

**Save Our Homes
&
Homestead Exemptions**

It passed Statewide

Now What????????????

- \$50,000.00 Homestead Exemption
- Save Our Homes Portability
- Annual assessment Cap for homesteaded properties 3%
- Annual Assessment cap for non-homesteaded properties 10% beginning 2009

The implementing bill sets forth additional rules for portability when more than one person has established the homestead:

- o If two or more people own multiple homesteads and are moving into only one new homestead,** they can only transfer a benefit from one of the former homesteads. So if a newly married couple is selling two former homesteads to move into one new homestead, they can choose to transfer whichever of their SOH benefits is largest. The size of the transferable benefit is capped at \$500,000.
- o If two or more people jointly own a homestead and are moving into more than one new homestead,** they must divide the value of their SOH benefit among the new homesteads based on the number of owners of the prior homestead. The total amount of transferable benefits is capped at \$500,000. So, if a couple is moving out of their jointly owned homestead with a \$100,000 SOH benefit into two new homesteads, they will divide the benefit in half and apply a \$50,000 benefit to each of their new homesteads.

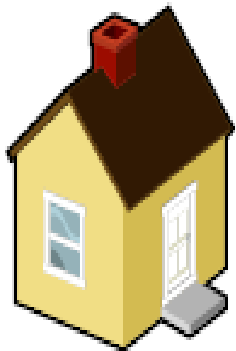
(The following provides a visual depiction of how portability will work)

CURRENT SITUATION (Without Portability)

