

Property Appraiser's Office



2013 ANNUAL REPORT

Statistics from the 2012 Assessment Roll

GARY R. NIKOLITS, CFA
PROPERTY APPRAISER



View from Flagler Drive, Downtown West Palm Beach along the Intracoastal Waterway.

Incorporated in 1894, West Palm Beach is the county seat.

(Photo by Stephanie Potter, Exemption Services)

GARY R. NIKOLITS, CFA

Palm Beach County Property Appraiser



*M*ission *S*tatement

Our Mission is to prepare a fair and equitable tax roll according to Florida statutes, administer all exemptions and serve the public in a courteous manner.

Dear Taxpayer:

This 2013 Annual Report is designed to provide you with insight and data about the job performed by your Property Appraiser's Office.

As Palm Beach County continues to grow, the job of Property Appraiser is always challenging and ever-changing. Keeping track of the owners, values and exemptions on **628,754** properties valued at **\$163.2 billion**, requires the efforts of a highly skilled staff of dedicated public employees who strive to reach the highest standards in public service. Implementing new laws adopted by the Legislature, or passed by voters, ensures one constant: Nothing is constant!

I am proud that since my first election in 1992, my office has achieved 20 consecutive tax roll approvals without defect. This is significant because it shows the policies and procedures within my office often exceed those required by the Florida Department of Revenue, the agency that oversees the operations of all Property Appraisers in the state.

Although often mistaken for the office that sets taxes, my office's primary function is to report to the various taxing authorities the taxable value of property within their jurisdictions. It is these elected, and sometimes appointed commissioners and council members who set the tax rates and decide how much each of us will pay in taxes.

It has been my honor to serve as your Property Appraiser and I pledge to continue to do my best to provide you, our customer, the highest quality of public service.

Sincerely,

Gary R. Nikolits, CFA

We Value Our Community



Mark Your Calendar

2013 Key Dates for Property Owners

- | | |
|------------------|--|
| January 1 | Property values and exemptions are established. |
| March 1 | Deadline to apply for Homestead exemptions, Portability and Agriculture classifications. |
| April 1 | Deadline to file completed Tangible Personal Property Tax Returns. |
| June 1 | Estimated taxable property values for 2013 released to local taxing districts. |
| July 1 | Denial notices for exemptions and Agriculture classifications are mailed. |
| July 1 | Preliminary Tax Roll submitted to Florida Department of Revenue. |
| Aug. 1 | Deadline to file appeals of denied homestead exemptions and Agricultural classifications to the Value Adjustment Board. |
| Aug. 22 | On behalf of Palm Beach County taxing authorities, Notices of Proposed Property Taxes are mailed to property owners. The information includes tax rates, market, assessed and taxable values for the current and previous year, exemptions applied to your property, taxes as proposed by the various taxing authorities and public hearing dates for their budgets. |
| Sept. 16 | Deadline to appeal market values to the Value Adjustment Board. Deadline to appeal to the Value Adjustment Board for late applications for homestead exemptions and Agricultural classifications. |
| Nov. 1 | The Tax Collector's Office mails annual tax bills. |

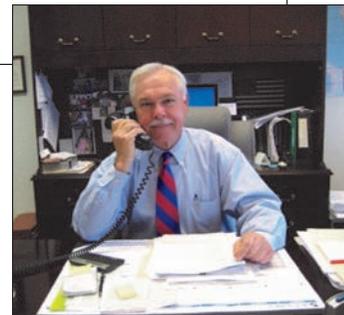
ACCOMPLISHMENTS 2012

Under Property Appraiser Gary Nikolits, the office continued its high standards of professionalism and integrity in service to our taxpayers.

- √ The Tax Roll was approved by the Florida Department of Revenue without defect for the 20th consecutive year, a mark of professional excellence by our staff.
- √ Recognized by the International Association of Assessing Officers as having “the largest number of Certified Professional designees of any single jurisdiction in the world.”
- √ Restored \$1,247,962 to the Tax Roll from Homestead fraud investigations.
- √ Processed 16,360 new exemption applications, including 4,815 E-Files, and 1,429 new senior exemption applications.
- √ Value appeals totaled just .76% of all parcels and accounts, the lowest among the state’s three most populous counties: Miami-Dade, Broward and Palm Beach. These low numbers reflect the “Get it right the first time” philosophy of our office.



Chief Deputy Property Appraiser Dorothy Jacks, AAS, CFE, and Assistant Property Appraiser Tom Barnhart, MAI, SRA, CFE, meet regularly with Property Appraiser Gary Nikolits to implement policy and ensure a fair and equitable tax roll.



