

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative(s) Saunders offered the following:

2
3 **Amendment (with ballot statement and title amendments)**

4 Remove lines 22-383 and insert:

5 That the following amendments to Sections 3, 6, and 9 of
6 Article VII and the creation of Section 27 of Article XII of the
7 State Constitution are agreed to and shall be submitted to the
8 electors of this state for approval or rejection at the next
9 general election or at an earlier special election specifically
10 authorized by law for that purpose:

11 ARTICLE VII

12 FINANCE AND TAXATION

13 SECTION 3. Taxes; exemptions.--

14 (a) All property owned by a municipality and used
15 exclusively by it for municipal or public purposes shall be
16 exempt from taxation. A municipality, owning property outside
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17 the municipality, may be required by general law to make payment
18 to the taxing unit in which the property is located. Such
19 portions of property as are used predominantly for educational,
20 literary, scientific, religious or charitable purposes may be
21 exempted by general law from taxation.

22 (b) There shall be exempt from taxation, cumulatively, to
23 every head of a family residing in this state, household goods
24 and personal effects to the value fixed by general law, not less
25 than one thousand dollars, and to every widow or widower or
26 person who is blind or totally and permanently disabled,
27 property to the value fixed by general law not less than five
28 hundred dollars.

29 (c) Any county or municipality may, for the purpose of its
30 respective tax levy and subject to the provisions of this
31 subsection and general law, grant community and economic
32 development ad valorem tax exemptions to new businesses and
33 expansions of existing businesses, as defined by general law.
34 Such an exemption may be granted only by ordinance of the county
35 or municipality, and only after the electors of the county or
36 municipality voting on such question in a referendum authorize
37 the county or municipality to adopt such ordinances. An
38 exemption so granted shall apply to improvements to real
39 property made by or for the use of a new business and
40 improvements to real property related to the expansion of an
41 existing business and shall also apply to tangible personal
42 property of such new business and tangible personal property
43 related to the expansion of an existing business. The amount or
44 limits of the amount of such exemption shall be specified by

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45 general law. The period of time for which such exemption may be
46 granted to a new business or expansion of an existing business
47 shall be determined by general law. The authority to grant such
48 exemption shall expire ten years from the date of approval by
49 the electors of the county or municipality, and may be renewable
50 by referendum as provided by general law.

51 (d) By general law and subject to conditions specified
52 therein, there may be granted an ad valorem tax exemption to a
53 renewable energy source device and to real property on which
54 such device is installed and operated, to the value fixed by
55 general law not to exceed the original cost of the device, and
56 for the period of time fixed by general law not to exceed ten
57 years.

58 (e) Any county or municipality may, for the purpose of its
59 respective tax levy and subject to the provisions of this
60 subsection and general law, grant historic preservation ad
61 valorem tax exemptions to owners of historic properties. This
62 exemption may be granted only by ordinance of the county or
63 municipality. The amount or limits of the amount of this
64 exemption and the requirements for eligible properties must be
65 specified by general law. The period of time for which this
66 exemption may be granted to a property owner shall be determined
67 by general law.

68 (f) By general law and subject to conditions specified
69 therein, tangible personal property up to a value of twenty-five
70 thousand dollars shall be exempt from taxation.

71 SECTION 6. Homestead exemptions.--

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72 (a) Every person who has the legal or equitable title to
73 real estate and maintains thereon the permanent residence of the
74 owner, or another legally or naturally dependent upon the owner,
75 shall be exempt from taxation thereon, except assessments for
76 special benefits, up to the assessed valuation of five thousand
77 dollars, upon establishment of right thereto in the manner
78 prescribed by law. The real estate may be held by legal or
79 equitable title, by the entreties, jointly, in common, as a
80 condominium, or indirectly by stock ownership or membership
81 representing the owner's or member's proprietary interest in a
82 corporation owning a fee or a leasehold initially in excess of
83 ninety-eight years.

84 (b) Not more than one exemption shall be allowed any
85 individual or family unit or with respect to any residential
86 unit. No exemption shall exceed the value of the real estate
87 assessable to the owner or, in case of ownership through stock
88 or membership in a corporation, the value of the proportion
89 which the interest in the corporation bears to the assessed
90 value of the property.

91 (c) By general law and subject to conditions specified
92 therein, the exemption shall be increased to a total of twenty-
93 five thousand dollars of the assessed value of the real estate
94 for each school district levy. By general law and subject to
95 conditions specified therein, the exemption for all other levies
96 may be increased up to an amount not exceeding ten thousand
97 dollars of the assessed value of the real estate if the owner
98 has attained age sixty-five or is totally and permanently

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99 disabled and if the owner is not entitled to the exemption
100 provided in subsection (d).

