

Information for Shareholders

Ad valorem tax on common area real estate

An issue related to real estate taxes on properties owned by the Co-op has been discussed at the last couple of Board of Directors meetings. The issue deals with the authority of the taxing agency to assess real estate taxes on the “common areas” owned by the Co-op.

Martyn Simpson, the Co-op chief financial advisor, informed the Co-op that it is against the law for the common areas to be taxed separately. Mr. Simpson is in the process of resolving this issue with the St. Lucie County taxing agency. The Co-op has withheld payment of taxes assessed against the common areas pending resolution.

The following is quoted from Chapter 719, Florida Statutes, emphasis added:

719.114 Separate taxation of cooperative parcels; survival of contractual provisions after tax sale.—

(1) Ad valorem taxes and special assessments by taxing authorities shall be assessed against the cooperative parcels and not upon the cooperative property as a whole. *No ad valorem tax or special assessment may be separately assessed against common areas if the common areas are owned by the cooperative association or are jointly owned by the owners of the cooperative parcels.* Each cooperative parcel shall be separately assessed for ad valorem taxes and special assessments as a single parcel. The property appraiser must be provided the necessary documents, as evidenced in the official records of the clerk of the circuit court of the county, to make a determination as to the ownership of a cooperative parcel for assessment and homestead tax exemption purposes. The taxes and special assessments levied against each cooperative parcel shall constitute a lien only upon the cooperative parcel assessed and upon no other portion of the cooperative property.