

How Florida Statute 193.0237 Impacts Realtors Listing and Selling Units in Multi-Parcel Buildings

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Florida Statute 193.0237 governs the taxation of multi-parcel buildings, such as condominiums or townhomes, that are owned as a single property before being sold as individual units. For Realtors, understanding this statute is crucial when listing and selling a unit within such a property, as it directly impacts taxation and buyer considerations.

Overview of Florida Statute 193.0237

The statute mandates a specific method for appraising and taxing multi-parcel buildings during the transition period when individual units are being sold off. It allows for a fair distribution of the tax burden across individual units, ensuring buyers do not inherit disproportionate tax liabilities.

This statute typically applies to developments where parcels within a multi-unit building were not previously assessed individually (e.g., during development or ownership by a single entity). It provides a framework for allocating taxes to reflect each unit's fair share.

Key Provisions Realtors Should Note

1. Uniform Assessment

Tax assessments under this statute are applied uniformly to all parcels within the multi-unit building. This means that once a unit is sold, its taxable value will be based on the appraiser's methodology and may differ from typical single-unit assessments.

2. Back Tax Liability

If the building was previously taxed as a single parcel, there may be adjustments for unpaid taxes before individual units can be sold. These adjustments must be addressed, potentially affecting closing costs or seller concessions.

3. Prorated Taxes at Closing

Realtors must ensure that tax proration at closing accounts for the method of assessment under this statute. Misunderstanding this could lead to disputes between buyers and sellers post-closing.

Implications for Realtors

Realtors listing and selling units within a multi-parcel property must navigate the unique challenges posed by this statute:

- **Accurate Disclosure**

Disclose how property taxes are calculated under this statute to potential buyers. Buyers should understand their estimated tax liability and how it might change once the property is individually assessed after the sale.

Not only do Buyers need to be aware of the tax liability, but they must also acknowledge that the taxes are this way *because* the condominium is created within a portion of a building or within a multiple parcel building. The Addendum to Sales Contract Condominium has a disclosure summary at the end that applies if the condominium is in a multi-parcel building. Section 718.407 (5), Florida Statutes lists out the disclosure summary.

- **Coordinating with Tax Professionals**

Collaboration with local property appraisers or tax attorneys may be necessary to verify the tax situation of the unit. This ensures the buyer is fully informed and avoids surprises.

- **Impact on Marketing Strategy**

Tax implications can influence a buyer's decision-making process. Highlight the benefits of the uniform taxation approach and address concerns about proration or back taxes to build trust.

Best Practices for Realtors

1. **Consult with Experts:** Stay in close communication with title companies, attorneys, and tax appraisers to understand the status of the unit's assessment and tax obligations.
2. **Educate Buyers:** Provide clear explanations of how taxes under Florida Statute 193.0237 may impact them. Offer resources for further information if needed.
3. **Prepare Sellers:** Advise sellers on potential back-tax implications and how to resolve them before listing the unit.
4. **Review Contracts Carefully:** Ensure all tax-related clauses in the contract reflect the statute's requirements and align with local practices.

Conclusion

Florida Statute 193.0237 adds a layer of complexity to the process of listing and selling units within multi-parcel buildings. For Realtors, understanding and navigating this statute is key to a smooth transaction. By proactively addressing tax concerns and collaborating with professionals, Realtors can better serve their clients and facilitate successful sales.