



# OFFICE OF THE NASSAU COUNTY PROPERTY APPRAISER



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FOR IMMEDIATE RELEASE

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## **“Truth in Millage on your Notice of Proposed Property Taxes.”**

**Nassau County, FL** – It is that time of year again! Next week, you will receive your TRIM (Truth in Millage) notice of proposed taxes in the mail. It will state on the top of the page “This is not a bill.” Even though it is not a bill, it is the most important piece of mail you will receive from our office. It is imperative you read and understand it. Right now, the taxing authorities are holding their budget meetings and will be voting to keep millage rates as they have proposed or lower them before your tax bill is calculated. Anything other than a reduction in the millage rate from last year to this year’s calculated roll back millage is a tax increase. The City of Fernandina Beach and Town of Callahan have already voted to adopt the current year roll back rate, which will offset some of the increase in value for their city residents. The County commission is proposing a slightly reduced tax rate to offset some of the increase in assessed value due to 3% cap on the homesteaded property increase. Hilliard is proposing an increase to their tax rate from last year. In addition, last November voters approved a 1 mill increase to the local school board millage starting this year. The increase in local school taxes is to attract, hire, and retain high quality teachers. A separate insert in your TRIM notice will explain that portion of your proposed tax notice.

We are required by Florida Statutes to estimate your market value based on actual sales. Nassau County is currently one of the fastest growing Counties in the State and in the top 2% in the Country. Value increases are directly related to supply and demand and Nassau County has a shortage of existing homes for sale. The market value on your notice, reflects an estimated value the property could have sold for on January 1, 2023. Based on sales from 2022 and new construction, Nassau County had a net taxable value increase of over 15% this year. That does not mean your individual parcel taxable value went up 15%. It’s the net difference to this year’s taxable value compared to last year’s taxable value for the entire Nassau County area. If you ever feel your “Market Value” is above what the property could have sold for on January 1st, you can call us to come in and review, or file a petition with the value adjustment board. Petitions to the VAB will be heard by a special magistrate appraiser who will be looking at your market value based on actual sales, not the assessment of neighboring properties or the sale ratio of comparable sales.

A couple of months ago, I wrote a letter to the local News Leader, to prepare Nassau County property owners for the value increases you are about to see in the *Notice of Proposed Taxes*, based on the real estate market we experienced by the end of calendar year 2022. Due to the large increase in market values this year, I feel it necessary to further define and clarify the role of the Property Appraiser in the State of Florida. First, we are not the tax assessor. The office of Property Appraiser is an independent Constitutional office. I do not work for the City or County commission or any other taxing authority. I am an elected officer of the State of Florida

sworn to uphold the Constitution. Property Appraisers in Florida have NO control over the actual amount of taxes levied. The amount of the tax is controlled by the taxing authorities and is determined by the millage rate needed to support their annual budget each year. Florida Statutes require all 67 Property Appraisers to locate, identify, and estimate the “Fair Market Value” of all real estate in the County, every year. Real estate values are a function of supply and demand factors, and Florida is a 100% assessment state, less reasonable costs of sales. This means we are required by law to estimate a “Fair Market” value as of January 1<sup>st</sup> each year, based on market activity from the previous twelve months.

We are often asked “how do you determine the market value of my home?” The estimated market values are based on sale ratio studies and statistical analysis of all property types, market areas, and neighborhoods. We also consider actual costs of construction, comparable sales, and the net capitalized income of income producing properties such as hotels and apartment complexes. The Department of Revenue requires us to be within a range of value to receive tax roll approval and our statistical analysis must fall within accepted ranges. Our statistical analysis measures the PRD (price-related differential), COD (coefficient of dispersion), COV (coefficient of variation), PRB (price-related bias), measurements of central tendency (mean, median, mode), and standard deviations. These statistical measurements tell us if we are being “fair and equitable”, and our 2023 tax roll approved by the Florida Department of Revenue reflects that we are.

Despite the increase, property owners with homestead exemption will benefit from the “Save Our Homes” amendment. Florida’s “Save Our Homes” amendment was approved in 1992 and went in affect in 1994. In Florida, homestead properties are capped at no more than 3% increase in assessed value or the CPI, whichever is lower. This year the CPI was higher than 3%, therefore that capped the assessed value increase of homestead properties at 3%. Non-homesteaded properties are capped at no more than a 10% assessment increase each year. The only value I have control over is the market value, not the capped assessed or taxable values. Due to Florida’s capping, you *cannot* compare your assessed value, taxable value, or the amount of taxes you are paying to your neighbor. Someone who has been homesteaded for 20 years is going to have a much lower tax bill than someone who just purchased. The transfer of property resets the market value on both homestead and non-homestead property and the capping will begin in the second year of ownership. The biggest complaint we have every year is the new property owners not being made aware of the market value reset and are not prepared for the increase in taxes. At closing, taxes are prorated from January 1<sup>st</sup> to the day of closing and are based on last year’s tax bill. Mortgage companies often do not collect enough money at closing to cover the new tax bill after values have reset. This causes an increase in monthly payments to make up for the escrow shortage.

As always, thank you for the opportunity to serve as your property appraiser. My door is open if you have any questions. It is truly an honor and a privilege to serve Nassau County.

Mike Hickox

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