

Frequently Asked Questions

Why is there this new tax?

This is an ad valorem tax on the land leased by residential and commercial leaseholders on Pensacola Beach. The Escambia County Property Appraiser is following the lead of the Santa Rosa Property Appraiser who has been taxing both the land and the improvements. The taxes on improvements (the buildings erected on leased land) have been on the Escambia County Property Appraiser tax bills since 2004.

What is Fee Simple?

Fee simple is the nature of full, unencumbered ownership. The County currently owns all property on Santa Rosa Island with the exception of the federal parks but cannot convey fee simple ownership to others because of a deed restriction in the original federal deed that conveyed the property to Escambia County. Even if the federal government is able to amend the deed to remove the restriction, Escambia County will still have to establish procedures by which fee simple ownership can be conveyed to leaseholders. Acceptance of fee simple ownership is not mandatory.

Is there a cost?

Yes. There is a cost, just as in the conveyance of any property, such as title work and closing costs. The current version of the federal bill that is being sponsored by Congressman Miller would not allow Escambia County to experience a windfall by selling the property at a profit. However, it is expected that the County would charge costs incurred in the conveyance.

How Long until Fee Simple?

No one knows. The legislation we are waiting for is not for transfer of title as the County already owns the property. The legislation would relieve the deed restriction on the County conveying the property away to others in fee simple. The first step is to get the bill through both houses of Congress in order to remove the deed restriction. Congressman Miller is willing to sponsor such a bill in the House but the County does not yet have a Senate sponsor. Senator Nelson has not committed one way or the other although there has been significant communication with his office.

So, does that mean there will be both county property tax and lease fees together?

Yes, for the next few years until Congress acts, and any future appeals are settled.

Must I pay the tax on the property and the lease fees? What are the consequences if I choose to pay only one but not both?

Yes, you must pay both taxes and lease fees. If you fail to pay the lease fees, you could be held in default, which may result in the termination of the lease. If you fail to pay the taxes, a tax lien may be assessed, which may result in the termination of the lease or it could also result in tax certificates and a tax deed sale of the property and any other legal remedy available to the government for failure to pay property taxes.

Can I send in my property tax payment when due at the end of the year without including the amount of property tax assessed for the land?

No, the County Tax Collector, by law, cannot accept a property tax payment that is not for the full amount taxed. Then entire partial payment will be rejected and returned.

What if I choose not to pay the lease fee?

Then you will be in default of the lease, just as is the case today