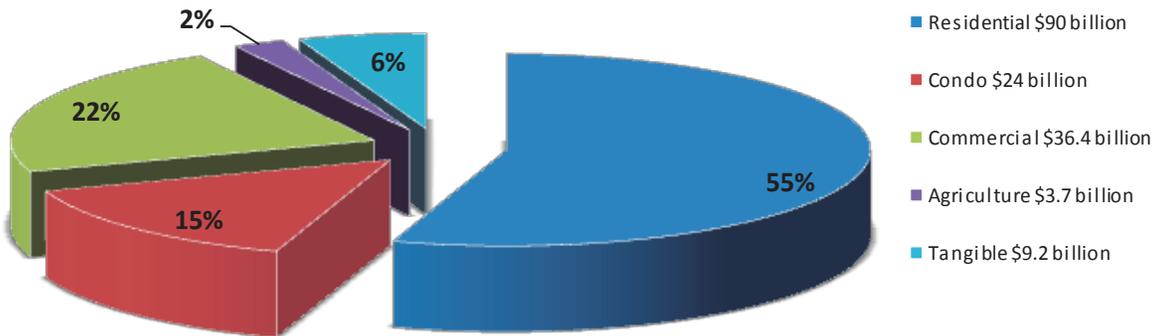
2013 GOALS

- ▶ Prepare the 2013 Tax Roll without defect for the 21st consecutive year.
- ▶ Continue to provide the public with easy access to data through PAPA, our award-winning website.
- ▶ Undertake a re-write of the Homestead E-file system on our website: pbcgov.com/PAPA
- ▶ Expand the use of technology in our office to streamline the valuation process.

Property Breakdown

2012 Market Values

\$163.2 billion



| REAL PROPERTY DESCRIPTION | MARKET VALUE | TAXABLE VALUE |
|---|--------------------------|--------------------------|
| Single Family Residential, Townhouses, Zero-Lot Lines | \$86,741,602,382 | \$68,317,559,262 |
| Mobile Homes | \$140,940,535 | \$94,949,406 |
| Miscellaneous Residential | \$584,398,732 | \$421,001,293 |
| Vacant Residential | \$2,350,545,358 | \$2,226,838,374 |
| Total Residential Properties | \$89,817,487,007 | \$71,060,348,335 |
| Condominiums | \$23,174,696,129 | \$19,383,480,940 |
| Cooperatives | \$765,037,184 | \$618,263,305 |
| Total Condominium Properties | \$23,939,733,313 | \$20,001,744,245 |
| Commercial | \$16,363,470,111 | \$15,782,451,546 |
| Multi-Family | \$4,440,588,019 | \$4,141,938,623 |
| Institutional/Governmental/Other | \$11,292,261,795 | \$1,323,999,220 |
| Industrial | \$4,305,760,754 | \$4,231,046,508 |
| Total Commercial Type Properties | \$36,402,080,679 | \$25,479,435,897 |
| Total Agricultural Properties | \$3,698,858,752 | \$997,849,927 |
| Total Tangible Properties | \$9,294,938,336 | \$7,696,739,361 |
| Centrally Assessed | \$102,049,757 | \$99,995,334 |
| Total Value | \$163,255,147,844 | \$125,336,113,099 |

