



**Jim Smith, CFA Pinellas County Property Appraiser**  
**2 0 0 7 T R I M N O T I C E**

# TRIM GUIDE

*Helping you read and understand your Notice of Proposed Property Taxes (TRIM Notice)*

## Dear Pinellas County Property Owner,

Your 2007 Notice of Proposed Property Taxes (**TRIM Notice**) contains very important information about this year's property values and taxes. The primary value listed on the Notice is the Just/Market value, which is based on the status of your property as of **January 1, 2007**. The Just/Market value is the amount in cash a willing buyer who did not have to buy would pay a willing seller who did not have to sell, less costs of sale (i.e., document stamps, broker's and attorney's fees, etc.).

If you have any questions about this value, we encourage you to contact our office. One of our appraisers will be happy to discuss your value with you. You are also welcome to review our lists of sales in Pinellas County to acquaint yourself with **actual local real estate market trends**.

The ad valorem appraisal process and the role of our office is governed by Florida law. The 2007 legislature has enacted changes to the tax system, including mandated millage roll-backs. The roll-back rates are reflected in the proposed tax amount on your TRIM Notice. The legislature has also proposed giving homeowners the option of keeping the Save-Our-Homes Cap or adopting a new "super" homestead exemption. A change to the Cap involves a change to the Florida Constitution requiring voter approval; therefore, the proposed exemption and Cap adjustments are not reflected in your TRIM notice this year.

Regardless how the tax system is reformed, it is my goal as your elected Property Appraiser to always provide **fair** appraised values for all property owners in accordance with Florida law. We're here to serve you, so please call at any time if we can be of assistance.

JIM SMITH, CFA



*For more information about **VALUES, EXEMPTIONS, and TAXES**, please visit <http://www.pcpao.org>*

### YOUR QUESTIONS:

#### IF THE HOUSING MARKET "BUBBLE" HAS BURST, WHY HAVEN'T VALUES DROPPED?

Property values are based on January 1 of each year, so your 2007 value is based in part on sales of comparable properties that occurred during 2006. Although statistics of recorded sales do show a decrease in the number of sales during 2006, sale prices for many areas and property types increased or remained at the same level. (See the chart below). 2007 sales will be used to establish 2008 values.

You can review comparable sales on our website by searching for your property and clicking on *Comparable Sales* at the top of the information screen. We can also provide you with a list of sales supporting your value. Please call the phone number on your TRIM Notice to speak to your appraiser.

**YOUR QUESTIONS continued inside...**

### SINGLE FAMILY RESIDENTIAL

	Countywide		Beaches		Mid County		North County		South County	
	Median Sale Price	Percent Change	Median Sale Price	Percent Change	Median Sale Price	Percent Change	Median Sale Price	Percent Change	Median Sale Price	Percent Change
2004	\$165,500	-	\$465,000	-	\$159,500	-	\$217,500	-	\$136,000	-
2005	\$199,900	20.8%	\$625,000	34.4%	\$190,000	19.1%	\$262,000	20.5%	\$163,500	20.2%
2006	\$215,000	7.6%	\$656,500	5.0%	\$208,000	9.5%	\$282,000	7.6%	\$177,500	8.6%
2007	\$200,000	-7.0%	\$594,900	-9.4%	\$190,000	-8.7%	\$252,000	-10.6%	\$165,900	-6.5%

### CONDOMINIUMS

	Countywide		Beaches		Mid County		North County		South County	
	Median Sale Price	Percent Change	Median Sale Price	Percent Change	Median Sale Price	Percent Change	Median Sale Price	Percent Change	Median Sale Price	Percent Change
2004	\$143,000	-	\$385,000	-	\$122,000	-	\$114,500	-	\$168,000	-
2005	\$180,000	25.9%	\$529,500	37.5%	\$155,000	27.0%	\$144,900	26.6%	\$215,000	28.0%
2006	\$180,000	0.0%	\$498,000	-5.9%	\$160,000	3.2%	\$160,500	10.8%	\$225,000	4.7%
2007	\$165,000	-8.3%	\$465,000	-6.6%	\$135,000	-15.6%	\$153,500	-4.4%	\$200,000	-11.1%

2007 values are based on sales that occurred prior to January 1, 2007. Sales from 2007 will be analyzed to determine 2008 values. Median sale prices are shown here for illustrative purposes and are not indicative of all appraisal areas. This table is based on sale data available on 6-15-07.

