

HJR 353

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CHAMBER ACTION

1 The Finance & Tax Committee recommends the following:

2
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 House Joint Resolution

6 A joint resolution proposing amendments to Sections 4 and
7 6 of Article VII and the creation of Section 26 of Article
8 XII of the State Constitution to provide for a phased
9 increase in the homestead exemption over 10 years from
10 \$25,000 to \$50,000 for all levies, limit the difference
11 between the just value and the assessed value for
12 homestead property, provide for assessing newly
13 established homestead property at less than just value
14 subject to a limitation, and schedule the amendments to
15 take effect January 1, 2007, if adopted.

16
17 Be It Resolved by the Legislature of the State of Florida:

18
19 That the following amendments to Sections 4 and 6 of
20 Article VII and the creation of Section 26 of Article XII of the
21 State Constitution are agreed to and shall be submitted to the
22 electors of this state for approval or rejection at the next

23 | general election or at an earlier special election specifically
24 | authorized by law for that purpose:

25 | ARTICLE VII

26 | FINANCE AND TAXATION

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

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

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

38 | (c) All persons entitled to a homestead exemption under
39 | Section 6 of this Article shall have their homestead assessed at
40 | just value as of January 1 of the year following the effective
41 | date of this amendment. This assessment shall change only as
42 | provided herein.

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

46 | a. Three percent (3%) of the assessment for the prior
47 | year.

48 | b. The percent change in the Consumer Price Index for all
49 | urban consumers, U.S. City Average, all items 1967=100, or
50 | successor reports for the preceding calendar year as initially

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51 | reported by the United States Department of Labor, Bureau of
52 | Labor Statistics.

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

54 | (3) The difference between just value and assessed value
55 | shall not exceed \$100,000 unless the provisions of paragraph
56 | (10) apply.

57 | ~~(4)~~(3) After any change of ownership, as provided by
58 | general law, homestead property shall be assessed at just value
59 | as of January 1 of the following year, unless the provisions of
60 | paragraph (9) apply. Thereafter, the homestead shall be assessed
61 | as provided herein.

62 | ~~(5)~~(4) New homestead property shall be assessed at just
63 | value as of January 1st of the year following the establishment
64 | of the homestead, unless the provisions of paragraph (9) apply.
65 | That assessment shall only change as provided herein.

66 | ~~(6)~~(5) Changes, additions, reductions, or improvements to
67 | homestead property shall be assessed as provided for by general
68 | law; provided, however, after the adjustment for any change,
69 | addition, reduction, or improvement, the property shall be
70 | assessed as provided herein.

71 | ~~(7)~~(6) In the event of a termination of homestead status,
72 | the property shall be assessed as provided by general law.

73 | ~~(8)~~(7) The provisions of this amendment are severable. If
74 | any of the provisions of this amendment shall be held
75 | unconstitutional by any court of competent jurisdiction, the
76 | decision of such court shall not affect or impair any remaining
77 | provisions of this amendment.

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78 (9) When a person sells or transfers his or her homestead
79 within this state and within one year establishes within the
80 same county another property as his or her new homestead, the
81 newly established homestead property shall be initially assessed
82 at less than just value, as provided by general law. The
83 difference between the new homestead property's just value and
84 its assessed value in the first year the homestead is
85 established shall equal the difference between the prior
86 homestead property's just value and its assessed value in the
87 year of sale or transfer, provided the difference does not
88 exceed \$100,000. However, in no case shall this adjustment
89 result in the new homestead property having an assessed value
90 less than the assessed value of the previous homestead property.
91 Thereafter, the homestead property shall be assessed as provided
92 herein.

93 (10) For a homestead established before January 1, 2007,
94 the difference between just value and assessed value may not
95 exceed the difference between just value and assessed value that
96 exists on January 1, 2007, plus \$100,000.

97 (d) The legislature may, by general law, for assessment
98 purposes and subject to the provisions of this subsection, allow
99 counties and municipalities to authorize by ordinance that
100 historic property may be assessed solely on the basis of
101 character or use. Such character or use assessment shall apply
102 only to the jurisdiction adopting the ordinance. The
103 requirements for eligible properties must be specified by
104 general law.

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105 (e) A county may, in the manner prescribed by general law,
 106 provide for a reduction in the assessed value of homestead
 107 property to the extent of any increase in the assessed value of
 108 that property which results from the construction or
 109 reconstruction of the property for the purpose of providing
 110 living quarters for one or more natural or adoptive grandparents
 111 or parents of the owner of the property or of the owner's spouse
 112 if at least one of the grandparents or parents for whom the
 113 living quarters are provided is 62 years of age or older. Such a
 114 reduction may not exceed the lesser of the following:

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

117 (2) Twenty percent of the total assessed value of the
 118 property as improved.

119 SECTION 6. Homestead exemptions.--

120 (a) Every person who has the legal or equitable title to
 121 real estate and maintains thereon the permanent residence of the
 122 owner, or another legally or naturally dependent upon the owner,
 123 shall be exempt from taxation thereon, except assessments for
 124 special benefits, up to the assessed valuation of five thousand
 125 dollars, upon establishment of right thereto in the manner
 126 prescribed by law. The real estate may be held by legal or
 127 equitable title, by the entirety, jointly, in common, as a
 128 condominium, or indirectly by stock ownership or membership
 129 representing the owner's or member's proprietary interest in a
 130 corporation owning a fee or a leasehold initially in excess of
 131 ninety-eight years.

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132 (b) Not more than one exemption shall be allowed any
133 individual or family unit or with respect to any residential
134 unit. No exemption shall exceed the value of the real estate
135 assessable to the owner or, in case of ownership through stock
136 or membership in a corporation, the value of the proportion
137 which the interest in the corporation bears to the assessed
138 value of the property.

