and Save Our Homes. The former spouse who left the property would be entitled to transfer up to 50% of the Save Our Homes cap to a new homestead, subject to downsizing.

What does 'Upsizing' and 'Downsizing' Mean?

The amount of SAVE OUR HOMES savings you may transfer when applying for PORTABILITY varies whether you are UPSIZING or DOWNSIZING.

To take advantage of this benefit you must be approved for a new homestead exemption on another property within two tax years of your last homestead exemption.

UPSIZING....When the **Market Value** (not the purchase price) of your new homestead is the same as or greater than the Market Value of your previous homestead, you may transfer **up to \$500,000** in Save Our Homes cap value.

Example: Assume you sell Condo A and purchase Condo B. The Market Value of the new condo is more than the Market Value of the previous condo. You may transfer your entire SOH savings of \$451,794 from your prior condo to the new condo, making the new condo Taxable Value \$787,206.

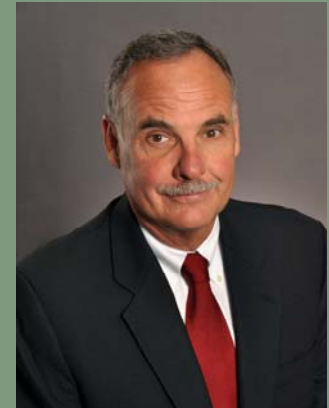
Condo A		Condo B	
2016 Values (as of 01/01/2016)		2017 Values (as of 01/01/2017)	
Just (Market) Value:	\$1,059,700	Just (Market) Value:	\$1,289,500
'Save Our Homes' Cap:	\$ 451,794	'Save Our Homes' Cap:	\$ 451,794
Assessed Value:	\$ 607,906	Assessed Value:	\$ 837,706
Homestead:	Yes	Homestead:	Yes
School Exemption	\$ 25,000	School Exemption:	\$ 25,000
Non-School Exemption	\$ 50,000	Non-School Exemption	\$ 50,000
School Taxable:	\$ 582,906	School Taxable	\$ 812,706
Non-School Taxable	\$ 557,906	Non-School Taxable	\$ 787,706

DOWNSIZING..... When the **Market Value** of your new homestead is less than the Market Value of your previous homestead, your portability will be calculated using the **ratio of the Market Value to the Assessed Value** of the prior homestead.

Example: Assume you sell Condo A and purchase Condo C below. Your Assessed Value for Condo A is 57.4% of the Market Value (\$607,906 divided by \$1,059,700 = 57.4%). If the Market Value of the new homestead is less than \$1,059,700, your Assessed Value on the new property will be 57.4% of the Market Value.

Condo C	
2017 Values (as of 01/01/2017)	
Just (Market) Value:	\$ 500,000
'Save Our Homes' Cap:	\$ 213,000
Assessed Value:	\$ 287,000
Homestead	Yes
School Exemption:	\$ 25,000
Non-School Exemption	\$ 50,000
School Taxable	\$ 262,000
Non-School Taxable	\$ 237,000

Save Our Homes and Portability and how they benefit you



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Save Our Homes

Reduces your Taxes

The Florida Constitution was amended in 1992 to provide a limitation on annual increases to the Assessed Value of property receiving a homestead exemption. The assessment limitation is known as the "Save Our Homes" (SOH) cap and limits the annual increase to 3% (excluding any additions or improvements), or the amount of the Consumer Price Index (CPI) change, whichever is less. The Assessed Value becomes capped beginning in the second year of the new homestead exemption.



The difference between Market Value and Assessed Value is shown in the example on the right as the SOH cap. Since the final Taxable Value will be influenced by the SOH cap and various types of exemptions that may be granted, it is not possible to compare taxes with neighboring properties. However, it is appropriate to compare the market values of similar neighboring properties.

When a homestead property sells, the SOH cap and exemptions, belonging to the prior owner, are removed and the Assessed Value returns to the Fair Market Value. When the new property owner applies for a homestead the SOH cap begins again as described above.

Help Us Prevent Homestead Fraud

If you know or suspect someone of having an illegal homestead or exemption, please contact our office. You may do so confidentially at 941.861.8200 or www.SC-PA.com under Homestead Fraud.

Visit our website at www.SC-PA.com to view property record and value information in Sarasota County.

(Sample value information)

Just (Market) Value:	\$250,000
Land Value:	\$50,000
Improvement Value:	\$200,000
Assessed Value:	\$220,000
"Save Our Homes" Cap	(\$30,000)
Homestead:	Yes
Exemptions: (non-school)	(\$50,000)
Taxable Value: (non-school)	\$170,000

Did your Market Value decline this year but your taxes increased?

This could be caused by one of the following situations.

- If the **Assessed Value** of your homestead property is less than your **Market Value** (as in the example above), Florida Law (FAC 12D-8.0062) requires Property Appraisers to raise the Assessed Value by a maximum of 3% or the annual Consumer Price Index (CPI) change, whichever is less. This is referred to as the Recapture Rule of Amendment 10. *It is important to note your property's Assessed Value will never be higher than Market Value.*
- Your property may have different taxable values applicable to each taxing authority. Taxable Value equals assessed value less tax exemptions. Taxes are determined by multiplying the taxable value of each taxing authority times its corresponding millage rate. Even though your property's market value may have declined, it is possible your property taxes may increase when millage rates increase.
- Verify whether you continue to have the **Exemptions** you had previously. Becoming ineligible and losing an exemption may cause your taxes to increase.

Portability

Makes it easier for you to move from one homestead property to another

In January 2008, the Florida Constitution was amended to allow for the transfer or "portability" of the accumulated "Save Our Homes" (SOH) cap differential (the difference between the Market Value and the Assessed Value) to a new homestead. A maximum of \$500,000 in non-taxed value may be transferred to your next homesteaded property within the State of Florida.

To take advantage of this benefit you must be approved for a new homestead exemption on another property within two tax years of your last homestead.



For example, if you had a homestead exemption as of January 1, 2016, and moved out in June 2016, you must have a new homestead exemption granted for 2017 or 2018 to be eligible for the portability benefit.

If the market value of your new home is more than the market value of your prior home, the entire SOH amount up to \$500,000 may be transferred. If the market value of the new home is less than the market value of the prior home, a percentage of the accumulated benefit may be transferred. Contact our office for more information.

10% Cap on Non Homesteaded Properties

With the passage of Amendment 1 and beginning in 2009 the Assessed Value for all non-homesteaded properties will be capped and will not increase more than 10% annually. However, the schools are exempt from this law, which means the school tax is based on Market Value. This 10% cap is automatic and no application is necessary.