Palm Beach County Property Market Values Decreased 0.2% in 2012 from 2011

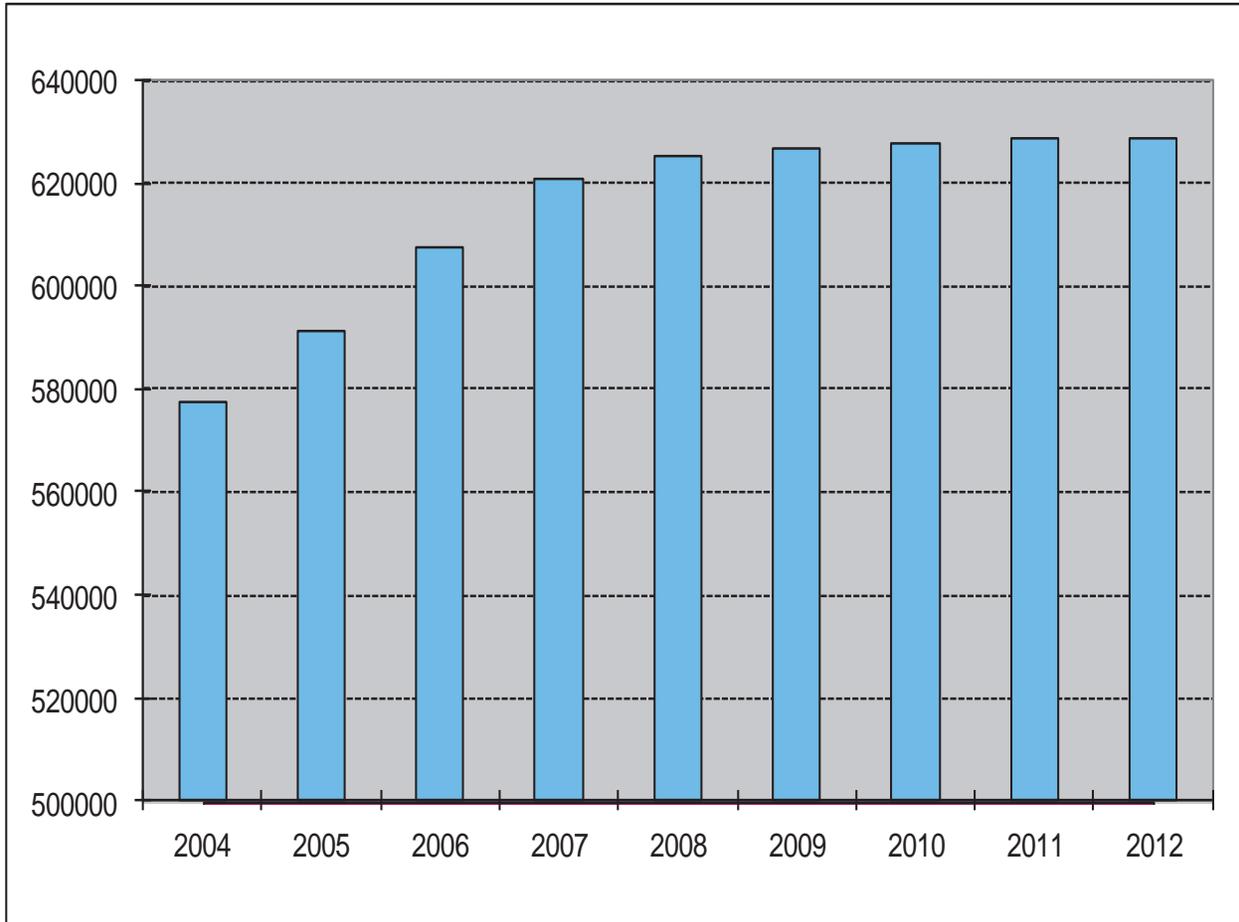
Real Property Values 2004-2012

| Tax Year | Market Value | Percentage Change | Assessed Value | Percentage Change | Taxable Value | Percentage Change |
|----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2004 | \$142,188,579,213 | | \$121,204,181,410 | | \$104,878,359,702 | |
| 2005 | \$172,998,067,874 | 21.67 | \$141,349,480,800 | 16.62 | \$123,590,203,461 | 17.84 |
| 2006 | \$224,270,741,425 | 29.64 | \$173,471,747,698 | 22.73 | \$153,357,762,093 | 24.09 |
| 2007 | \$227,776,306,453 | 1.56 | \$183,213,014,027 | 5.62 | \$162,507,533,303 | 5.97 |
| 2008 | \$214,359,046,468 | -5.89 | \$182,171,134,860 | -0.57 | \$152,940,046,126 | -5.89 |
| 2009 | \$179,889,858,323 | -16.08 | \$161,813,196,426 | -11.18 | \$133,319,986,721 | -12.83 |
| 2010 | \$156,942,754,115 | -12.76 | \$146,129,919,809 | -9.69 | \$118,976,614,477 | -10.76 |
| 2011 | \$154,601,156,502 | -1.49 | \$143,660,180,227 | -1.69 | \$117,208,842,011 | -1.49 |
| 2012 | \$153,858,159,751 | -0.48 | \$143,645,646,211 | -0.01 | \$117,539,378,404 | 0.28 |



Palm Beach County real property market values decreased .5% in 2012 from 2011.

