

## **Should You Appeal Your Property Tax Value?**

If you think you're hot under the collar today because of "feels like" temperatures above 100 degrees, just wait until you receive your commercial property TRIM notice for 2020 from the county property appraiser's office. Values reflected in the "truth in millage" notices for 2020 were determined as of January 1st; long before the coronavirus pandemic threw a wrench straight into the face of many commercial property owners in Collier County. Unfortunately, according to Darren Schoof, Chair of the NABOR® Commercial Committee and the Director of Brokerage at RE1 Advisor, filing a petition to request a review by your county's value adjustment board won't lower your millage rate for 2020. However, filing a petition within 25 days of notice can possibly help the appraiser's office gain an understanding of the true financial losses the pandemic caused and perhaps influence commercial property tax assessments when setting 2021 market values.

It's possible.

For example, in response to damage caused by Hurricane Michael to commercial properties, the state enacted HB 7097, which basically "extends the timeframe within which certain changes to property damaged or destroyed by Hurricane Michael must commence to prevent the assessed value of the property from increasing." The timeframe established affects tax rates for 2019 through 2023.

"Commercial property owners everywhere are experiencing the direct effects of the pandemic with massive loss of tenants, rents and business productivity," said Schoof. "This is not unique-to-Florida due to unforeseen situations like Hurricane Michael."

Schoof works with a firm out of Miami who helps commercial property owners in Florida navigate the property tax environment including assistance with the tax appeal process, tax forecasting and budgeting. They tell me that "filing a petition within the window will reserve your right to a formal review by the Property Appraiser Office. Then after you file, reach out to the appraiser's office to schedule a discussion before the hearing with the Value Adjustment Board."

Familiar reasons owners file this petition include changes to the structural condition of the property by fire or flood, in addition to a loss of tenants, and reduction in rental rate. But in 2020, the reason for structural damage could have been caused by a disgruntled tenant or lack of necessary maintenance or inspections during the critical "safer at home" order which might have uncovered or corrected a structural issue.

According to Schoof, "it's too early to tell whether any legislators will file proposed bills to include property tax adjustments to valuations due to COVID."

To file a petition in Collier County, use [Form DR486](#). There is a \$15 filing fee per parcel; however, if you file a joint petition, the fee is \$15 for the first parcel and \$5 for each additional parcel in the petition. The DR486 is a fairly straight-forward, two-page document. A new appraisal is not necessary, but it could be submitted as evidence during the hearing. If you feel your property has lost considerable value, an appraisal may help your case.

Commercial REALTORS® are in a unique position to provide valuable consultation services to commercial property owners who may not understand the costs and benefits of filing a TRIM petition. For added assistance, contact a member of the NABOR® commercial committee.