

Guidance Document 7

Portability of the “Save Our Homes” Benefit

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Portability of the “Save Our Homes” Benefit

PURPOSE

The purpose of this document is to explain portability of the Save our Homes (SOH) benefit and provide guidance for dealing with this issue in the acquisition of rights of way.

AUTHORITY

Section 20.23(3)(a), Florida Statutes
Section 334.048(3), Florida Statutes

DEFINITIONS

Portability: The ability to transfer the SOH benefit from an existing homestead to a newly homesteaded property.

Save Our Homes (SOH) Benefit: The difference between market value/just value and assessed value for homestead properties.

7.1 Calculating Portable SOH Benefits Based on Home Values

With portability, up to \$500,000 of the accumulated SOH benefit can be transferred to a new homestead property within two years. The portability of the SOH benefit may be calculated for higher and lesser value homes as follows:

- (A) **Portability of SOH to a Higher Value Home:** If the just value of the new homestead as of January 1st of the year the new homestead is established is greater than or equal to the just value of the prior homestead as of January 1st of the year in which the prior homestead was abandoned, the assessed value of the new homestead shall be the just value of the new homestead minus an amount equal to the lesser of \$500,000 or the accumulated SOH benefit as of January 1st of the year in which the prior homestead was abandoned.
- (B) **Portability of SOH to a Lesser Value Home:** If the just value of the new homestead as of January 1st of the year the new homestead is established is less than the just value of the prior homestead as of January 1st of the year in which the prior homestead was abandoned, the portable SOH benefit shall be the lesser of \$500,000 or the

amount equal to the percentage resulting from dividing the SOH benefit from the prior homestead by the just value of the prior homestead multiplied by the just value of the new homestead. The assessed value of the new homestead shall be the just value of the new homestead less the portable SOH benefit.

7.2 Applying For Portability

7.2.1 When a homeowner moves, they have from January 1st of the year they move until January 1st two years later to re-establish homestead and retain the SOH benefit.

7.2.2 To receive the benefit, the homeowner must apply for both the homestead exemption and the transfer of the SOH benefit in the county where the new homestead is established. When the homeowner applies for homestead exemption, they should also fill out **DR-501T, "Transfer of Homestead Assessment Difference"** which is a Florida Department of Revenue form.

7.2.3 Homeowners should contact the county Property Appraiser's office where the prior homestead was located for detailed information on the amount of the SOH benefit.

7.3 Recommendations for Pending and Future Acquisitions

Below are recommendations for the application of portability in pending and future acquisitions:

- (A) Honor the terms of any executed purchase agreements that include payment of a differential calculated under the Ad Valorem Tax Differential Directive (rescinded).
- (B) Withdraw any pending offers that include a differential payment and make new offers without the differential.
- (C) New offers should not include differential payments.
- (D) Advise all homestead landowners who may qualify for Save Our Homes portability of their potential entitlement to a benefit.
- (E) Advise all homestead landowners how to calculate and request portability. Property owners should be directed to the property appraiser in the county in which their prior homestead was located.
NOTE: Right of Way Agents should not calculate portable SOH benefits.

TRAINING

None required.

FORM

The following form is available at Florida Department of Revenue:

DR-501T, Transfer of Homestead Assessment Difference