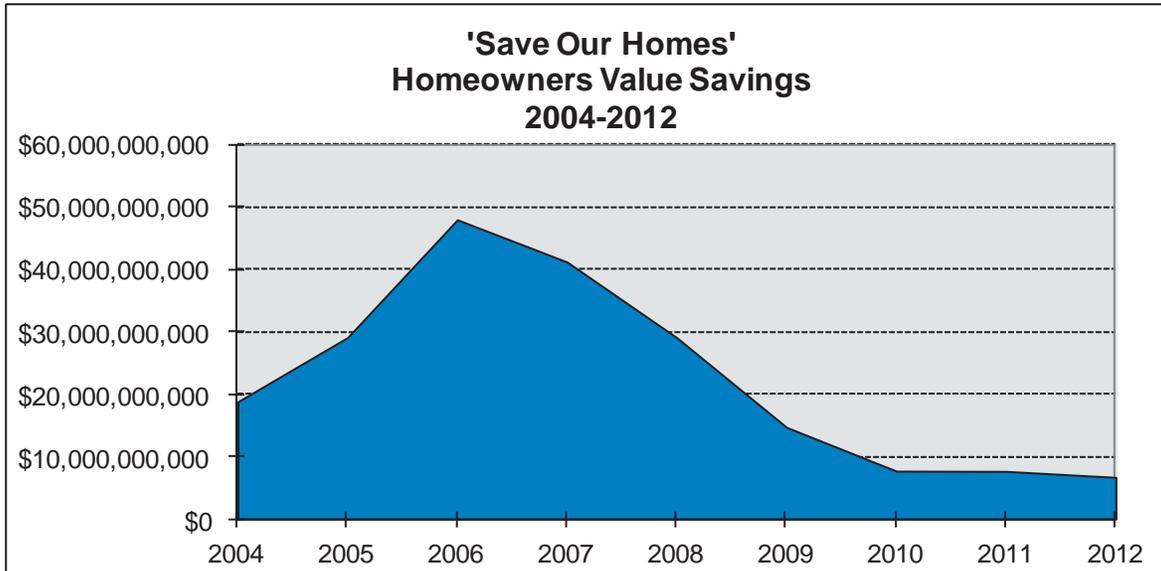
Palm Beach County Real Property Parcel Count 2004-2012



From 2003 to 2007, the number of new parcels increased by nearly 8 %. Since 2007, the number of new parcels grew by just over 1.3%.

| Year | Total Parcels |
|------|---------------|
| 2004 | 577,296 |
| 2005 | 591,103 |
| 2006 | 607,533 |
| 2007 | 620,672 |
| 2008 | 625,448 |
| 2009 | 626,918 |
| 2010 | 627,790 |
| 2011 | 628,456 |
| 2012 | 628,754 |

