Council Auditor's Office **City of Jacksonville, FL**

Property Appraiser
Portability Calculation Audit - #907
Executive Summary

Background
Pursuant to Section 102.118 of the Municipal Code, each of the constitutional officers is to be audited by the Council Auditor's Office at least once every five years. The focus of our audit was the "Save Our Homes" portability transfer calculation performed by the Property Appraiser's Office as described below.

Per Florida Statute, after the first year a property owner receives a homestead exemption and the property appraiser assesses it at just value, the assessment of that property for each following year cannot increase more than the lesser of three percent or the percent change in the Consumer Price Index (CPI). This is called the "Save Our Homes" assessment limitation. The accumulated difference between the assessed value and the just (market) value is the "Save Our Homes" benefit (193.155, Florida Statutes). The Florida Statutes also allows a homeowner moving from one property in Florida to another property in Florida to transfer part (or all, in some instances) of their homestead assessment difference from their previous homesteaded property to a new homesteaded property. This transfer amount is referred to as the "Save Our Homes" portability transfer amount. This enables a Florida homestead property owner to lower their taxable value on a new home. In order to transfer the benefit, an owner must establish a homestead exemption for the new home within three years of January 1 of the year the old homestead was abandoned.

There were 2,524 parcels that received a portability transfer on the Duval County 2025 tax roll at a value of $311,369,379.

What We Found
Overall, the Property Appraiser appeared to have correctly calculated the "Save Our Homes" portability transfer amounts. We did note a few issues:

- Standard operating procedures were missing necessary items related to the portability process. The standard operating procedures provided did not appear to be official and approved. The SOPs did not indicate who the approver was, the date the SOPs were approved/updated, and some sections contained outdated or incomplete information.
- We found 2 out of 149 (or 1.3%) portability amounts recalculated were incorrectly calculated.

What We Recommend
We recommend that the Property Appraiser's Office review and update their SOPs and correct the miscalculations noted above while implementing procedures to assist in identifying mistakes.

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Council Auditor's Office

Property Appraiser – Portability Calculation Audit

August 3, 2026

Report #907

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EXECUTIVE SUMMARY

AUDIT REPORT #907

OFFICE OF THE COUNCIL AUDITOR
Suite 200, St. James Building

August 3, 2026 Report #907

Honorable Members of the City Council
City of Jacksonville

INTRODUCTION

Pursuant to Section 102.118 of the Municipal Code, each of the constitutional officers is to be audited by the Council Auditor's Office at least once every five years. Additionally, pursuant to Section 5.10 of the Charter of the City of Jacksonville and Chapter 102 of the Municipal Code, all agencies of the Consolidated Government are subject to audit by the Council Auditor's Office.

The Duval County Property Appraiser is a constitutional officer within the consolidated City of Jacksonville. The Property Appraiser is responsible for assessing all real and personal property within Duval County as established in Article 10 of the City's Charter. The Property Appraiser's Office is governed by Florida Statutes and the Jacksonville Municipal Code. The approved budget for the Property Appraiser's Office for fiscal years 2024/25 and 2025/26 totaled $14.4 million and $13.9 million, respectively. The main source of funding for the Property Appraiser's Office is a contribution from the City's General Fund/ General Services District that was $13.9 million and $13.3 million in fiscal years 2024/25 and 2025/26, respectively.

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There were 2,524 parcels that received a portability transfer on the Duval County 2025 tax roll at a value of $311,369,379.

STATEMENT OF OBJECTIVES

To determine whether the Property Appraiser correctly calculated the "Save Our Homes" portability transfer amount.

STATEMENT OF SCOPE AND METHODOLOGY

The scope of our audit was portability applications processed for the 2025 tax roll. Our audit consisted of:

- a review of management controls,
- a review of the laws, rules, and regulations governing the portability transfer,
- a review of written policies and operating procedures,
- discussions with the Property Appraiser personnel to obtain an understanding of the application process,
- a review of information system controls that were relevant to portability application processing,
- detailed testing of a sample of portability transfer applications processed by the Property Appraiser, and
- analytical testing of portability transfer applications processed by the Property Appraiser to determine whether the Property Appraiser correctly calculated the portability transfer amount.

We requested a listing of all portability applications processed for the 2025 tax roll from the Property Appraiser's Office. There were a total of 2,727 applications including approved applications, denied applications, and withdrawn applications. Within the approved application population there were applications with $0 portability benefit[1] and applications that were approved but ultimately not applied because there was another application on the same property with a higher portability benefit.[2] After removing those two categories, we were left with a total of 2,524 approved applications with a total portability transfer amount of $311,369,379.

