

By the Committee on Finance and Tax; and Senators Atwater, Storms, Deutch, Haridopolos and Geller

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Senate Joint Resolution

A joint resolution proposing amendments to Sections 3, 4, and 6 of Article VII and the creation of a new section in Article XII of the State Constitution, to authorize an exemption from ad valorem taxation for tangible personal property, to authorize portability of the limitation in the difference between the just value and the assessed value for homestead property, to create an additional homestead exemption for first-time homestead property owners, and to provide an effective date if such amendments are adopted.

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

That the following amendments to Sections 3, 4, and 6 of Article VII and the creation of a new section in Article XII of the State Constitution are 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 3. Taxes; exemptions.--

(a) All property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment to the taxing unit in which the property is located.

1 Such portions of property as are used predominantly for
2 educational, literary, scientific, religious or charitable
3 purposes may be exempted by general law from taxation.

4 (b) There shall be exempt from taxation, cumulatively,
5 to every head of a family residing in this state, household
6 goods and personal effects to the value fixed by general law,
7 not less than one thousand dollars, and to every widow or
8 widower or person who is blind or totally and permanently
9 disabled, property to the value fixed by general law not less
10 than five hundred dollars.

11 (c) Any county or municipality may, for the purpose of
12 its respective tax levy and subject to the provisions of this
13 subsection and general law, grant community and economic
14 development ad valorem tax exemptions to new businesses and
15 expansions of existing businesses, as defined by general law.
16 Such an exemption may be granted only by ordinance of the
17 county or municipality, and only after the electors of the
18 county or municipality voting on such question in a referendum
19 authorize the county or municipality to adopt such ordinances.
20 An exemption so granted shall apply to improvements to real
21 property made by or for the use of a new business and
22 improvements to real property related to the expansion of an
23 existing business and shall also apply to tangible personal
24 property of such new business and tangible personal property
25 related to the expansion of an existing business. The amount
26 or limits of the amount of such exemption shall be specified
27 by general law. The period of time for which such exemption
28 may be granted to a new business or expansion of an existing
29 business shall be determined by general law. The authority to
30 grant such exemption shall expire ten years from the date of
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1 approval by the electors of the county or municipality, and
2 may be renewable by referendum as provided by general law.

3 (d) By general law and subject to conditions specified
4 therein, there may be granted an ad valorem tax exemption to a
5 renewable energy source device and to real property on which
6 such device is installed and operated, to the value fixed by
7 general law not to exceed the original cost of the device, and
8 for the period of time fixed by general law not to exceed ten
9 years.

10 (e) Any county or municipality may, for the purpose of
11 its respective tax levy and subject to the provisions of this
12 subsection and general law, grant historic preservation ad
13 valorem tax exemptions to owners of historic properties. This
14 exemption may be granted only by ordinance of the county or
15 municipality. The amount or limits of the amount of this
16 exemption and the requirements for eligible properties must be
17 specified by general law. The period of time for which this
18 exemption may be granted to a property owner shall be
19 determined by general law.

20 (f) By general law and subject to conditions specified
21 therein, up to twenty-five thousand dollars of assessed value
22 on each tangible personal property tax return may be exempt
23 from ad valorem taxation.

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

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

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

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

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

14 a. Three percent (3%) of the assessment for the prior
15 year.

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

21 (2) No assessment shall exceed just value.

22 (3) After any change of ownership, as provided by
23 general law, homestead property shall be assessed at just
24 value as of January 1 of the following year, unless the
25 provisions of paragraph (8) apply. Thereafter, the homestead
26 shall be assessed as provided herein.

27 (4) New homestead property shall be assessed at just
28 value as of January 1st of the year following the
29 establishment of the homestead, unless the provisions of
30 paragraph (8) apply. That assessment shall only change as
31 provided herein.

1 (5) Changes, additions, reductions, or improvements to
2 homestead property shall be assessed as provided for by
3 general law; provided, however, after the adjustment for any
4 change, addition, reduction, or improvement, the property
5 shall be assessed as provided herein.

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

8 (7) The provisions of this amendment are severable. If
9 any of the provisions of this amendment shall be held
10 unconstitutional by any court of competent jurisdiction, the
11 decision of such court shall not affect or impair any
12 remaining provisions of this amendment.