## HOW IS VALUE DETERMINED?

The ad valorem appraisal process is governed by Florida law, including Florida Statute 193.011. There are three approaches to value referred to in the Florida Statutes: *replacement cost*, *direct sales comparison*, and *capitalization of income*. In Pinellas County, we use a computer-assisted mass appraisal system that incorporates elements of all three approaches to value. For residential real property, the best evidence of market value is sale prices of properties similar to yours.

The lower portion of your **TRIM Notice** contains your property values, including the Just/Market Value, Assessed Value, Exemptions, and Taxable Value for this year and last. Certain exemptions (like the **Senior Exemption**) only apply to the millage rates for specific taxing authorities, and your notice may list different taxable values for different authorities.

## TANGIBLE PERSONAL PROPERTY

For tangible personal property, while all three approaches to value are considered, the cost approach is generally given the most weight. This method considers the depreciated historical acquisition cost of an item including freight and installation.

Business returns are mailed to owners of tangible personal property around the first of each year. These returns are to be sent back to our office by April 1 to prevent the statutory imposition of penalties. Please check your records to ensure compliance. Please call 727-464-8484 with questions.

## NON-AD VALOREM ASSESSMENTS

Non-Ad Valorem assessments are applicable in some taxing districts and are based on a rate schedule set by each governing body. They are NOT based on the value of your property. The Save-Our-Homes Cap does not apply to these assessments. Please direct all questions regarding these assessments to the levying authority listed on the TRIM Notice.

## HOMESTEAD EXEMPTION

Homestead Exemption is a constitutional benefit of a \$25,000 reduction in the assessed value of your home. It is granted to applicants who file by March 1, possess title to real property, and are bona fide Florida residents living in the dwelling and making it their permanent home on January 1.

A homestead exemption is **not** transferrable. You *must* file a new application in person if you received an exemption last year and established a *new* residence this year. You must file an original application in one of our offices by March 1, 2008 to qualify for the 2008 exemption.

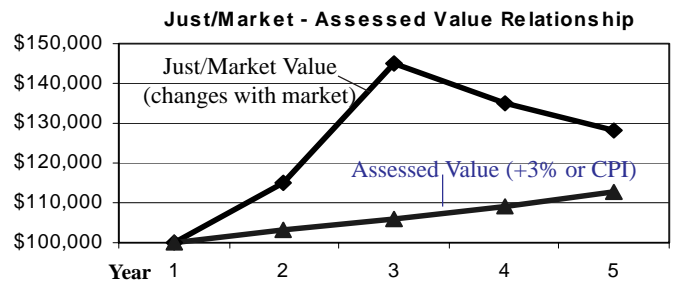
If you no longer qualify for the exemption, or if you inherited homesteaded property during 2007, notify our office of the change immediately at 464-3294.

## THE SAVE-OUR-HOMES CAP

The Save-Our-Homes Cap is a constitutional benefit that limits the annual increase in the **assessed value** (not taxes) of a Homesteaded property to 3% or the increase in the Consumer Price Index, whichever is lower, beginning the second year of the exemption.

Please note that because of different exemptions and the Save-Our-Homes Cap, it is not possible to compare taxes with neighboring properties. It is appropriate to compare the Just/Market values between comparable properties.

**If you have the Save-Our-Homes Cap on your property and your Just/Market value *decreases*, your assessed value will still increase by the annual Cap rate until it reaches the Just/Market value.** The chart below shows the relationship between changes in the Just/Market value and Assessed value for a hypothetical property over 5 years. The Assessed value continues to increase as long as it is less than the Just/Market value.



## ADDING AN OWNER

For estate planning purposes, many property owners opt to add a family member or other person (other than a spouse) to the title of their homesteaded property. Florida law allows you to retain your Save-Our-Homes Cap when adding a new owner to the title to your home, with some conditions. **However, if the new owner files for Homestead Exemption, the Save-Our-Homes Cap will be removed and the assessed value will be reset to market value.** If the new owner intends to make the property his or her permanent residence, filing for Homestead Exemption immediately may save a more costly loss of the Cap in the future. Before making any changes to your title, you are encouraged to contact an attorney or estate planning professional. Please call our Exemptions Department at 464-3294 if you have any questions.

## IMPORTANT TO NEW HOMEOWNERS

By law, when a property sells or transfers, the cap and all exemptions are removed at the end of the calendar year. If you purchased your home during 2006, your assessed value this year may be substantially higher than last year due to the removal of the previous owner's Save Our Homes Cap.