Save Our Homes

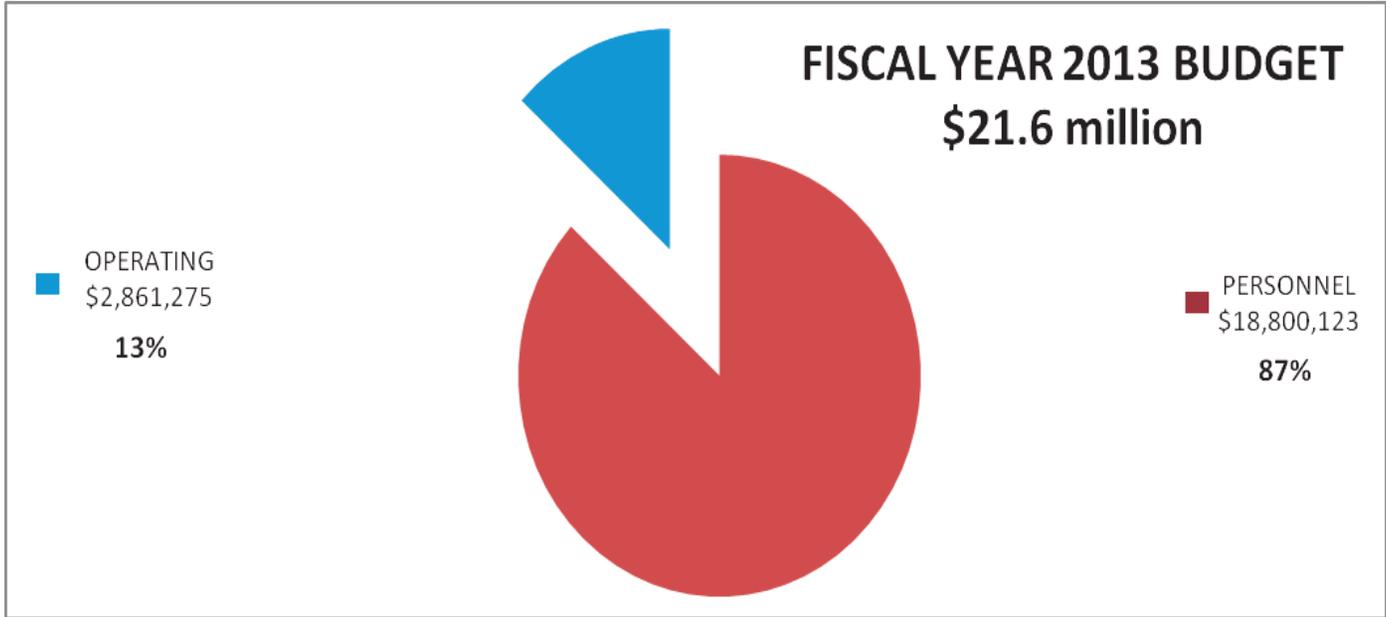


The difference between Market and Assessed value is the value of a homesteaded property that is not subject to taxation as a result of the Save Our Homes assessment cap. Since Jan. 1, 2006, the downturn in the market has eroded the SOH savings by nearly 86 percent.

| Year | Value not subject to taxation |
|------|-------------------------------|
| 2004 | \$18,743,000,000 |
| 2005 | \$29,014,000,000 |
| 2006 | \$47,834,000,000 |
| 2007 | \$41,074,000,000 |
| 2008 | \$28,970,000,000 |
| 2009 | \$14,645,000,000 |
| 2010 | \$ 7,650,000,000 |
| 2011 | \$ 7,609,000,000 |
| 2012 | \$ 6,649,000,000 |

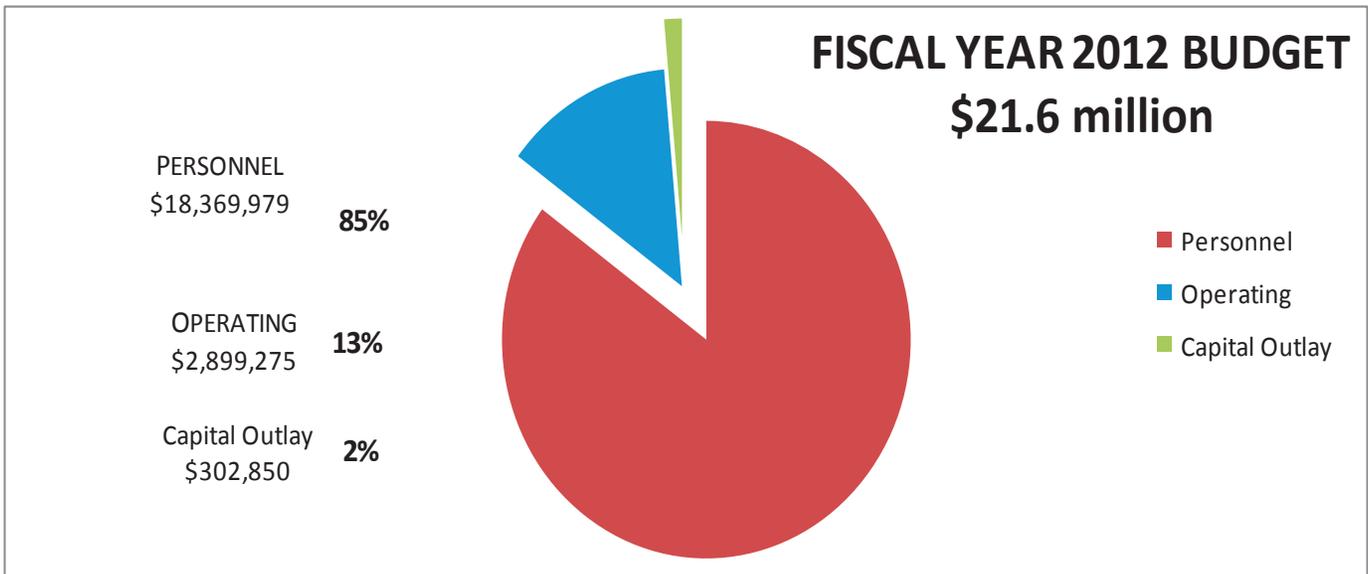
In 2012, there were 335,799 residential properties with a Homestead Exemption.

In response to economic conditions, the Property Appraiser reduced staff and delayed certain operating expenses, which allowed the Property Appraiser to return to local governments a budget savings of \$1.7 million.



Budget Year 2013
Oct. 1, 2012 - Sept. 30, 2013

| | |
|----------------|---------------|
| Total Budget | \$ 21,673,398 |
| Personnel | \$ 18,800,123 |
| Operating | \$ 2,861,275 |
| Capital Outlay | \$ 12,000 |



| | |
|------------------------------|--------------|
| Total budget | \$21,572,104 |
| Actual Amount Spent | \$19,903,317 |
| Excess Fees returned unspent | \$ 1,731,003 |

We are proud to be an Equal Opportunity Employer and a Drug-Free Work place



Frequently Asked Questions

What are the duties of the Property Appraiser?

