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Stranburg v. Panama Commons L.P.

District Court of Appeal of Florida, First District - April 8, 2015 - So.3d - 2015 WL 1546080

Nonprofit Florida limited partnership ("Panama") constructed a ninety-two-unit affordable housing project in Panama City. The Bay County Property Appraiser granted the project a full tax exemption for the 2012 tax year under section 196.1978. Panama then renewed its exemption for the 2013 tax year by filing a timely application. After Panama filed its application, the Legislature passed legislation eliminating the tax exemption for affordable housing property owned by limited partnerships retroactively to the 2013 tax roll.

Panama then challenged the property appraiser's decision in Circuit Court, claiming the retroactive repeal of the tax exemption for limited partnerships was unconstitutional. The Circuit Court held for Panama and County appealed.

The Court of Appeal affirmed. By setting January 1 as the date on which the taxable or tax exempt status of real property is to be determined, the Legislature had created a constitutionally protected expectation that the substantive law in effect on that date will be used to make the determination.

The court rejected the contention that the tax exemption could not vest until the property appraiser ruled on appellee's application, which occurred after the repeal of the tax exemption.