Just Value: \$400,000

Accumulated SOH benefit: \$200,000

Assessed Value: \$200,000



Upsize



Just Value: \$600,000

Accumulated SOH benefit: \$0

Assessed Value: \$600,000

Downsize

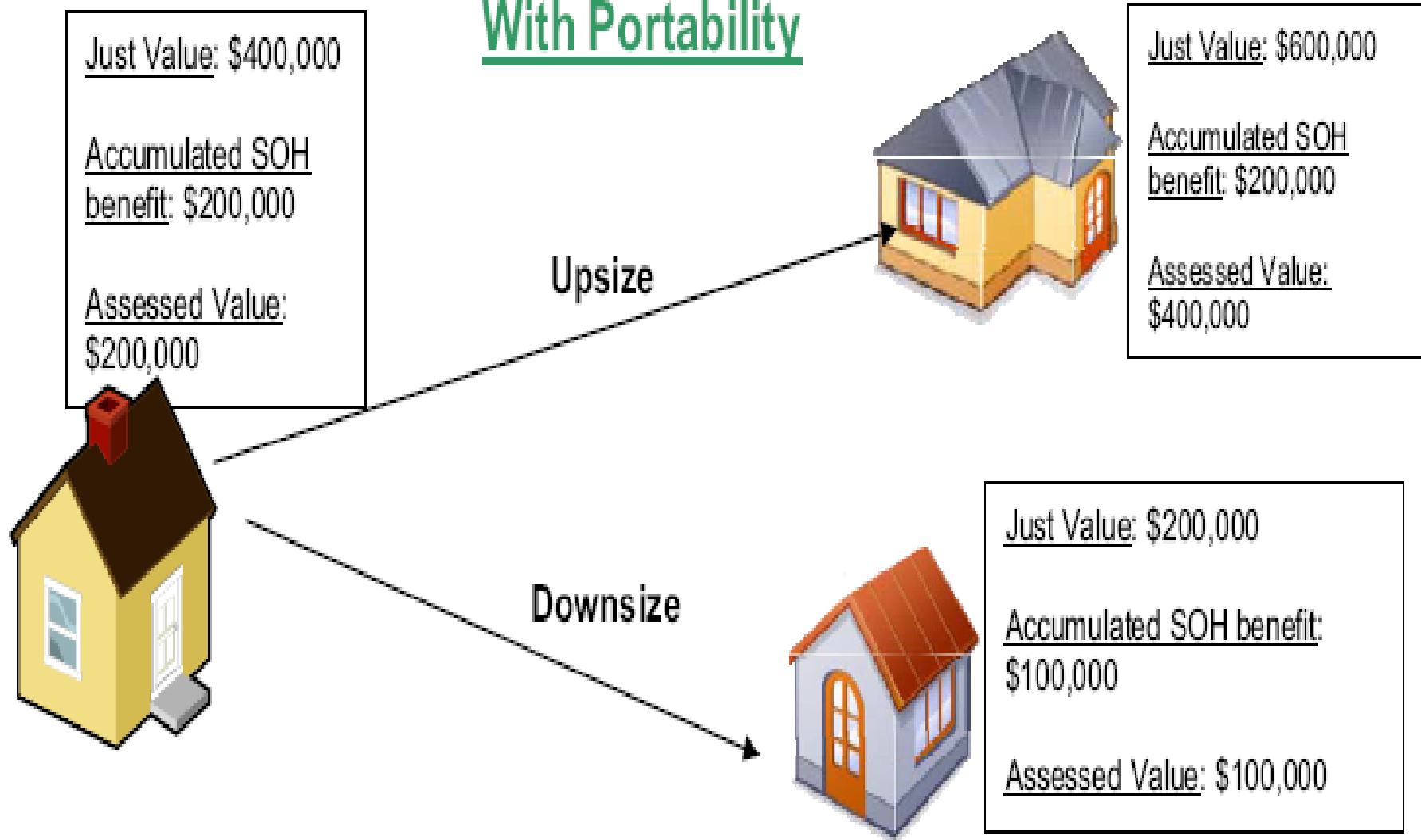


Just Value: \$200,000

Accumulated SOH benefit: \$0

Assessed Value: \$200,000

With Portability



Market Value of New same as Old

- Equal move or Moving up – 100% of the benefit up to \$500,000 portability to home with greater or equal just value.

Old Homestead Property				New Homestead Property		
Market Value	Assessed Value	Difference	%	Market Value	Amount to Subtract	Assessed Value
\$250,000	\$175,000	\$75,000	NA	\$250,000	\$75,000	\$250,000 <u>-\$75,000</u> \$175,000

** Now subtract the \$50,000 homestead exemption*

Market Value of New Home Greater than Old

Old Homestead Property

New Homestead Property

Market Value	Assessed Value	Difference	%	Market Value	Amount to Subtract	Assessed Value
\$200,000	\$150,000	\$50,000	NA	\$300,000	\$50,000	\$300,000 <u>-\$50,000</u> \$250,000
\$300,000	\$100,000	\$200,000	NA	\$500,000	\$200,000	\$500,000 <u>-\$200,000</u> \$300,000

** Now subtract the \$50,000 homestead exemption*

Downsizing

Market Value of New Home is Less Than Previous

Old Homestead Property

New Homestead Property

Market Value	Assessed Value	Difference	%	Market Value	Amount to Subtract	Assessed Value
\$250,000	\$150,000	\$100,000	$\frac{100,000}{250,000} = 40\%$	\$200,000	$\begin{array}{r} \$200,000 \\ \times 40\% \\ \hline \$80,000 \end{array}$	$\begin{array}{r} \$200,000 \\ \underline{-\$80,000} \\ \$120,000 \end{array}$
\$600,000	\$300,000	\$300,000	$\frac{300,000}{600,000} = 50\%$	\$300,000	$\begin{array}{r} \$300,000 \\ \times .50 \\ \hline 150,000 \end{array}$	$\begin{array}{r} \$300,000 \\ \underline{-\$150,000} \\ \$150,000 \end{array}$

** Now subtract the \$50,000 homestead exemption*

Difference is greater than \$500,000

Old Homestead Property	New Homestead Property
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Market Value	Assessed Value	Difference	%	Market Value	Amount to Subtract	Assessed Value
\$900,000	\$350,000	\$550,000	NA	\$1000,000	\$500,000 (Maximum)	\$1,000,000 <u>-\$500,000</u> \$500,000

** Now subtract the \$50,000 homestead exemption*

I hope this makes the Save Our Homes and Homestead Exemption amendment a little clearer for you! If you have further questions, please log onto <http://coj.net>.



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