To follow the actions of the 2007 legislature regarding changes to the property tax system, please visit [www.myflorida.com](http://www.myflorida.com) and follow the links to the House and Senate websites.

## YOUR QUESTIONS, continued...

### WHAT IS "HIGHEST & BEST USE"?

Highest and Best use, as defined by the International Association of Assessing Officers, is that use which will generate the highest net return to the property over a reasonable period of time. It is one of the many appraisal principles considered when establishing values. Under current Florida law, the Property Appraiser's office must consider all aspects of the local real estate market when establishing values, including sale prices, construction costs and depreciation, typical rents and operating expenses, and Highest and Best Use (see Florida Statute 193.011).

The principle of highest and best use acknowledges that the potential uses of a property, not just current use, affect the actions of buyers and sellers in the real estate market.

Consideration of highest and best use does NOT mean, however, that a beachfront property with a small motel will be valued as if it were developed with a condominium complex. Instead, it recognizes (based on market data) that the LAND value is impacted by development potential, which influences sale prices, and therefore, market value. Visit [www.pcpao.org](http://www.pcpao.org) and follow the link to "FL Law Governing Property Appraisers" for additional information.

### HOW ARE MY TAXES SET?

Property taxes are based on the millage (or tax) rates set each year by the taxing authorities to fund their budgets. Although the millage rates are not listed on the TRIM Notice, the resulting taxes are. If you compare the column titled "Your Taxes This Year if Proposed Budget Changes are Made" to the column titled "Your Taxes this Year if No Budget Change is Made," you can see the amount of tax increase due to budget increases, as opposed to value.

The "millage roll-back rate" is the millage rate the Taxing Authorities can use in order to keep the revenue from property taxes the same as it was the previous year, even if property values rise.

In other words, taxes could go up or down due to millage rates set by the taxing authorities, independent of the property value. If you are concerned about an increase in **taxes** (as opposed to value), please carefully review the information on the taxing authorities and consider contacting them or attending the budget hearings (dates & times listed on your TRIM Notice).

### Mailing Address Changes

The Property Appraiser and the Tax Collector use the same mailing address file. If you notify us of an address change, please provide only **ONE** address that is valid throughout the year. The two main mailings are the TRIM Notice in August and the Tax Bill in November. Please remember to include the **property parcel number** or **account number** with your request. Change of Address Request forms are now available online: [www.pcpao.org](http://www.pcpao.org)

## HOW TO CHALLENGE YOUR PROPERTY VALUE OR EXEMPTION STATUS:

### 1 Informal Conference with your Appraiser

If you believe your 2007 value is higher than market value on January 1, 2007, we encourage you to speak to your area appraiser. Our goal is not to increase property values, but to determine that your property is appraised equitably and accurately. We would be happy to speak with you about the valuation of your property. If you think you would like to file a petition or lawsuit, please call us first - we may be able to answer your concerns directly.

### 2 Petition to the Value Adjustment Board (VAB)

You have the option to file a petition with the Value Adjustment Board **by the date listed at the bottom of your TRIM Notice**. The Value Adjustment Board is created by State law and is comprised of three members of the Pinellas County Commission and two members of the School Board. The Board appoints Special Magistrates, who are qualified real estate appraisers or attorneys, to conduct the informal hearings and rule on the assessment. The magistrates are independent of the Property Appraiser's office. Like you, we are simply a party before the Board.

The Value Adjustment Board does not set millage rates and has no jurisdiction over **taxes**. The only question the Special Magistrates answer is whether the appraised value of a property exceeds its market value as of January 1, 2007. You can prevail before the VAB if you prove that your appraisal exceeds market value as of January 1.

The best way to prepare for a VAB hearing is to produce market evidence such as **sales** of comparable properties that sold before January 1, 2007.

Our informative video, *How to Contest Your Property's Value*, will be airing on **Pinellas 18: Your County Connection**.



Consult your viewing guide for air times. The video is also available at all public libraries and Property Appraiser's offices, and online at: <http://www.pcpao.org>. For a petition form, please contact our office, or download the form online from the the Clerk of the Court's website (<http://www.pinellasclerk.org>).

### 3 Circuit Court Complaint (Lawsuit)

Your third option is to file a Civil Action in the Circuit Court under section 194.171 of Florida Statutes. You can do this whether or not you file a petition, but please be sure to read the statutes or contact an attorney to determine the appropriate filing deadlines and other important information.

