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House Joint Resolution

A joint resolution proposing amendments to Sections 4 and 6 of Article VII of the State Constitution to limit the assessment of property purchased and used as homestead property after the sale of homestead property and increase the exemption for homestead property.

Be It Resolved by the Legislature of the State of Florida:

That the amendments to Sections 4 and 6 of Article VII of the State Constitution set forth below are agreed to and shall be submitted to the electors of Florida for approval or rejection at the general election to be held in November 2004:

ARTICLE VII

FINANCE AND TAXATION

SECTION 4. Taxation; assessments.--By general law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation, provided:

(a) Agricultural land, land producing high water recharge to Florida's aquifers, or land used exclusively for noncommercial recreational purposes may be classified by general law and assessed solely on the basis of character or use.

(b) Pursuant to general law tangible personal property held for sale as stock in trade and livestock may be valued for taxation at a specified percentage of its value, may be classified for tax purposes, or may be exempted from taxation.

(c) All persons entitled to a homestead exemption under Section 6 of this Article shall have their homestead assessed at just value as of January 1 of the year following the effective

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30 date of this amendment. This assessment shall change only as  
31 provided herein.

32 (1) Assessments subject to this provision shall be changed  
33 annually on January 1st of each year; but those changes in  
34 assessments shall not exceed the lower of the following:

35 a. Three percent (3%) of the assessment for the prior  
36 year.

37 b. The percent change in the Consumer Price Index for all  
38 urban consumers, U.S. City Average, all items 1967=100, or  
39 successor reports for the preceding calendar year as initially  
40 reported by the United States Department of Labor, Bureau of  
41 Labor Statistics.

42 (2) No assessment shall exceed just value.

43 (3) After any change of ownership, as provided by general  
44 law, homestead property shall be assessed at just value as of  
45 January 1 of the following year unless the provisions of  
46 paragraph (8) apply. Thereafter, the homestead shall be assessed  
47 as provided herein.

48 (4) New homestead property shall be assessed at just value  
49 as of January 1st of the year following the establishment of the  
50 homestead unless the provisions of paragraph (8) apply. That  
51 assessment shall only change as provided herein.

52 (5) Changes, additions, reductions, or improvements to  
53 homestead property shall be assessed as provided for by general  
54 law; provided, however, after the adjustment for any change,  
55 addition, reduction, or improvement, the property shall be  
56 assessed as provided herein.

57 (6) In the event of a termination of homestead status, the  
58 property shall be assessed as provided by general law.

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59 (7) The provisions of this amendment are severable. If any  
 60 of the provisions of this amendment shall be held  
 61 unconstitutional by any court of competent jurisdiction, the  
 62 decision of such court shall not affect or impair any remaining  
 63 provisions of this amendment.

64 (8) When a person sells his or her homestead property  
 65 within this state and within one year purchases another property  
 66 in the same county and establishes such property as homestead  
 67 property, the assessed value of the newly established homestead  
 68 property shall not exceed the just value of the former homestead  
 69 property as of the date said property was sold. To be assessed  
 70 as provided in this paragraph, the former homestead property  
 71 must be owned for a minimum of three years and the just value of  
 72 the newly established homestead property may not exceed \$1  
 73 million. Thereafter, the homestead shall be assessed as provided  
 74 herein.

75 (d) The legislature may, by general law, for assessment  
 76 purposes and subject to the provisions of this subsection, allow  
 77 counties and municipalities to authorize by ordinance that  
 78 historic property may be assessed solely on the basis of  
 79 character or use. Such character or use assessment shall apply  
 80 only to the jurisdiction adopting the ordinance. The  
 81 requirements for eligible properties must be specified by  
 82 general law.

83 (e) A county may, in the manner prescribed by general law,  
 84 provide for a reduction in the assessed value of homestead  
 85 property to the extent of any increase in the assessed value of  
 86 that property which results from the construction or  
 87 reconstruction of the property for the purpose of providing  
 88 living quarters for one or more natural or adoptive grandparents

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89 or parents of the owner of the property or of the owner's spouse  
 90 if at least one of the grandparents or parents for whom the  
 91 living quarters are provided is 62 years of age or older. Such a  
 92 reduction may not exceed the lesser of the following:

93 (1) The increase in assessed value resulting from  
 94 construction or reconstruction of the property.