Unless specifically stated otherwise, based on our selection methods and testing of transactions and records, we believe that it is reasonable to project our results to the population and ultimately draw our conclusions on those results. Additionally, for proper context we have presented information concerning the value and/or size of the items selected for testing compared to the overall population and the value and/or size of the exceptions found in comparison to the items selected for testing.

Detail Testing

We randomly selected 149 out of 2,524 (or 5.9%) approved applications to test. The sample size was chosen by running a statistical analysis based on the population size, confidence level, tolerable deviation rate, and expected deviation rate. The portability amount of the sample selected totaled $17,282,628 out of the total portability of $311,369,379 (or 5.6%).

For each of the 149 applications selected for testing we performed the following steps:

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[1] Applicants that met the requirements for a transfer but that did not have any value to transfer.

[2] This happens when two or more persons who have each received a homestead exemption as of January 1 of any of the three immediately preceding years and, who would otherwise be eligible for the transfer, establish a single new homestead. In these cases, the greater benefit transfer amount between the applicants is the portability amount applied to the new homestead.

1) We verified that the applicant was eligible for the portability transfer based on the requirements of the Florida Statutes by using the applicable Clerk of Courts and Property Appraiser's websites within the State of Florida to review deeds confirming the sale or abandonment of the homestead on the old property and the purchases or establishment of homestead on the new property.
2) We verified the portability amount was correct based on the requirements of the Florida Statutes by following the steps below to recalculate the portability amount and comparing it to the portability amount listed on the Property Appraiser's website:
    i. identifying the assessed and market values for the current and previous home using the applicable Property Appraiser websites;
    ii. identifying the number of owners for each of the properties using the applicable Clerk of Courts deed information;

Analytical Testing

We also performed various analytical tests where we matched deed transfers from the Duval County Clerk of Courts' website to the approved applicants listing from the Property Appraiser's Office. We also filtered the approved application list using different criteria and researched any unusual results. The summary for each test is described below. Given that for some of these we selected a sample of a subpopulation of high-risk items of the overall population, the results will not directly project to the overall population. We do feel they provide a good basis to understand the potential risk flagged by the analytical test and enhance our ability to draw an overall conclusion on the population.

1) We searched for approved applicants that did not appear as having purchased a property in Duval County in the last three years according to the data from the Clerk of Courts' website. We also searched for Duval to Duval approved applicants that did not appear to have a sale in Duval County in the last three years according to the data from the Clerk of Courts' website. We grouped our results between having no purchase or sale match, no purchase match only, no sale match only, and no purchase match only (non-Duval to Duval transfer). We then randomly selected 25 applications from each potential exception category (100 total) and confirmed each applicant was indeed eligible for a portability transfer by using the applicable Clerk of Courts' and Property Appraiser's websites to review deeds confirming the sale or abandonment of the homestead on the old properties and the purchases or establishment of homestead on the new properties was within the allowable periods. **No issues noted.**

2) We searched for any approved applications with a portability value over $500,000. **No issues noted.**

3) We searched for applications with a port out year before 2022 and found one application that met this criterion. We confirmed the applicant was eligible for portability per Florida Statutes and verified the portability value was calculated accurately. **No issues noted.**

4) We searched for the 10 highest portability amounts approved. We found that 41 had a portability amount equal to $500,000, the maximum amount allowed by Florida Statute. Given that, we randomly selected 10 of the 41 applications for testing. We confirmed the

eligibility and verified the portability amount for each selected was accurate. **No issues noted.**

5) We searched for approved applications with a portability value of $0. We found 150 approved applications that met this criterion. We took a judgmental sample size of 10 applications for testing that were randomly selected and recalculated the portability amount for each to confirm there was no homestead assessment difference available to transfer. **No issues noted.**

6) We searched for multiple approved portability applications on the same real estate number. We found 34 applications (17 real estate numbers) where the real estate number had two approved applications. We took a judgmental sample size of 10 applications for testing that were randomly selected and confirmed the eligibility and verified the portability amount for each was accurate. **No issues noted.**

7) We searched for duplicate approved applicant names. **No issues noted.**

8) We searched for any approved applicant names that appeared to be business names. **No issues noted.**