13 (8) When a person sells or transfers his or her
14 homestead property within this state or ceases to maintain his
15 or her permanent residence on that property and within two
16 years establishes another property as his or her new
17 homestead, the newly established homestead property shall be
18 initially assessed at less than just value, as provided by
19 general law. The difference between the new homestead
20 property's just value and its assessed value in the first year
21 the homestead is established may not exceed the lesser of five
22 hundred thousand dollars or the difference between the
23 previous homestead's just value and its assessed value in the
24 year it was sold or transferred or ceased to be its owner's
25 permanent residence. In addition, to be assessed as provided
26 in this paragraph, the assessed value of the new homestead
27 must equal or exceed the assessed value of the previous
28 homestead. The assessed value of the homestead shall increase
29 by 10 percent each year until it equals the just value of the
30 homestead in the first year it was established, adjusted each
31 year following establishment of the homestead as provided in

1 paragraph (1) of this subsection. Thereafter, the assessed
2 value of the homestead shall not be adjusted except as
3 provided in paragraph (1) of this subsection.

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

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

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

25 (2) Twenty percent of the total assessed value of the
26 property as improved.

27 SECTION 6. Homestead exemptions.--

28 (a) Every person who has the legal or equitable title
29 to real estate and maintains thereon the permanent residence
30 of the owner, or another legally or naturally dependent upon
31 the owner, shall be exempt from taxation thereon, except

1 assessments for special benefits, up to the assessed valuation
2 of ~~twenty-five~~ five thousand dollars, upon establishment of
3 right thereto in the manner prescribed by law. The real
4 estate may be held by legal or equitable title, by the
5 entireties, jointly, in common, as a condominium, or
6 indirectly by stock ownership or membership representing the
7 owner's or member's proprietary interest in a corporation
8 owning a fee or a leasehold initially in excess of
9 ninety-eight years. The exemption shall not apply with respect
10 to any assessment roll until such roll is first determined to
11 be in compliance with the provisions of section 4 by a state
12 agency designated by general law. This exemption shall stand
13 repealed on the effective date of any amendment to section 4
14 which provides for the assessment of homestead property at a
15 specified percentage of its just value.

16 (b) Not more than one exemption shall be allowed any
17 individual or family unit or with respect to any residential
18 unit. No exemption shall exceed the value of the real estate
19 assessable to the owner or, in case of ownership through stock
20 or membership in a corporation, the value of the proportion
21 which the interest in the corporation bears to the assessed
22 value of the property.

23 (c) As provided by general law, each person who is
24 entitled to a homestead exemption as provided in this section
25 and who has never previously owned homestead property in this
26 state or elsewhere is entitled to an additional homestead
27 exemption if the difference between the just value of that
28 homestead and its assessed value as provided under subsection
29 (c) of section 4 is less than twenty-five thousand dollars.
30 The additional homestead exemption shall equal twenty-five
31 thousand dollars less the difference between the just value of

1 that homestead and its assessed value as provided under
2 subsection (c) of section 4.

3 ~~(c) By general law and subject to conditions specified~~
4 ~~therein, the exemption shall be increased to a total of~~
5 ~~twenty five thousand dollars of the assessed value of the real~~
6 ~~estate for each school district levy. By general law and~~
7 ~~subject to conditions specified therein, the exemption for all~~
8 ~~other levies may be increased up to an amount not exceeding~~
9 ~~ten thousand dollars of the assessed value of the real estate~~
10 ~~if the owner has attained age sixty five or is totally and~~
11 ~~permanently disabled and if the owner is not entitled to the~~
12 ~~exemption provided in subsection (d).~~

13 ~~(d) By general law and subject to conditions specified~~
14 ~~therein, the exemption shall be increased to a total of the~~
15 ~~following amounts of assessed value of real estate for each~~
16 ~~levy other than those of school districts: fifteen thousand~~
17 ~~dollars with respect to 1980 assessments; twenty thousand~~
18 ~~dollars with respect to 1981 assessments; twenty five thousand~~
19 ~~dollars with respect to assessments for 1982 and each year~~
20 ~~thereafter. However, such increase shall not apply with~~
21 ~~respect to any assessment roll until such roll is first~~
22 ~~determined to be in compliance with the provisions of section~~
23 ~~4 by a state agency designated by general law. This~~
24 ~~subsection shall stand repealed on the effective date of any~~
25 ~~amendment to section 4 which provides for the assessment of~~
26 ~~homestead property at a specified percentage of its just~~
27 ~~value.~~

28 ~~(d)(e)~~ By general law and subject to conditions
29 specified therein, the Legislature may provide to renters, who
30 are permanent residents, ad valorem tax relief on all ad
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1 | valorem tax levies. Such ad valorem tax relief shall be in the
2 | form and amount established by general law.