95 (2) Twenty percent of the total assessed value of the  
 96 property as improved.

97 SECTION 6. Homestead exemptions.--

98 (a) Every person who has the legal or equitable title to  
 99 real estate and maintains thereon the permanent residence of the  
 100 owner, or another legally or naturally dependent upon the owner,  
 101 shall be exempt from taxation thereon, except assessments for  
 102 special benefits, up to the assessed valuation of five thousand  
 103 dollars, upon establishment of right thereto in the manner  
 104 prescribed by law. The real estate may be held by legal or  
 105 equitable title, by the entirety, jointly, in common, as a  
 106 condominium, or indirectly by stock ownership or membership  
 107 representing the owner's or member's proprietary interest in a  
 108 corporation owning a fee or a leasehold initially in excess of  
 109 ninety-eight years.

110 (b) Not more than one exemption shall be allowed any  
 111 individual or family unit or with respect to any residential  
 112 unit. No exemption shall exceed the value of the real estate  
 113 assessable to the owner or, in case of ownership through stock  
 114 or membership in a corporation, the value of the proportion  
 115 which the interest in the corporation bears to the assessed  
 116 value of the property.

117 (c) By general law and subject to conditions specified  
 118 therein, the exemption shall be increased to a total of fifty

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119 ~~twenty-five~~ thousand dollars of the assessed value of the real  
 120 estate for each school district levy. By general law and subject  
 121 to conditions specified therein, the exemption for all other  
 122 levies may be increased up to an amount not exceeding ten  
 123 thousand dollars of the assessed value of the real estate if the  
 124 owner has attained age sixty-five or is totally and permanently  
 125 disabled and if the owner is not entitled to the exemption  
 126 provided in subsection (d).

127 (d) By general law and subject to conditions specified  
 128 therein, the exemption shall be increased to a total of the  
 129 following amounts of assessed value of real estate for each levy  
 130 other than those of school districts: fifteen thousand dollars  
 131 with respect to 1980 assessments; twenty thousand dollars with  
 132 respect to 1981 assessments; fifty ~~twenty-five~~ thousand dollars  
 133 with respect to assessments for 1982 and each year thereafter.  
 134 However, such increase shall not apply with respect to any  
 135 assessment roll until such roll is first determined to be in  
 136 compliance with the provisions of section 4 by a state agency  
 137 designated by general law. This subsection shall stand repealed  
 138 on the effective date of any amendment to section 4 which  
 139 provides for the assessment of homestead property at a specified  
 140 percentage of its just value.

141 (e) By general law and subject to conditions specified  
 142 therein, the Legislature may provide to renters, who are  
 143 permanent residents, ad valorem tax relief on all ad valorem tax  
 144 levies. Such ad valorem tax relief shall be in the form and  
 145 amount established by general law.

146 (f) The legislature may, by general law, allow counties or  
 147 municipalities, for the purpose of their respective tax levies  
 148 and subject to the provisions of general law, to grant an

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149 additional homestead tax exemption not exceeding twenty-five  
 150 thousand dollars to any person who has the legal or equitable  
 151 title to real estate and maintains thereon the permanent  
 152 residence of the owner and who has attained age sixty-five and  
 153 whose household income, as defined by general law, does not  
 154 exceed twenty thousand dollars. The general law must allow  
 155 counties and municipalities to grant this additional exemption,  
 156 within the limits prescribed in this subsection, by ordinance  
 157 adopted in the manner prescribed by general law, and must  
 158 provide for the periodic adjustment of the income limitation  
 159 prescribed in this subsection for changes in the cost of living.

160 BE IT FURTHER RESOLVED that the title and substance of the  
 161 amendment proposed herein shall appear on the ballot as follows:

162 HOMESTEAD PROPERTY ASSESSMENTS AND EXEMPTIONS

163 Proposes amendments to Sections 4 and 6 of Article VII of  
 164 the State Constitution to limit the assessed value of property  
 165 purchased and used as homestead property after a sale of  
 166 homestead property to the just value of the homestead property  
 167 sold, subject to specific requirements, and to increase the  
 168 homestead exemption from \$25,000 to \$50,000.