Florida's Constitution mandates that all property must be assessed at its market value as of January 1 of each year. Market value is typically what a property would sell for in an open and competitive market.

Your Property Appraiser **Gary R. Nikolits** has a legal duty to annually produce a "fair and equitable" tax roll and administer various property tax savings programs, the most common of which is Florida's Homestead Exemption.

The Property Appraiser also is charged with the responsibility of maintaining updated ownership records, including maps, for every property in Palm Beach County.

How is property appraised?

Each property in Palm Beach County is inspected by a deputy appraiser at least once every five years. Between inspections, a property's value is adjusted annually to reflect recent sales activity in the neighborhood. By Florida law, only sales transactions that occurred during the previous year can be used to establish values as of January 1 of the current year.

There are three approaches used to appraise property:

- ▶ The **cost approach** estimates the cost to reproduce the building in its current condition.
- ▶ The **sales comparison approach** compares sales of similar properties and adjusts for any differences.
- ▶ The **income approach** capitalizes a commercial property's income stream to estimate its value.

Each of these three approaches is considered when property is valued.



Frequently Asked Questions

What is the 3% Cap?

By Florida's Constitution, the 3% cap, also known as *Save Our Homes*, limits the annual increase in the assessed value of a qualified Homestead property to the lesser of 3% or the percentage change in the prior year's National Consumer Price Index (CPI). The 2012 cap was 3%. The cap for 2013 is 1.7%. If the assessed value of a homesteaded property in any given year is less than its market value, Florida law requires the Property Appraiser to increase the assessed value by the lesser of 3% or the percentage change in the prior year's CPI, even when the property's market value decreases.

What is Portability?

Portability relates to Florida's Save Our Homes 3% cap on a homestead property's assessed value. With the Portability benefit, you can transfer up to \$500,000 of your actual assessment cap savings to your new property. Keep in mind Portability applies only to homesteaded property. Of the 335,779 residential properties that qualified for homestead exemption in 2012, only 129,097 had an SOH benefit. In 2012, our office approved 1,475 applications for portability.

How do I qualify for Homestead Exemption?

A residential property may be eligible for Florida's standard \$25,000 Homestead Exemption tax benefit under certain circumstances, including:

- ▶ You must be a permanent Florida resident and you must own the residence on January 1 of the qualifying year.
- ▶ You may apply at any time throughout the year, but the deadline to apply for all **new** exemptions is March 1 of the qualifying year.
- ▶ You may file online for Homestead Exemption by visiting our website: pbcgov.com/PAPA. You may also apply in person at any of our five convenient Service Centers.
- ▶ An additional Homestead Exemption benefit up to \$25,000 relates only to properties with an assessed value greater than \$50,000. The additional exemption applies to all tax levies except school districts.
- ▶ For the convenience of taxpayers, Property Appraiser Gary Nikolits has elected to automatically renew **existing** Homestead exemptions on January 1 each year.



Frequently Asked Questions

How do you keep track of properties?

Our Geographical Information System assists appraisers with detailed property ownership maps. In 2012, the staff processed 68,127 deeds.

You can view an aerial photo of any parcel of land in the county on our website: pbcgov.com/PAPA. When you have selected the property record you wish to view, simply click "View Map."

Additional information or copies of more specialized mapping data can be ordered at any of our Service Centers.

Property Appraiser Public Access (PAPA)

Detailed property records are available on our award-winning interactive web site:

pbcgov.com/PAPA



Is Personal Property taxed in Florida?

Household goods are not taxed. In business, tangible personal property is assessed annually at fair market value. Tangible personal property includes furniture, fixtures, machinery, equipment, appliances, tools, signs, supplies and leased equipment. The first \$25,000 in value is exempt from taxation. An initial Tangible Personal Property Return must be filed to claim this exemption. In 2012, there were 57,484 tangible personal property accounts in Palm Beach County, with a total value of \$9.4 billion.

2012 Top 10 Personal Property Accounts

| Company | Taxable Value |
|----------------------------|-----------------|
| Florida Power & Light* | \$3,598 billion |
| AT&T Florida * | \$ 304 million |
| Comcast Cable* | \$ 158 million |
| Publix Super Markets* | \$ 77 million |
| Sugar Cane Growers Co-Op | \$ 61 million |
| Verizon Wireless* | \$ 59 million |
| United Technologies | \$ 58 million |
| Florida Public Utilities* | \$ 50 million |
| Gulfstream Natural Gas* | \$ 46 million |
| Florida Crystals/Okeelanta | \$ 45 million |

*Multiple locations



We are Here to Help

The Property Appraiser's Office is proud of our Exemption Services Division, which administers all Homestead Exemption benefits to qualified residential property owners.