9) We searched the approved applicant names for any matches to Property Appraiser employees involved in or with access to the system related to processing portability applications. We found one applicant that met this criterion. We confirmed the eligibility and verified the portability amount for the applicant was accurately calculated. **No issues noted.**

10) We searched for denied applications. Of the 27 denied applications, there were 8 that were later approved, and 1 applicant that was denied twice leaving a total of 18 unique denied applications that were never approved. We reviewed each applicant and confirmed that none were eligible for a portability transfer. **No issues noted.**

11) We searched for duplicate previous real estate numbers on approved applications (multiple applicants transferring the homestead benefit amount from one homestead to two or more separate homesteads). We found 14 such instances and confirmed the eligibility and recalculated the portability amount for each. **See Finding 1 for the one issue noted from this testing.**

REPORT FORMAT

Our report is structured to identify Internal Control Weaknesses, Audit Findings, and Opportunities for Improvement as they relate to our audit objective(s). Internal control is a process implemented by management to provide reasonable assurance that they achieve their objectives in relation to the effectiveness and efficiency of operations and compliance with applicable laws and regulations. An Internal Control Weakness is therefore defined as either a defect in the design or operation of the internal controls or is an area in which there are currently no internal controls in place to ensure that management’s objectives are met. An Audit Finding is an instance where management has established internal controls and procedures, but responsible parties are not operating in compliance with the established controls and procedures. An Opportunity for Improvement is a suggestion that we believe could enhance operations.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDITEE RESPONSES

Responses from the auditee have been inserted after the respective finding and recommendation. We received these responses from the Property Appraiser’s Office on July 29, 2026.

AUDIT CONCLUSIONS

Overall, the Property Appraiser appeared to have correctly calculated the “Save Our Homes” portability transfer amounts.

AUDIT OBJECTIVE

To determine whether the Property Appraiser correctly calculated the “Save Our Homes” portability transfer amount.

Internal Control Weakness 1 – Issues with Standard Operating Procedures

The Property Appraiser’s Office policies and procedures were missing necessary items related to the portability process. The standard operating procedures (SOPs) provided did not appear to be official and approved. The SOPs did not indicate who the approver was, the date the SOPs were approved/updated, and some sections contained outdated or incomplete information.

The Property Appraiser’s Office SOPs also did not address the following:

1. Withdrawing of an application by an applicant.
2. Verifying the identity of the applicant nor how to verify they were the owner of the properties they are using to claim portability.
3. Instructions on how receipts are given to the homeowner upon approval.
4. When to use two years vs. three years when assessing eligibility for delayed ports.
5. The annual review of the system access rights.

Without a complete set of SOPs, there is an increased risk that employee turnover could lead to the loss of institutional knowledge. Also, there is more risk for inconsistent processes which could lead to errors.

Recommendation to Internal Control Weakness 1

We recommend that the Property Appraiser's Office:

1. Review the policies and procedures that are in place and update them to include any missing items including those noted above.
2. Include information on who approved of the SOPs and when they were approved/updated.

Auditee Response to Internal Control Weakness 1

Agree ☒ Disagree ☐ Partially Agree ☐

We will update the policies and revise the SOP's to incorporate the items and information that were identified as missing.

Finding 1 – Issues with Incorrect Portability Calculations

During detailed testing, we found 2 out of 149 (or 1.3%) portability amounts recalculated were incorrectly calculated. This resulted in the portability amount being overstated by $89,160 and property taxes underbilled by $1,518.81.

Additionally, during analytical testing to review the listing of multiple approved applications with the same previous real estate number, we found 1 out of 14 (or 7.1%) portability amounts recalculated were calculated incorrectly.[3] This resulted in the portability being understated by $37,439 and property taxes overbilled by $664.22.

Recommendation to Finding 1

We recommend that the Property Appraiser's Office:

- Fix the Portability calculation errors for the three properties noted above.
- Continue to run existing queries and implement new queries that will help identify these types of mistakes.

Auditee Response to Finding 1

Agree ☒ Disagree ☐ Partially Agree ☐

The portability calculation errors have been corrected. We will continue to utilize our existing queries while researching additional methods, including new queries, to help identify and prevent errors in the future.

[3] As noted in the Scope and Methodology section, we tested all approved applications where the same previous real estate number was utilized for multiple new homesteads.

We appreciate the assistance and cooperation we received from Property Appraiser's Office throughout the course of this audit.

Respectfully submitted,

Phillip Peterson

Phillip Peterson, CPA
Council Auditor

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