

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative(s) Sansom and Lopez-Cantera offered the  
2 following:

3  
4 **Substitute Amendment for Amendment (267019) (with ballot**  
5 **statement and title amendments)**

6 Remove lines 22-380, and insert:

7 That the following amendments to Sections 3, 4, 6, and 9 of  
8 Article VII and the creation of Section 19 of Article VII and  
9 Section 27 of Article XII of the State Constitution are agreed  
10 to and shall be submitted to the electors of this state for  
11 approval or rejection at the next general election or at an  
12 earlier special election specifically authorized by law for that  
13 purpose:

14 ARTICLE VII

15 FINANCE AND TAXATION

16 SECTION 3. Taxes; exemptions.--

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

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

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

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

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

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

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

74 SECTION 4. Taxation; assessments.--

75 By general law regulations shall be prescribed which shall  
76 secure a just valuation of all property for ad valorem taxation,  
77 provided:

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

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

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

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

94 a. Three percent (3%) of the assessment for the prior  
95 year.

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

101 (2) No assessment shall exceed just value.

102 (3) After any change of ownership, as provided by general  
103 law, homestead property shall be assessed at just value as of  
104 January 1 of the following year. Thereafter, the homestead shall  
105 be assessed as provided herein.

106 (4) New homestead property shall be assessed at just value  
107 as of January 1st of the year following the establishment of the  
108 homestead. That assessment shall only change as provided herein.

109 (5) Changes, additions, reductions, or improvements to  
110 homestead property shall be assessed as provided for by general  
111 law; provided, however, after the adjustment for any change,  
112 addition, reduction, or improvement, the property shall be  
113 assessed as provided herein.

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

116 (7) The provisions of this amendment are severable. If any  
117 of the provisions of this amendment shall be held  
118 unconstitutional by any court of competent jurisdiction, the  
119 decision of such court shall not affect or impair any remaining  
120 provisions of this amendment.

121 (d) The legislature may, by general law, for assessment  
122 purposes and subject to the provisions of this subsection, allow  
123 counties and municipalities to authorize by ordinance that  
124 historic property may be assessed solely on the basis of  
125 character or use. Such character or use assessment shall apply  
126 only to the jurisdiction adopting the ordinance. The

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127 requirements for eligible properties must be specified by  
128 general law.

129 (e) A county may, in the manner prescribed by general law,  
130 provide for a reduction in the assessed value of homestead  
131 property to the extent of any increase in the assessed value of  
132 that property which results from the construction or  
133 reconstruction of the property for the purpose of providing  
134 living quarters for one or more natural or adoptive grandparents  
135 or parents of the owner of the property or of the owner's spouse  
136 if at least one of the grandparents or parents for whom the  
137 living quarters are provided is 62 years of age or older. Such a  
138 reduction may not exceed the lesser of the following:

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

141 (2) Twenty percent of the total assessed value of the  
142 property as improved.

143 (f) Residential rental property may be classified by  
144 general law and assessed solely on the basis of the market rent  
145 from the property.

146 SECTION 6. Homestead exemptions.--

147 (a) Every person who has the legal or equitable title to  
148 real estate and maintains thereon the permanent residence of the  
149 owner, or another legally or naturally dependent upon the owner,  
150 shall be exempt from taxation thereon, except assessments for  
151 special benefits, up to the assessed valuation of five thousand  
152 dollars, upon establishment of right thereto in the manner  
153 prescribed by law. The real estate may be held by legal or  
154 equitable title, by the entirety, jointly, in common, as a  
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155 condominium, or indirectly by stock ownership or membership  
156 representing the owner's or member's proprietary interest in a  
157 corporation owning a fee or a leasehold initially in excess of  
158 ninety-eight years.

159 (b) Not more than one exemption shall be allowed any  
160 individual or family unit or with respect to any residential  
161 unit. No exemption shall exceed the value of the real estate  
162 assessable to the owner or, in case of ownership through stock  
163 or membership in a corporation, the value of the proportion  
164 which the interest in the corporation bears to the assessed  
165 value of the property.

166 (c) By general law and subject to conditions specified  
167 therein, the exemption shall be increased to a total of twenty-  
168 five thousand dollars of the assessed value of the real estate  
169 for each school district levy. By general law and subject to  
170 conditions specified therein, the exemption for all other levies  
171 may be increased up to an amount not exceeding ten thousand  
172 dollars of the assessed value of the real estate if the owner  
173 has attained age sixty-five or is totally and permanently  
174 disabled and if the owner is not entitled to the exemption  
175 provided in subsection (d).

