

To: Property Appraisers and Tax Collectors
From: James McAdams, Program Director
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FLORIDA DEPARTMENT OF REVENUE PROPERTY TAX INFORMATIONAL BULLETIN

Effect of Mortgage Fraud on Property Assessment

The 2008 Legislature enacted Chapter 2008-80, Laws of Florida. See House Bill 743. Effective July 1, 2008, an arresting agency is required to notify the property appraiser, upon the finding of probable cause, of any incident of mortgage fraud or other fraud which may artificially inflate the value of real property. The notification to the property appraiser may be delayed if such notification would jeopardize the investigation of the fraud.

The new law states the property appraiser may adjust the assessment of any real property affected by the artificially inflated value. When a conviction is made for the fraud, the property appraiser is required, if necessary, to reassess the property. The law created section 193.133, Florida Statutes, follows (words stricken are deletions; words underlined are additions):

193.133 Effect of mortgage fraud on property assessments.—

(1) Upon the finding of probable cause of any person for the crime of mortgage fraud, as defined in s. 817.545, or any other fraud involving real property that may have artificially inflated or could artificially inflate the value of property affected by such fraud, the arresting agency shall promptly notify the property appraiser of the county in which such property or properties are located of the nature of the alleged fraud and the property or properties affected. If notification as required in this section would jeopardize or negatively impact a continuing investigation, notification may be delayed until such time as notice may be made without such effect.

(2) The property appraiser may adjust the assessment of any affected real property.

(3) Upon a conviction of fraud as defined in subsection (1), the property appraiser of the county in which such property or properties are located shall, if necessary, reassess such property or properties affected by such fraud.

The law also created subsection 817.545(5)(b), Florida Statutes, to read as follows:

(b) Any person who violates subsection (2), and the loan value stated on documents used in the mortgage lending process exceeds \$100,000, commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

This information is provided by the Department of Revenue for your general information. If you have questions with regard to this matter and wish to discuss them, you may call Al Mobley at 850-487-0945 or Kathy Henley at 850-922-7952.