Help is always just a phone call away and you will get right to our Service Centers, without delay. You will not get trapped in those frustrating voice menu options. And of course you can also visit our award-winning website, pbcgov.com/PAPA, day or night.

"We are the public face of the PAO," says Exemption Services Director **Pat Poston**, here with **Melisa Kramer**, manager of the Mid-West County Service Center, and **Stephanie Potter**, manager of the North County Service Center.



"We do whatever we can to make sure a customer's question or problem is resolved promptly," Pat said.

How Are We Doing? That philosophy of service is reflected in our customer comments.

In 2012, our Exemption Services staff received 348 "Excellent" ratings from taxpayers who took the time to jot down a note about the quality of our work.

About 38,000 taxpayers visit our Service Centers every year. Our South County Service Center in Delray Beach has the most walk-ins. Our main office in downtown West Palm Beach typically logs the most calls. In 2012, we handled more than 100,000 calls.

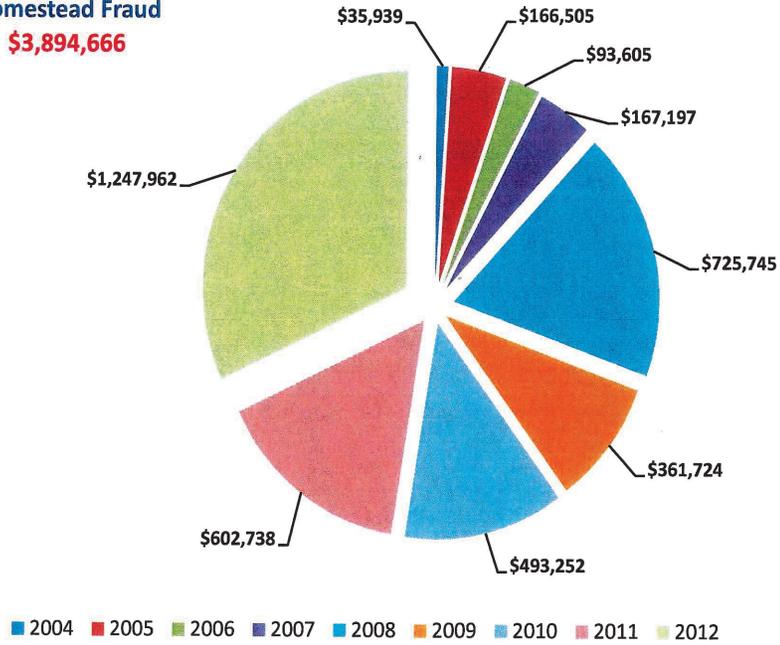
In 2012, the staff processed 16,360 new Homestead Exemption applications, either in person or online through our convenient E-File.

Exemption Services also investigates questions of homestead fraud. As the Tax Lien chart on page 14 shows, we have restored nearly \$4 million in tax dollars collected between 2004 and 2012 as a result of our investigations. Our policy is to prevent Homestead Exemption fraud in the first place with a thorough check to determine whether an applicant has other residency-based tax saving benefits in Florida or other states *before an exemption is granted*.