### TAX BILLS

The Tax Collector will mail tax bills on or about November 1. If you have any questions for the Tax Collector, you may call (727) 562-3262.

# Pinellas County Taxing Authorities

Every taxing authority will hold a public hearing on their proposed budget for the forthcoming year. The size of the budget determines the millage rate and subsequently the amount of tax you will pay. If you wish to voice an opinion you are encouraged to attend these meetings. Every hearing is listed on your TRIM Notice.

**County Aggregate** - (This comprises three funds: General, Health Dept., and E.M.S.) **The General Fund** operates all the County Services such as: County correctional system; 911 Emergency Communications System; Parks and a museum; Air and water quality programs; Dog and cat licensing, immunization and adoption programs; Enforcement of local environmental ordinances protecting wildlife, trees and grounds; Mosquito control; Comprehensive planning; Economic and medical assistance to persons in need of basic necessities. The County Aggregate also includes funding for the Sheriff, Clerk of the Circuit Court, Supervisor of Elections and Property Appraiser. **The Health Department** operates the various County health programs such as screening, monitoring, and immunizing for certain communicable diseases like tuberculosis, measles, flu, sexually transmitted diseases, etc.; and it also administers school health program, family planning, and prenatal care. **The E.M.S. Program** provides the County's Emergency Medical Services (including paramedics).

**Pinellas Planning Council** - provides countywide planning necessary for orderly growth, development and environmental protection of the county as a whole; coordinates all countywide planning and development with Tampa Bay Regional Planning Council and the Florida Department of Community Affairs.

**School Board** - operates and maintains Pinellas County's public school system, including academic instruction, administration, and support services.

**Cities/Towns (24 Municipalities in the County)** - provide police, fire, sewer, garbage collection, street lighting, street repair, school crossing guards and crime watch programs. Operate libraries, municipal golf courses, recreation complexes, parks, cemeteries, wastewater treatment plants, senior citizens' and community centers. Enforces city housing and development codes.

**Municipal Services Taxing Units (MSTU)** - provide various services to residents in the unincorporated areas of the county, such as: law enforcement (Sheriff's Department); issuing construction permits, enforcing local building codes and the State energy code and providing on-site inspection during all phases of construction; reviewing applications for land-use plan changes, site plans and rezoning.

**Fire Districts (15 Districts in the County)** - provide fire protection for residents in the unincorporated areas.

**Library Services** - allows citizens the convenience of one library card for thirteen member libraries and provides broad-based interlibrary loan and information network.

**Palm Harbor Community Services District** - provides funding for operation and maintenance of a public library facility, recreational facilities/programs, and related land acquisitions.

**Feather Sound Community Services District** - funds street lighting; recreational and green space acquisition, development and maintenance.

**Southwest Florida Water Management District** - is one of five regional districts charged by the state to preserve and protect Florida's water resources. Its mission is flood control, water supply, and water quality. SWFWMD covers all or part of 16 counties.

**Pinellas-Anclote River Basin Board** - is one of eight watershed basins within the Southwest Florida Water Management District. This basin board is responsible for identifying the water-related concerns and problems within the basin, for adopting budgets to support those concerns, and fund resolutions to the problems. Projects funded include reclaimed water, conservation, flood plain analysis, storm water management, and water quality.

**Pinellas Park Water Management District** - builds and maintains major storm water drainage systems.

**Juvenile Welfare Board** - the first independent, special taxing district dedicated solely to children's services created by voters in 1946. JWB plans, coordinates, advocates, funds and evaluates programs for children and families. The Board contracts for services with public and not-for-profit agencies and programs countywide. JWB focuses on positive development for children and families and the reduction of risk in the areas of substance abuse, violence and harmful sexual behavior. The focus of services and activities is asset and community based, and emphasizes ages 0-6 and 10-14 using support and youth development principles.

**Transit Authority** - administers the countywide transit system, including more than 43 bus routes and Demand Response service for 21 municipalities and the unincorporated areas. It advocates mass transportation.

**Clearwater Downtown Development Board** - assists the City of Clearwater in the analysis, formulation and implementation of downtown development plans.

For a diagram of the elements on your TRIM Notice, please go to [www.pcpao.org](http://www.pcpao.org) and follow the link on the left to "Appraisal Info" then select "Truth In Millage"

REMINDER: Your hurricane **EVACUATION LEVEL** is printed on your TRIM Notice below your tax district.