101 (d) By general law and subject to conditions specified
102 therein, the exemption shall be increased to a total of the
103 following amounts of assessed value of real estate for each levy
104 other than those of school districts: fifteen thousand dollars
105 with respect to 1980 assessments; twenty thousand dollars with
106 respect to 1981 assessments; twenty-five thousand dollars with
107 respect to assessments for 1982 and each year thereafter.
108 However, such increase shall not apply with respect to any
109 assessment roll until such roll is first determined to be in
110 compliance with the provisions of section 4 by a state agency
111 designated by general law. This subsection shall stand repealed
112 on the effective date of any amendment to section 4 which
113 provides for the assessment of homestead property at a specified
114 percentage of its just value.

115 (e) By general law and subject to conditions specified
116 therein, the Legislature may provide to renters, who are
117 permanent residents, ad valorem tax relief on all ad valorem tax
118 levies. Such ad valorem tax relief shall be in the form and
119 amount established by general law and may be provided in the
120 form of tax relief to the owner of the property.

121 (f) The legislature may, by general law, allow counties or
122 municipalities, for the purpose of their respective tax levies
123 and subject to the provisions of general law, to grant an
124 additional homestead tax exemption not exceeding fifty thousand
125 dollars to any person who has the legal or equitable title to
126 real estate and maintains thereon the permanent residence of the

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127 owner and who has attained age sixty-five and whose household
128 income, as defined by general law, does not exceed twenty
129 thousand dollars. The general law must allow counties and
130 municipalities to grant this additional exemption, within the
131 limits prescribed in this subsection, by ordinance adopted in
132 the manner prescribed by general law, and must provide for the
133 periodic adjustment of the income limitation prescribed in this
134 subsection for changes in the cost of living.

135 (g) Each veteran who is age 65 or older who is partially
136 or totally permanently disabled shall receive a discount from
137 the amount of the ad valorem tax otherwise owed on homestead
138 property the veteran owns and resides in if the disability was
139 combat related, the veteran was a resident of this state at the
140 time of entering the military service of the United States, and
141 the veteran was honorably discharged upon separation from
142 military service. The discount shall be in a percentage equal to
143 the percentage of the veteran's permanent, service-connected
144 disability as determined by the United States Department of
145 Veterans Affairs. To qualify for the discount granted by this
146 subsection, an applicant must submit to the county property
147 appraiser, by March 1, proof of residency at the time of
148 entering military service, an official letter from the United
149 States Department of Veterans Affairs stating the percentage of
150 the veteran's service-connected disability and such evidence
151 that reasonably identifies the disability as combat related, and
152 a copy of the veteran's honorable discharge. If the property
153 appraiser denies the request for a discount, the appraiser must
154 notify the applicant in writing of the reasons for the denial,

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155 and the veteran may reapply. The Legislature may, by general
156 law, waive the annual application requirement in subsequent
157 years. This subsection shall take effect December 7, 2006, is
158 self-executing, and does not require implementing legislation.

159 SECTION 9. Local taxes.--

160 (a) Counties, school districts, and municipalities shall,
161 and special districts may, be authorized by law to levy ad
162 valorem taxes and may be authorized by general law to levy other
163 taxes, for their respective purposes, except ad valorem taxes on
164 intangible personal property and taxes prohibited by this
165 constitution.

166 (b) Ad valorem taxes, exclusive of taxes levied for the
167 payment of bonds and taxes levied for periods not longer than
168 two years when authorized by vote of the electors who are the
169 owners of freeholds therein not wholly exempt from taxation,
170 shall not be levied in excess of the following millages upon the
171 assessed value of real estate and tangible personal property:
172 for all county purposes, ten mills; for all municipal purposes,
173 ten mills; for all school purposes, ten mills; for water
174 management purposes for the northwest portion of the state lying
175 west of the line between ranges two and three east, 0.05 mill;
176 for water management purposes for the remaining portions of the
177 state, 1.0 mill; and for all other special districts a millage
178 authorized by law approved by vote of the electors who are
179 owners of freeholds therein not wholly exempt from taxation. A
180 county furnishing municipal services may, to the extent
181 authorized by law, levy additional taxes within the limits fixed
182 for municipal purposes.

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183 (c) Subject to the limitations provided for in subsection

184 (b):

185 (1)a. Ad valorem taxes may not be levied in excess of a
186 millage rate equal to the rolled-back rate adjusted by the
187 percentage change in the Consumer Price Index for all urban
188 consumers, U.S. City Average, all items 1982-84 = 100, or
189 successor reports, for the 12-month period through June prior to
190 the beginning of the fiscal year as initially reported by the
191 United States Department of Labor, Bureau of Labor Statistics.
192 For purposes of this paragraph, the term "rolled-back rate"
193 means a millage rate that, exclusive of new construction,
194 additions to structures, deletions, increases in the value of
195 improvements that have undergone a substantial rehabilitation
196 that increased the assessed value of such improvements by at
197 least one hundred percent, and property added due to geographic
198 boundary changes, will provide the same ad valorem tax revenue
199 for each taxing authority as was levied during the immediately
200 preceding year. The rolled-back rate applicable for the year
201 tangible personal property is first exempt pursuant to Section 3
202 of this Article or homestead property is first exempt pursuant
203 to Section (6) (h) or (i) or Section 19 of this Article shall be
204 calculated by using the ad valorem tax revenue levied during the
205 immediately preceding year reduced by the taxes levied on the
206 property being first exempt.