3 | ~~(e)~~(f) The legislature may, by general law, allow
4 | counties or municipalities, for the purpose of their
5 | respective tax levies and subject to the provisions of general
6 | law, to grant an additional homestead tax exemption not
7 | exceeding fifty thousand dollars to any person who has the
8 | legal or equitable title to real estate and maintains thereon
9 | the permanent residence of the owner and who has attained age
10 | sixty-five and whose household income, as defined by general
11 | law, does not exceed twenty thousand dollars. The general law
12 | must allow counties and municipalities to grant this
13 | additional exemption, within the limits prescribed in this
14 | subsection, by ordinance adopted in the manner prescribed by
15 | general law, and must provide for the periodic adjustment of
16 | the income limitation prescribed in this subsection for
17 | changes in the cost of living.

18 | ~~(f)~~(g) Each veteran who is age 65 or older who is
19 | partially or totally permanently disabled shall receive a
20 | discount from the amount of the ad valorem tax otherwise owed
21 | on homestead property the veteran owns and resides in if the
22 | disability was combat related, the veteran was a resident of
23 | this state at the time of entering the military service of the
24 | United States, and the veteran was honorably discharged upon
25 | separation from military service. The discount shall be in a
26 | percentage equal to the percentage of the veteran's permanent,
27 | service-connected disability as determined by the United
28 | States Department of Veterans Affairs. To qualify for the
29 | discount granted by this subsection, an applicant must submit
30 | to the county property appraiser, by March 1, proof of
31 | residency at the time of entering military service, an

1 official letter from the United States Department of Veterans
2 Affairs stating the percentage of the veteran's
3 service-connected disability and such evidence that reasonably
4 identifies the disability as combat related, and a copy of the
5 veteran's honorable discharge. If the property appraiser
6 denies the request for a discount, the appraiser must notify
7 the applicant in writing of the reasons for the denial, and
8 the veteran may reapply. The Legislature may, by general law,
9 waive the annual application requirement in subsequent years.
10 This subsection shall take effect December 7, 2006, is
11 self-executing, and does not require implementing legislation.

12 ARTICLE XII

13 SCHEDULE

14 Tangible personal property tax exemption, limitations
15 on homestead property assessments, and additional homestead
16 exemption.--The amendments to Sections 3, 4, and 6 of Article
17 VII, providing an exemption from ad valorem taxation for
18 tangible personal property, authorizing portability of the
19 limitations on the assessment of homestead property, and
20 providing an additional homestead exemption for first-time
21 homestead property owners, shall take effect January 1, 2009.

22 BE IT FURTHER RESOLVED that the following statement be
23 placed on the ballot:

24 CONSTITUTIONAL AMENDMENTS

25 ARTICLE VII, SECTIONS 3, 4, AND 6

26 ARTICLE XII

27 TAX EXEMPTION FOR TANGIBLE PERSONAL PROPERTY;
28 LIMITATIONS ON HOMESTEAD PROPERTY ASSESSMENTS; AND ADDITIONAL
29 HOMESTEAD EXEMPTION.--Proposing amendments to the State
30 Constitution to authorize, by general law, an exemption from
31 ad valorem taxation of up to \$25,000 of assessed value on each

1 | tangible personal property tax return and to schedule the
2 | amendment to take effect January 1, 2009; to authorize the
3 | assessment of new homestead property at less than just value
4 | if the new homestead is established within 2 years after the
5 | prior homestead is given up, to provide that the difference
6 | between the new property's just value and its assessed value
7 | in the first year may not exceed the lesser of \$500,000 or the
8 | difference between the previous homestead's just value and its
9 | assessed value in the year of sale, to provide that the
10 | assessed value of the new homestead must equal or exceed the
11 | assessed value of the previous homestead, to provide for a
12 | 10-percent annual increase in the assessment for a limited
13 | period, and to schedule the amendment to take effect January
14 | 1, 2009; and to create an additional homestead exemption for
15 | first-time homestead property owners which, if the difference
16 | between the just value of the homestead property and its
17 | assessed value is less than \$25,000, equals \$25,000 less the
18 | difference between the homestead's just value and its assessed
19 | value, and to schedule the amendment to take effect January 1,
20 | 2009.

21 |
22 | STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
23 | COMMITTEE SUBSTITUTE FOR
24 | SB 3034

25 | This committee substitute clarifies that if this amendment is
26 | adopted the portability provision applies to a situation where
27 | a property owner transfers his or her homestead exemption
28 | without selling any property.
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