176 (d) By general law and subject to conditions specified  
177 therein, the exemption shall be increased to a total of the  
178 following amounts of assessed value of real estate for each levy  
179 other than those of school districts: fifteen thousand dollars  
180 with respect to 1980 assessments; twenty thousand dollars with  
181 respect to 1981 assessments; twenty-five thousand dollars with  
182 respect to assessments for 1982 and each year thereafter.

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183 However, such increase shall not apply with respect to any  
184 assessment roll until such roll is first determined to be in  
185 compliance with the provisions of section 4 by a state agency  
186 designated by general law. This subsection shall stand repealed  
187 on the effective date of any amendment to section 4 which  
188 provides for the assessment of homestead property at a specified  
189 percentage of its just value.

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

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

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210 (g) Each veteran who is age 65 or older who is partially  
211 or totally permanently disabled shall receive a discount from  
212 the amount of the ad valorem tax otherwise owed on homestead  
213 property the veteran owns and resides in if the disability was  
214 combat related, the veteran was a resident of this state at the  
215 time of entering the military service of the United States, and  
216 the veteran was honorably discharged upon separation from  
217 military service. The discount shall be in a percentage equal to  
218 the percentage of the veteran's permanent, service-connected  
219 disability as determined by the United States Department of  
220 Veterans Affairs. To qualify for the discount granted by this  
221 subsection, an applicant must submit to the county property  
222 appraiser, by March 1, proof of residency at the time of  
223 entering military service, an official letter from the United  
224 States Department of Veterans Affairs stating the percentage of  
225 the veteran's service-connected disability and such evidence  
226 that reasonably identifies the disability as combat related, and  
227 a copy of the veteran's honorable discharge. If the property  
228 appraiser denies the request for a discount, the appraiser must  
229 notify the applicant in writing of the reasons for the denial,  
230 and the veteran may reapply. The Legislature may, by general  
231 law, waive the annual application requirement in subsequent  
232 years. This subsection shall take effect December 7, 2006, is  
233 self-executing, and does not require implementing legislation.

234 (h) A county may provide to every person who qualifies for  
235 an exemption under this section an exemption from all ad valorem  
236 tax levies imposed by all taxing authorities within the county  
237 other than school districts and, at the same time, levy a

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238 discretionary sales surtax of up to one percent on any  
239 transaction or use currently or hereafter subject to tax  
240 pursuant to the provisions of chapter 212, Florida Statutes.  
241 Exemptions from the tax imposed pursuant to chapter 212, Florida  
242 Statutes, adopted by general law, shall apply to the surtax. The  
243 sales surtax rate levied may not be expected to produce revenues  
244 in the first full year it is in effect that exceed the revenues  
245 expected to be produced from the ad valorem tax being replaced.  
246 The exemption and the imposition of the surtax shall be by  
247 ordinance and shall not take effect unless the ordinance is  
248 approved by a majority of the electors of the county voting in a  
249 referendum. Upon submission of a petition to the county  
250 commission signed by at least fifteen percent of the qualified  
251 electors of the county requesting that a referendum be held on  
252 an ordinance providing for the exemption and imposition of the  
253 surtax as provided in this subsection, the county commission  
254 shall adopt such an ordinance and schedule such referendum  
255 within 90 days. Proceeds from the surtax shall be distributed to  
256 the taxing authorities within the county, other than the school  
257 district, based upon a formula developed by the county. Proceeds  
258 from the surtax received by a county, municipality, or special  
259 district shall be used, prior to any other purpose, to the  
260 extent necessary for payments relating to bonds or any similar  
261 financial obligations, paid from or secured by ad valorem tax  
262 revenues, that are outstanding on the effective date of this  
263 amendment, including any subsequent refunding of such bonds or  
264 other similar financial obligations. If a referendum has not  
265 been held pursuant to this subsection before October 31, 2010, a  
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266 referendum shall be held in November of 2010. After an ordinance  
267 adopted under this subsection has been approved by referendum,  
268 the exemption granted and surtax imposed shall be permanent and  
269 may not be repealed or rescinded.