139 (c)(1) By general law and subject to conditions specified
140 therein, the exemption shall be increased to a total of the
141 following amounts ~~twenty five thousand dollars~~ of the assessed
142 value of the real estate for each school district levy: twenty-
143 seven thousand five hundred dollars with respect to 2007
144 assessments; thirty thousand dollars with respect to 2008
145 assessments; thirty-two thousand five hundred dollars with
146 respect to 2009 assessments; thirty-five thousand dollars with
147 respect to 2010 assessments; thirty-seven thousand five hundred
148 dollars with respect to 2011 assessments; forty thousand dollars
149 with respect to 2012 assessments; forty-two thousand five
150 hundred dollars with respect to 2013 assessments; forty-five
151 thousand dollars with respect to 2014 assessments; forty-seven
152 thousand five hundred dollars with respect to 2015 assessments;
153 and fifty thousand dollars with respect to 2016 assessments. In
154 2017 and each year thereafter, the exemption shall increase
155 annually by the percentage change in the Consumer Price Index
156 for all urban consumers, U.S. City Average, all items 1967=100,
157 or successor reports for the preceding calendar year as
158 initially reported by the United States Department of Labor,
159 Bureau of Labor Statistics.

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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160 (2) By general law and subject to conditions specified
 161 therein, the exemption for all other levies may be increased up
 162 to an amount not exceeding ten thousand dollars of the assessed
 163 value of the real estate if the owner has attained age sixty-
 164 five or is totally and permanently disabled and if the owner is
 165 not entitled to the exemption provided in subsection (d).

166 (d) By general law and subject to conditions specified
 167 therein, the exemption shall be increased to a total of the
 168 following amounts of assessed value of real estate for each levy
 169 other than those of school districts: twenty-seven ~~fifteen~~
 170 thousand five hundred dollars with respect to 2007 ~~1980~~
 171 assessments; thirty ~~twenty~~ thousand dollars with respect to 2008
 172 ~~1981~~ assessments; thirty-two ~~twenty-five~~ thousand five hundred
 173 dollars with respect to 2009 assessments; thirty-five thousand
 174 dollars with respect to 2010 assessments; thirty-seven thousand
 175 five hundred dollars with respect to 2011 assessments; forty
 176 thousand dollars with respect to 2012 assessments; forty-two
 177 thousand five hundred dollars with respect to 2013 assessments;
 178 forty-five thousand dollars with respect to 2014 assessments;
 179 forty-seven thousand five hundred dollars with respect to 2015
 180 assessments; and fifty thousand dollars with respect to 2016
 181 assessments. In 2017 ~~for 1982~~ and each year thereafter, the
 182 exemption shall increase annually by the percentage change in
 183 the Consumer Price Index for all urban consumers, U.S. City
 184 Average, all items 1967=100, or successor reports for the
 185 preceding calendar year as initially reported by the United
 186 States Department of Labor, Bureau of Labor Statistics. However,
 187 such increase shall not apply with respect to any assessment

188 roll until such roll is first determined to be in compliance
 189 with the provisions of section 4 by a state agency designated by
 190 general law. This subsection shall stand repealed on the
 191 effective date of any amendment to section 4 which provides for
 192 the assessment of homestead property at a specified percentage
 193 of its just value.

194 (e) By general law and subject to conditions specified
 195 therein, the Legislature may provide to renters, who are
 196 permanent residents, ad valorem tax relief on all ad valorem tax
 197 levies. Such ad valorem tax relief shall be in the form and
 198 amount established by general law.

199 (f) The legislature may, by general law, allow counties or
 200 municipalities, for the purpose of their respective tax levies
 201 and subject to the provisions of general law, to grant an
 202 additional homestead tax exemption not exceeding twenty-five
 203 thousand dollars to any person who has the legal or equitable
 204 title to real estate and maintains thereon the permanent
 205 residence of the owner and who has attained age sixty-five and
 206 whose household income, as defined by general law, does not
 207 exceed twenty thousand dollars. The general law must allow
 208 counties and municipalities to grant this additional exemption,
 209 within the limits prescribed in this subsection, by ordinance
 210 adopted in the manner prescribed by general law, and must
 211 provide for the periodic adjustment of the income limitation
 212 prescribed in this subsection for changes in the cost of living.

213 ARTICLE XII

214 SCHEDULE

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215 SECTION 26. Homestead property assessment limitations;
 216 increased homestead exemption.--The amendments to Sections 4 and
 217 6 of Article VII, modifying the limitations on the assessment of
 218 homestead property and increasing the amount of the homestead
 219 exemption, shall take effect January 1, 2007.

220 BE IT FURTHER RESOLVED that the following statement be
 221 placed on the ballot:

222 CONSTITUTIONAL AMENDMENT

223 ARTICLE VII, SECTIONS 4 AND 6

224 ARTICLE XII, SECTION 26

225 ASSESSMENT OF HOMESTEAD PROPERTY.--Proposing amendments to
 226 the State Constitution to provide for a phased increase in the
 227 homestead exemption from \$25,000 to \$50,000 over 10 years for
 228 all levies, school districts or otherwise; provide that
 229 homeowners who move from one homestead property to another in
 230 the same county would have the new homestead property assessed
 231 at up to \$100,000 less than just value depending on the
 232 differential between the just value and the assessed value of
 233 their previous homestead property; limit the difference between
 234 the just value and the assessed value of homestead property to
 235 \$100,000 except property established as homestead property
 236 before January 1, 2007, for which the difference between just
 237 value and assessed value may not exceed the difference between
 238 just value and assessed value existing on January 1, 2007, plus
 239 \$100,000; and schedule the amendments to take effect January 1,
 240 2007, if adopted.