207 b. This paragraph does not apply to taxing authorities
208 that have levied ad valorem taxes for less than five years and
209 to millage rates required by the legislature to be levied by
210 school boards as required local effort from ad valorem taxes.

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211 (2)a. For the fiscal year beginning October 1, 2008, ad
212 valorem taxes may not be levied in excess of the maximum millage
213 rate that would have resulted from the application of paragraph
214 (1) if paragraph (1) had been in effect beginning on January 1,
215 2004, and had been applied each year up to and including the
216 fiscal year beginning October 1, 2007.

217 b. A taxing authority that begins levying taxes after
218 January 1, 1999, may not levy ad valorem taxes in excess of the
219 maximum millage rate that would have resulted from the
220 application of paragraph (1) if paragraph (1) had been in effect
221 in the fifth full fiscal year in which the authority levied ad
222 valorem taxes and had been applied up to and including the
223 fiscal year beginning October 1, 2007.

224 c. This paragraph does not apply to ad valorem taxes
225 levied by school districts and independent special districts as
226 defined by general law. By general law and subject to conditions
227 specified therein, the legislature shall exempt taxes levied by
228 hospital and health care districts, children's services
229 districts, fiscally constrained counties, municipalities located
230 in a county considered a fiscally constrained county pursuant to
231 general law, and municipalities located in a rural area of
232 critical economic concern established pursuant to general law
233 from the provisions of this paragraph.

234 (3) Ad valorem taxes may be levied in excess of the
235 limitations provided in this subsection upon approval by a
236 unanimous vote of the full membership of the governing body
237 adopting the millage rate.

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238 (4) This subsection does not apply to ad valorem taxes
239 levied for the payment of bonds issued pursuant to Section 12 of
240 this Article or levied for periods not longer than two years
241 when authorized by a vote of the electors.

242 (d) The aggregate amount of required local effort for all
243 school districts collectively to be raised from ad valorem taxes
244 each year may not exceed the aggregate amount required in the
245 immediately preceding prior year, adjusted by the percentage
246 that additions to the ad valorem tax base represent to the
247 entire ad valorem tax base and by the percentage change in the
248 Consumer Price Index for all urban consumers, U.S. City Average,
249 all items 1982-84 = 100, or successor reports, for the 12-month
250 period through June prior to the beginning of the fiscal year as
251 initially reported by the United States Department of Labor,
252 Bureau of Labor Statistics. For purposes of this subsection, the
253 term "additions to the ad valorem tax base" means new
254 construction, additions to structures, deletions, increases in
255 the value of improvements that have undergone a substantial
256 rehabilitation that increased the assessed value of such
257 improvements by at least one hundred percent, and property added
258 due to geographic boundary changes.

259 ARTICLE XII

260 SCHEDULE

261 SECTION 27. Property tax relief reform; nonseverability.--

262 (a) The amendments to Sections 3, 6, and 9 of Article VII
263 and the creation of this section of this constitution contained
264 in this revision shall take effect January 1, 2008.

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265 (b) The amendments to Sections 3, 6, and 9 of Article VII
266 of this constitution contained in this revision are not
267 severable. If any portion of this revision is held invalid under
268 any provision of this constitution, the effect of such
269 declaration shall be that the amendments to Sections 3, 6, and 9
270 of Article VII of this constitution contained in this revision
271 shall be null, void, and without effect.

272

273

274 == B A L L O T S T A T E M E N T A M E N D M E N T ==

275 Remove line(s) 386-416 and insert:

276 CONSTITUTIONAL AMENDMENT

277 ARTICLE VII, SECTIONS 3, 6, 9

278 ARTICLE XII, SECTION 27

279 PROPERTY TAX EXEMPTIONS; AD VALOREM TAX MILLAGE

280 LIMITATION.--Proposing amendment of the State Constitution to
281 provide for a \$25,000 exemption from ad valorem taxes for
282 tangible personal property; to clarify that ad valorem tax
283 relief to renters may be provided in the form of tax relief to
284 the owner of the property; to provide a methodology for limiting
285 increases in ad valorem taxes, including an override by a
286 unanimous vote of the governing body levying the millage; to
287 limit the aggregate amount of required local effort for all
288 school districts collectively; to require that provisions of the
289 revision are not severable such that if any are held invalid,
290 all will be invalid; and to provide an effective date of January
291 1, 2008.

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293

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

295 Remove line(s) 3-18 and insert:

296 and 9 of Article VII and the creation of Section 27 of
297 Article XII of the State Constitution to provide for an ad
298 valorem tax exemption for tangible personal property,
299 clarify that ad valorem tax relief to renters may be
300 provided in the form of tax relief to the owner of the
301 property, provide a methodology for limiting increases in
302 ad valorem taxes, and provide applicability,
303 nonseverability, and an effective date.