

House Joint Resolution

A joint resolution proposing amendments to Sections 4 and 6 of Article VII and the creation of Section 26 of Article XII of the State Constitution to limit the difference between the just value and the assessed value for homestead property, provide for assessing newly established homestead property at less than just value subject to a limitation, and increase the amount of the homestead exemption from \$25,000 to \$50,000 over 10 years.

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

That the following amendments to Sections 4 and 6 of Article VII and the creation of Section 26 of Article XII 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.

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

32 (c) All persons entitled to a homestead exemption under
 33 Section 6 of this Article shall have their homestead assessed at
 34 just value as of January 1 of the year following the effective
 35 date of this amendment. This assessment shall change only as
 36 provided herein.

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

40 a. Three percent (3%) of the assessment for the prior
 41 year.

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

47 (2) No assessment shall exceed just value.

48 (3) The difference between just value and assessed value
 49 shall not exceed \$100,000 unless the provisions of paragraph
 50 (10) apply.

51 (4)~~(3)~~ After any change of ownership, as provided by
 52 general law, homestead property shall be assessed at just value
 53 as of January 1 of the following year, unless the provisions of
 54 paragraph (9) apply. Thereafter, the homestead shall be assessed
 55 as provided herein.

56 (5)~~(4)~~ New homestead property shall be assessed at just
 57 value as of January 1st of the year following the establishment
 58 of the homestead, unless the provisions of paragraph (9) apply.
 59 That assessment shall only change as provided herein.

60 (6)~~(5)~~ Changes, additions, reductions, or improvements to
 61 homestead property shall be assessed as provided for by general
 62 law; provided, however, after the adjustment for any change,
 63 addition, reduction, or improvement, the property shall be
 64 assessed as provided herein.

65 (7)~~(6)~~ In the event of a termination of homestead status,
 66 the property shall be assessed as provided by general law.

67 (8)~~(7)~~ The provisions of this amendment are severable. If
 68 any of the provisions of this amendment shall be held
 69 unconstitutional by any court of competent jurisdiction, the
 70 decision of such court shall not affect or impair any remaining
 71 provisions of this amendment.

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

84 less than the assessed value of the previous homestead property.
 85 Thereafter, the homestead property shall be assessed as provided
 86 herein.

87 (10) For a homestead established before January 1, 2007,
 88 the difference between just value and assessed value may not
 89 exceed the difference between just value and assessed value that
 90 exists on January 1, 2007, plus \$100,000.

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

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

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

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111 (2) Twenty percent of the total assessed value of the
 112 property as improved.

113 SECTION 6. Homestead exemptions.--

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

126 (b) Not more than one exemption shall be allowed any
 127 individual or family unit or with respect to any residential
 128 unit. No exemption shall exceed the value of the real estate
 129 assessable to the owner or, in case of ownership through stock
 130 or membership in a corporation, the value of the proportion
 131 which the interest in the corporation bears to the assessed
 132 value of the property.

133 (c)1. By general law and subject to conditions specified
 134 therein, the exemption shall be increased to a total of the
 135 following amounts ~~twenty five thousand dollars~~ of the assessed
 136 value of the real estate for each school district levy: twenty-
 137 seven thousand five hundred dollars with respect to 2007
 138 assessments; thirty thousand dollars with respect to 2008

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139 assessments; thirty-two thousand five hundred dollars with
 140 respect to 2009 assessments; thirty-five thousand dollars with
 141 respect to 2010 assessments; thirty-seven thousand five hundred
 142 dollars with respect to 2011 assessments; forty thousand dollars
 143 with respect to 2012 assessments; forty-two thousand five
 144 hundred dollars with respect to 2013 assessments; forty-five
 145 thousand dollars with respect to 2014 assessments; forty-seven
 146 thousand five hundred dollars with respect to 2015 assessments;
 147 and fifty thousand dollars with respect to 2016 assessments. In
 148 2017 and each year thereafter, the exemption shall increase
 149 annually by the percentage change in the Consumer Price Index
 150 for all urban consumers, U.S. City Average, all items 1967=100,
 151 or successor reports for the preceding calendar year as
 152 initially reported by the United States Department of Labor,
 153 Bureau of Labor Statistics.

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

160 (d) By general law and subject to conditions specified
 161 therein, the exemption shall be increased to a total of the
 162 following amounts of assessed value of real estate for each levy
 163 other than those of school districts: twenty-seven ~~fifteen~~
 164 thousand five hundred dollars with respect to 2007 ~~1980~~
 165 assessments; thirty ~~twenty~~ thousand dollars with respect to 2008
 166 ~~1981~~ assessments; thirty-two ~~twenty-five~~ thousand five hundred

167 dollars with respect to 2009 assessments; thirty-five thousand
 168 dollars with respect to 2010 assessments; thirty-seven thousand
 169 five hundred dollars with respect to 2011 assessments; forty
 170 thousand dollars with respect to 2012 assessments; forty-two
 171 thousand five hundred dollars with respect to 2013 assessments;
 172 forty-five thousand dollars with respect to 2014 assessments;
 173 forty-seven thousand five hundred dollars with respect to 2015
 174 assessments; and fifty thousand dollars with respect to 2016
 175 assessments. In 2017 ~~for 1982~~ and each year thereafter, the
 176 exemption shall increase annually by the percentage change in
 177 the Consumer Price Index for all urban consumers, U.S. City
 178 Average, all items 1967=100, or successor reports for the
 179 preceding calendar year as initially reported by the United
 180 States Department of Labor, Bureau of Labor Statistics. However,
 181 such increase shall not apply with respect to any assessment
 182 roll until such roll is first determined to be in compliance
 183 with the provisions of section 4 by a state agency designated by
 184 general law. This subsection shall stand repealed on the
 185 effective date of any amendment to section 4 which provides for
 186 the assessment of homestead property at a specified percentage
 187 of its just value.

188 (e) By general law and subject to conditions specified
 189 therein, the Legislature may provide to renters, who are
 190 permanent residents, ad valorem tax relief on all ad valorem tax
 191 levies. Such ad valorem tax relief shall be in the form and
 192 amount established by general law.

193 (f) The legislature may, by general law, allow counties or
 194 municipalities, for the purpose of their respective tax levies

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

207 ARTICLE XII

208 SCHEDULE

209 SECTION 26. Homestead property assessment limitations;
 210 increased homestead exemption.--The amendments to Sections 4 and
 211 6 of Article VII, modifying the limitations on the assessment of
 212 homestead property and increasing the amount of the homestead
 213 exemption, shall take effect January 1, 2007.

214 BE IT FURTHER RESOLVED that the following statement be
 215 placed on the ballot:

216 CONSTITUTIONAL AMENDMENT

217 ARTICLE VII, SECTIONS 4 AND 6

218 ARTICLE XII, SECTION 26

219 ASSESSMENT OF HOMESTEAD PROPERTY.--Proposing amendments to
 220 the State Constitution to provide for a phased increase in the
 221 exemption for homestead property from \$25,000 to \$50,000 over 10
 222 years; limit the difference between the just value and the

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223 | assessed value of homestead property to \$100,000 except property
224 | established as homestead property before January 1, 2007, for
225 | which the difference between just value and assessed value may
226 | not exceed the difference between just value and assessed value
227 | existing on January 1, 2007, plus \$100,000; provide that
228 | homeowners who move from one homestead property to another in
229 | the same county would have the new homestead property assessed
230 | at up to \$100,000 less than just value depending on the
231 | differential between the just value and the assessed value of
232 | their previous homestead property; and schedule the amendments
233 | to take effect January 1, 2007, if adopted.