

By the Committee on Community Affairs; and Senators Geller and Campbell

578-1734-05

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Senate Joint Resolution No. ____

A joint resolution proposing an amendment to Section 4 of Article VII of the State Constitution to prescribe the method for valuing certain properties for ad valorem tax purposes.

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

That the following amendment to Section 4 of Article VII of the State Constitution is agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

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

1 | assessed at just value as of January 1 of the year following
2 | the effective date of this amendment. This assessment shall
3 | change only as provided herein.

4 | (1) Assessments subject to this provision shall be
5 | changed annually on January 1st of each year; but those
6 | changes in assessments shall not exceed the lower of the
7 | following:

8 | a. Three percent (3%) of the assessment for the prior
9 | year.

10 | b. The percent change in the Consumer Price Index for
11 | all urban consumers, U.S. City Average, all items 1967=100, or
12 | successor reports for the preceding calendar year as initially
13 | reported by the United States Department of Labor, Bureau of
14 | Labor Statistics.

15 | (2) No assessment shall exceed just value.

16 | (3) After any change of ownership, as provided by
17 | general law, homestead property shall be assessed at just
18 | value as of January 1 of the following year. Thereafter, the
19 | homestead shall be assessed as provided herein.

20 | (4) New homestead property shall be assessed at just
21 | value as of January 1st of the year following the
22 | establishment of the homestead. That assessment shall only
23 | change as provided herein.

24 | (5) Changes, additions, reductions, or improvements to
25 | homestead property shall be assessed as provided for by
26 | general law; provided, however, after the adjustment for any
27 | change, addition, reduction, or improvement, the property
28 | shall be assessed as provided herein.

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

31 |

1 (7) The provisions of this amendment are severable.
2 If any of the provisions of this amendment shall be held
3 unconstitutional by any court of competent jurisdiction, the
4 decision of such court shall not affect or impair any
5 remaining provisions of this amendment.

6 (d) The legislature may, by general law, for
7 assessment purposes and subject to the provisions of this
8 subsection, allow counties and municipalities to authorize by
9 ordinance that historic property may be assessed solely on the
10 basis of character or use. Such character or use assessment
11 shall apply only to the jurisdiction adopting the ordinance.
12 The requirements for eligible properties must be specified by
13 general law.

14 (e) A county may, in the manner prescribed by general
15 law, provide for a reduction in the assessed value of
16 homestead property to the extent of any increase in the
17 assessed value of that property which results from the
18 construction or reconstruction of the property for the purpose
19 of providing living quarters for one or more natural or
20 adoptive grandparents or parents of the owner of the property
21 or of the owner's spouse if at least one of the grandparents
22 or parents for whom the living quarters are provided is 62
23 years of age or older. Such a reduction may not exceed the
24 lesser of the following:

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

27 (2) Twenty percent of the total assessed value of the
28 property as improved.

29 (f)(1) If a person whose homestead property is taken
30 through the exercise of eminent domain designates replacement
31 property on which he or she is entitled to a homestead

1 exemption as homestead property and the value of the
2 replacement property is greater than is exempted by subsection
3 (c) of this section, the replacement homestead property shall
4 be initially assessed at less than just value, as provided by
5 general law. The difference between the replacement homestead
6 property's just value and its assessed value in the first year
7 the homestead is established may not exceed the difference
8 between the previous homestead's just value and its assessed
9 value in the year of sale. In addition, to be assessed as
10 provided in this paragraph, the assessed value of the
11 replacement homestead must equal or exceed the assessed value
12 of the previous homestead. Thereafter, the homestead shall be
13 assessed as provided herein.

14 (2) The following conditions apply when calculating
15 the assessed value of a replacement homestead property under
16 this subsection:

17 a. This subsection applies only to the first
18 replacement property on which a homestead exemption is claimed
19 after the taking.

20 b. The claim of homestead exemption on replacement
21 property must be made no later than the second January 1
22 following the taking.

23 c. This subsection applies whether the replacement
24 property is in the same county as the taken property or in a
25 different county.

26 d. This subsection applies whether the replacement
27 property was acquired after, or was owned by the taxpayer at
28 the time of, the taking.

29 BE IT FURTHER RESOLVED that the following statement be
30 placed on the ballot:

31 CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTION 4

VALUATION OF HOMESTEAD PROPERTY.--Proposing an amendment to the State Constitution to provide for assessing at less than just value the replacement homestead property of a person whose previous homestead property was taken through eminent domain if the claim of homestead exemption on the replacement property is made within a specified time limit, to provide that the difference between the new property's just value and its assessed value in the first year that a homestead exemption is claimed may not exceed the difference between the previous homestead's just value and its assessed value in the year of sale, and to provide that the assessed value of the new homestead must equal or exceed the assessed value of the previous homestead.

STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Joint Resolution 228

The committee substitute changes the method by which the assessed value on a replacement property is calculated to provide that the difference between the just value and assessed value on the replacement homestead property in the first year that homestead is established is limited to the difference between the just value and assessed value on the previous homestead in the year of sale.

It also provides that this calculation is only applicable if the assessed value of the replacement homestead property equals or exceeds the assessed value of the previous homestead property.

Finally, it amends the ballot summary to conform to changes in the method used to calculate the assessed value of the replacement homestead property as described above.