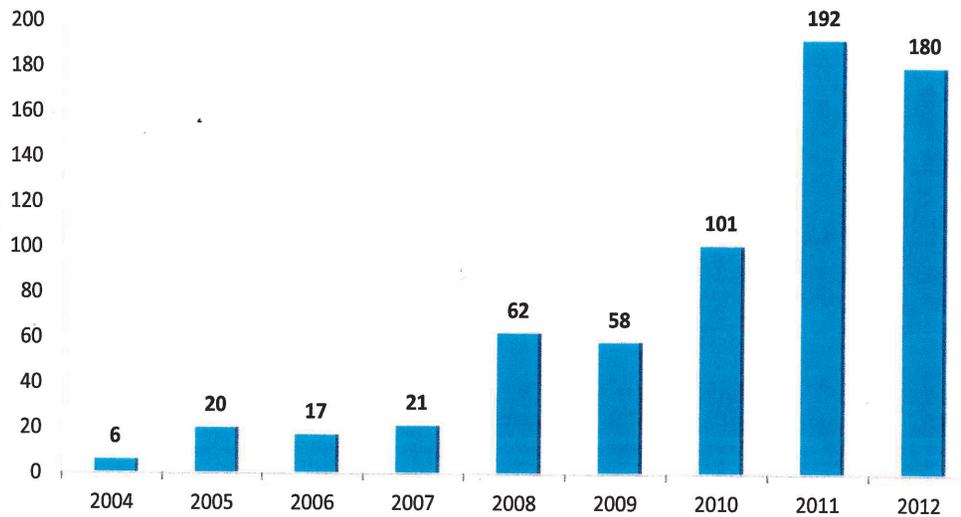


Exemption Services Tax Lien Overview 2004 - 2012

**Total Property Taxes Collected from
Homestead Fraud
\$3,894,666**



■ Annual number of Tax Liens 2004 - 2012





The Property Appraiser's Office is committed to serving our community and we proudly display appreciation plaques presented to us for our community service. Our employees give their time and money to important local events and every year we participate in four major health-care walks. In April 2012, we raised **\$3,373** for the March of Dimes. In September 2012, we raised **\$3,048** for the Sickle Cell Foundation. In October 2012, we raised **\$3,272** for the American Heart Association and **\$4,790** for the American Cancer Society.



In May 2012, we presented five \$1,000 scholarships to college-bound high school seniors in our community. Since starting the program in 1993, the Property Appraiser's Office has awarded \$114,000 in college scholarships. The annual program is funded by voluntary employee deductions for Casual Dress Fridays.

In November 2012, we held our 13th annual Holiday Food Drive. Our employees brought in nearly 9,000 pounds of canned food, which we donated to a local community center that operates a soup kitchen and food pantry.



Services Directory

Telephone Guide - All Area Code 561

Administration

| | |
|---|-----------------|
| Property Appraiser Gary R. Nikolits, CFA | 355-2861 |
| Receptionist | 355-3230 |
| Human Resources | 355-2850 |
| Tax Roll Coordinator | 355-2681 |
| Media Relations | 355-3512 |
| Legal Services | 355-3668 |
| Taxpayer Advocate | 355-4021 |
| Community Outreach | 355-4021 |

Division of Appraisal Services

| | |
|-------------------------------|-----------------|
| Residential Appraisals | |
| Central County | 355-2883 |
| South County | 276-1201 |
| North County | 624-6795 |
| Mid-West County & West County | 784-1210 |
| Agricultural Appraisals | 355-2781 |
| Commercial Appraisals | 355-3988 |
| Condominium Appraisals | 355-2690 |
| Personal Property Appraisals | 355-2896 |

Division of Taxpayer Services

Exemption Services

| | |
|--|-----------------|
| Main Office, West Palm Beach | 355-2866 |
| South County Service Center, Delray Beach | 276-1250 |
| North County Service Center, Palm Beach Gardens | 624-6521 |
| Mid-West County Service Center, Royal Palm Beach | 784-1220 |
| West County Service Center, Belle Glade | 996-4890 |
| Institutional Exemptions | 355-4523 |

Public Records Services

| | |
|----------------------------|-----------------|
| Mapping Counter | 355-2881 |
| Property Appraiser Records | 355-2881 |

at your Service

We have five conveniently located Service Centers open Monday-Friday, 8:30 a.m. to 5 p.m. Each is fully staffed and many of our employees are bilingual. All our Service Centers are wheel-chair accessible and we provide computers at each office for the public's use to research property records. Need directions? Go to our award-winning website, pbcgov.com/PAPA



West Palm Beach Service Center

301 N. Olive Ave., 1st Floor
West Palm Beach, FL 33401
(561) 355-3230
Pay to Park



South County Service Center

14925 Cumberland Drive
Delray Beach, FL 33446
(561) 276-1250
Free Parking

North County Service Center

3188 PGA Blvd., 2nd Floor
Palm Beach Gardens, FL 33410
(561) 624-6521
Free Parking



Mid-West County Service Center

200 Civic Center Way
Royal Palm Beach, FL 33411
(561) 784-1220
Free Parking



West County Service Center

2976 State Road 15
Belle Glade, FL
33430
(561) 996-4890
Free Parking



We are proud that 74% of our full-time employees have earned the professional Certified Florida Evaluator (CFE) designation, awarded by the Florida Department of Revenue. In addition, many staff members hold other professional designations, making the Palm Beach County Property Appraiser's Office the most professionally staffed appraiser's office in the state.

Exemption Services We Are Here To Help



Downtown Service Center West Palm Beach



South County Service Center Delray Beach



West County Service Center Belle Glade



**North County Service Center
Palm Beach Gardens**



**Mid-West County Service Center
Royal Palm Beach**