

What is the definition of future value?

- This term is rarely used in ad valorem since we deal with historical value, but I would define future value as the value of an item or asset at some given point in the future. Time value of money along with the assumption of what market conditions would exist at some given point in the future would be an example of what information is needed to estimate a future value.
 - $Future\ Value = Present\ Value(1 + \text{annual interest rate})^{\text{number of periods interest held}}$
 $FV = PV(1+r)^n$

Please explain what exactly a millage rate is.

- In Florida, property taxes & real estate taxes are also known as ad valorem taxes (Latin for “according to value”).
- These taxes are based on the assessed value of a property.
- The millage rate is the tax rate used against the value to determine the amount of tax dollars. This equates to \$1 in taxes for every \$1,000 in home value.

Trim Notices, Truth in millage rate, comes out around the 2nd week of August each yea. The TRIM Notice must state the Market Value that the property appraiser came up with, and specify that if the property owner disagrees with the value that they have until the date which is 25 days from the date on which the TRIM notice was mailed to file a petition with the Value Adjustment Board. This usually works out to be around Sept. 10th each year. How common is the disagreement in your county and what is the process to handle it?

- During these 25 days we get a large influx of calls and visitors asking about their value.
- We use this as an opportunity to educate and explain our valuation process and provide the supporting market data used to determine their value.
- This usually resolves 99% of the inquiries.
- The next step for the ones that were not resolved, we request the data they are relying on and will compare it to ours and then discuss reasons for including or excluding the data.
- If there is still no resolution, then we recommend they file a petition so that a special magistrate can review and make a recommendation.
- In the last 5 years, the number of petitions filed have been around .2% (in 2020 = 284)
- The number of petitions granted at the VAB are even less. (in 2020 = 1 granted)

To my knowledge, all 67 counties in FL now use the CAMA system (computer program and like all computer programs its output is only as good as its input.) What does your office do to help identify the determining factors in what makes each property different whether it is an upgrade like a new pool or a downgrade like a sinkhole or storm damage?

- There is an endless amount of information that is tracked on real estate and the way we determine what items warrant tracking and what items do not is through following and understanding the property characteristics that buyers & sellers value the most.
- Location, finished square footage, building construction quality and age must be tracked the closest since they command the most value in the market.
- New construction is tracked using permits filed. We field inspect, measure and enter those features into our system.
- Calamity damage is covered by Florida Statutes so we would adjust the value based on the value of damage done. Once it has been remedied, a portion of new construction may be added or it may all be covered under their cap, depending on the severity.

Part of the Property Appraiser's job is to educate the public as to the laws and the benefits available, and you'll usually see a bunch of forms and pamphlets on display covering every filing needed and every topic from how valuations are made to veteran's disability exemptions. What are some of your most underused filings that you want to educate us on today?

- The most underused and rare filings in our office are probably conservation easements (9), conservation exemptions (30) and the working waterfront classification (2).
- These are classifications and exemptions that are not widely used. Conservation classification and exemptions work when a landowner places their property in a conservation easement in perpetuity. This basically eliminates the developmental rights from a property for either a temporary time period or forever. If a conservation easement is established for only a temporary time period (example would be 10 years) or the amount of land placed in the easement is less than 40 acres, we will apply a classified use value similar to an agricultural farm rate but the rate is determined from sales of other conservation land. It essentially creates a requirement that we value the property as conservation today even though it may have a higher market value because the easement will be removed down the road. If the parcel is greater than 40 acres or the conservation easement is in perpetuity, then we place a conservation exemption on the property that will essentially remove the value off the tax roll.
- Working waterfront is another rare classification and when a Marina applies and qualifies for working waterfront it creates a requirement that we value the property based on its current use as an operating Marina as opposed to a highest and best use scenario that may include redeveloping the waterfront property into condominiums for example. The purpose of the classification is to protect operating Marinas that may not be able to afford an elevated tax bill that is based on a potential future use of the property.

Portability = Market Value – Assessed Value.

I'd assume it's fair to say, folks will want as much Portability as one can get thus, we want Market Value to be as high as possible. With the trend in real estate at the moment, how much of an increase in Market Value do you project for your perspective county?

- Here are the market valuation changes from 2019 to 2020 in Martin County:
- Martin County Total Market Value Tax Roll Increase: 6.42%
- Martin County Residential Market Value Increase: 7.89%
- Martin County Commercial/Industrial Market Value Increase: 5.9%
- The numbers above are the overall % and so individual properties will have higher and lower increases depending upon their specific factors.
- The market continues to show strength in 2021 so our current assumption is for a similar increase to what we have this year.

What do you enjoy most about your position?

- There is a certain stigma when dealing with "the government". So I enjoy when people leave our office and say "wow that was so nice and easy".
- I enjoy teaching someone about a process or function in our office.
- I enjoy when we have done something that makes the public's life easier.