

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

1 Representative(s) Brummer offered the following:

2
3 **Amendment (with title amendment)**

4 Remove lines 103-105 and insert:

5 Section 3. (1) The Department of Revenue shall conduct a
6 study of the state's property tax structure to analyze the
7 impact of the current homestead exemptions and homestead
8 assessment limitations on different types of property.

9 (a) The study shall include:

10 1. An analysis of the effects of Save Our Homes provisions
11 of s. 4(c), Art. VII of the State Constitution on the
12 distribution of property taxes among and between homestead
13 properties as well as between homesteads and other types of
14 property;

15 2. An analysis of the effect of the Save Our Homes
16 provisions of s. 4(c), Art. VII of the State Constitution on
17 affordable housing, as evidenced by the differential tax burden

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18 on first-time homestead property owners and long-term homestead
19 property owners and the amendment's effect on property taxes
20 paid by nonhomestead residential property owners.

21 3. The identification and analysis of the impact of the
22 differential under the Save Our Homes provisions of s. 4(c),
23 Art. VII of the State Constitution on each county;

24 4. An analysis of the effects of the Save Our Homes
25 provisions of s. 4(c), Art. VII of the State Constitution on the
26 distribution of the school property taxes, including the
27 required local effort levy for the Florida Education Finance
28 Program, and other school levies;

29 5. An analysis of the fiscal impacts of allowing the
30 assessments under the Save Our Homes provisions of s. 4(c), Art.
31 VII of the State Constitution to be transferred to newly
32 acquired homes, the resulting changes in the relative taxes
33 levied on all other classes of property, including other
34 homestead properties, nonhomestead properties and properties
35 purchased by first-time homestead owners, and in the
36 distribution of the required local effort for school funding;
37 and

38 6. An analysis of the millage rates adopted by local
39 governments compared to the rolled back rate as advertised in
40 the Truth In Millage (TRIM) Notices required under s. 200.069,
41 Florida Statutes.

42 (b) The Department of Revenue shall prepare a draft of the
43 study by November 15, 2006, and conclude the study by January 2,
44 2007.

45 (2) The Office of Economic and Demographic Research shall
46 prepare a report summarizing the study conducted by the

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47 Department of Revenue. The report must also contain findings and
48 policy options that may be available to the state. In preparing
49 the report, the Office of Economic and Demographic Research may
50 consider other available information.

51 (a) In addition to findings and policy options, the report
52 must include:

53 1. An evaluation of the assessment differentials under the
54 Save Our Homes provisions of s. 4(c), Art. VII of the State
55 Constitution on homeowners' willingness to purchase a new
56 homestead.

57 2. An evaluation of the effects of the Save Our Homes
58 provisions of s. 4(c), Art. VII of the State Constitution on
59 local government budget decisions, including whether the Truth
60 In Millage (TRIM) notification process under s. 200.069, Florida
61 Statutes, adequately informs taxpayers of local governments' tax
62 and budget decisions.

63 3. An evaluation of the effectiveness of the notice of
64 proposed property taxes and non-ad valorem assessments created
65 under s. 200.069, Florida Statutes. If the current notice is
66 deemed ineffective, the evaluation should propose alternative
67 methods of conveying the information contained in the notice.

68 (b) The findings and policy options must apply and
69 consider the following principles of taxation described in the
70 2002 Florida State Tax Reform Task Force Final Report:

71 1. Equity.--The Florida tax system should treat
72 individuals equitably. It should impose similar tax burdens on
73 people in similar circumstances and should minimize
74 regressivity.

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75 2. Compliance.--The Florida tax system should facilitate
76 taxpayer compliance. The system should be simple and easy to
77 understand so as to minimize compliance costs and increase the
78 visibility and awareness of the taxes being paid. Enforcement
79 and collection of tax revenues should be accomplished in a fair,
80 consistent, professional, predictable, and cost-effective
81 manner.

82 3. Pro-competitiveness.--The Florida tax system should be
83 responsive to interstate and international competition in order
84 to encourage savings and investment in physical plants,
85 equipment, people, and technology in this state.

86 4. Neutrality.--The Florida tax system should affect
87 competitors uniformly and not become a tool for social
88 engineering. The system should minimize government involvement
89 in investment decisions, making any such involvement explicit,
90 and should minimize pyramiding.

91 5. Stability.--The Florida tax system should produce, in a
92 stable and reliable manner, revenues that are sufficient to fund
93 appropriate governmental functions and expenditures.

94 6. Integration.--The Florida tax system should balance the
95 need for integration of federal, state, and local taxation.

96 (c) The Office of Economic and Demographic Research shall
97 submit a progress report to the President of the Senate and the
98 Speaker of the House of Representatives by February 15, 2007.
99 The progress report may include preliminary findings and any
100 policy options that may be considered during the 2007 regular
101 legislative session.

102 (d) The final report must be submitted to the Governor,
103 the President of the Senate, the Speaker of the House of

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104 Representatives, and the chair of the Taxation and Budget Reform
105 Commission no later than September 1, 2007.

106 (e) The Office of Economic and Demographic Research may
107 contract with state universities or a nationally recognized
108 property appraisal education and certification organization for
109 the purpose of developing findings and policy options to be
110 included in the report.

111 Section 5. Section 12 of chapter 2005-187, Laws of
112 Florida, is repealed.

113 Section 6. The sum of \$300,000 in nonrecurring general
114 revenue is hereby appropriated to the Department of Revenue for
115 the purpose of conducting the study required by this act.

116 Section 7. The sum of \$500,000 in nonrecurring general
117 revenue is hereby appropriated to the Office of Economic and
118 Demographic Research for the purpose of preparing the report
119 required by this act.

120 Section 8. The unexpended balance of funds appropriated in
121 section 13 of chapter 2005-187, Laws of Florida, shall revert
122 immediately to the General Revenue Fund.

123 Section 9. Sections 1 and 2 of this act shall apply
124 retroactively to homestead property replaced on or after January
125 1, 2006.

126 Section 10. Except as otherwise expressly provided in this
127 act, this act shall take effect upon becoming a law.

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129

130 ===== T I T L E A M E N D M E N T =====

131 Remove line(s) 6-21 and insert:

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132 An act relating to taxation; amending s. 193.155, F.S.;

133 revising exceptions applicable to damaged or destroyed

134 homestead property to a requirement that changes,

135 additions, or improvements to homestead property be

136 assessed at just value under certain circumstances;

137 providing for application to certain changes, additions,

138 and improvements; providing for assessment of homestead

139 property after substantial completion of changes,

140 additions, and improvements; providing criteria; amending

141 s. 196.031, F.S.; providing for the continued granting of

142 a homestead exemption for certain damaged or destroyed

143 homestead property under certain circumstances; specifying

144 circumstances for abandonment of property as homestead;

145 requiring the Department of Revenue to study the state's

146 property tax structure; providing the contents of the

147 study; requiring the Office of Economic and Demographic

148 Research to prepare a report; requiring that the report

149 recommend changes to achieve specified principles of

150 taxation; providing deadlines; requiring a report to the

151 Governor and the Legislature; repealing s. 12, ch. 2005-

152 187, Laws of Florida, relating to dissolving the

153 Communications Services Tax Task Force; providing

154 appropriations; providing for reversion of unused funds to

155 the General Revenue Fund; providing for retroactive

156 application; providing effective dates.

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