270 (i) A school district may provide to every person who  
271 qualifies for an exemption under this section an exemption from  
272 all ad valorem tax levies imposed by the school district and, at  
273 the same time, levy a discretionary sales surtax of up to one-  
274 half of one percent on any transaction or use currently or  
275 hereafter subject to tax pursuant to the provisions of chapter  
276 212, Florida Statutes. The sales surtax rate levied may not be  
277 expected to produce revenues in the first full year it is in  
278 effect that exceed the revenues expected to be produced from the  
279 ad valorem tax being replaced. Exemptions from the tax imposed  
280 pursuant to chapter 212, Florida Statutes, adopted by general  
281 law, shall apply to the surtax. The exemption and the imposition  
282 of the surtax shall be by resolution adopted by the district  
283 school board and shall not take effect unless the resolution is  
284 approved by a majority of the electors of the school district  
285 voting in a referendum. Upon submission of a petition to the  
286 district school board signed by at least fifteen percent of the  
287 qualified electors of the school district requesting that a  
288 referendum be held on a resolution providing for the exemption  
289 and imposition of the surtax as provided in this subsection, the  
290 district school board shall adopt such a resolution and schedule  
291 such referendum within 90 days. Proceeds from the surtax shall  
292 be distributed to the school district. Proceeds from the surtax  
293 received by the school district shall be used, prior to any

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294 other purpose, to the extent necessary for payments relating to  
295 bonds or any similar financial obligations, paid from or secured  
296 by ad valorem tax revenues, that are outstanding on the  
297 effective date of this amendment, including any subsequent  
298 refunding of such bonds or other similar financial obligations.  
299 If a referendum has not been held pursuant to this subsection  
300 before October 31, 2010, a referendum shall be held in November  
301 of 2010. After an ordinance adopted under this subsection has  
302 been approved by referendum, the exemption granted and surtax  
303 imposed shall be permanent and may not be repealed or rescinded.

304 SECTION 9. Local taxes.--

305 (a) Counties, school districts, and municipalities shall,  
306 and special districts may, be authorized by law to levy ad  
307 valorem taxes and may be authorized by general law to levy other  
308 taxes, for their respective purposes, except ad valorem taxes on  
309 intangible personal property and taxes prohibited by this  
310 constitution.

311 (b) Ad valorem taxes, exclusive of taxes levied for the  
312 payment of bonds and taxes levied for periods not longer than  
313 two years when authorized by vote of the electors who are the  
314 owners of freeholds therein not wholly exempt from taxation,  
315 shall not be levied in excess of the following millages upon the  
316 assessed value of real estate and tangible personal property:  
317 for all county purposes, ten mills; for all municipal purposes,  
318 ten mills; for all school purposes, ten mills; for water  
319 management purposes for the northwest portion of the state lying  
320 west of the line between ranges two and three east, 0.05 mill;  
321 for water management purposes for the remaining portions of the  
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322 state, 1.0 mill; and for all other special districts a millage  
323 authorized by law approved by vote of the electors who are  
324 owners of freeholds therein not wholly exempt from taxation. A  
325 county furnishing municipal services may, to the extent  
326 authorized by law, levy additional taxes within the limits fixed  
327 for municipal purposes.

328 (c) Subject to the limitations provided for in subsection  
329 (b) :

330 (1)a. Ad valorem taxes may not be levied in excess of a  
331 millage rate equal to the rolled-back rate adjusted by the  
332 percentage change in the Consumer Price Index for all urban  
333 consumers, U.S. City Average, all items 1982-84 = 100, or  
334 successor reports, for the 12-month period through June prior to  
335 the beginning of the fiscal year as initially reported by the  
336 United States Department of Labor, Bureau of Labor Statistics.  
337 For purposes of this paragraph, the term "rolled-back rate"  
338 means a millage rate that, exclusive of new construction,  
339 additions to structures, deletions, increases in the value of  
340 improvements that have undergone a substantial rehabilitation  
341 that increased the assessed value of such improvements by at  
342 least one hundred percent, and property added due to geographic  
343 boundary changes, will provide the same ad valorem tax revenue  
344 for each taxing authority as was levied during the immediately  
345 preceding year. The rolled-back rate applicable for the year  
346 tangible personal property is first exempt pursuant to Section 3  
347 of this Article or homestead property is first exempt pursuant  
348 to Section (6) (h) or (i) or Section 19 of this Article shall be  
349 calculated by using the ad valorem tax revenue levied during the  
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350 immediately preceding year reduced by the taxes levied on the  
351 property being first exempt.

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

356 (2)a. For the fiscal year beginning October 1, 2008, ad  
357 valorem taxes may not be levied in excess of the maximum millage  
358 rate that would have resulted from the application of paragraph  
359 (1) if paragraph (1) had been in effect beginning on January 1,  
360 2004, and had been applied each year up to and including the  
361 fiscal year beginning October 1, 2007.

362 b. A taxing authority that begins levying taxes after  
363 January 1, 1999, may not levy ad valorem taxes in excess of the  
364 maximum millage rate that would have resulted from the  
365 application of paragraph (1) if paragraph (1) had been in effect  
366 in the fifth full fiscal year in which the authority levied ad  
367 valorem taxes and had been applied up to and including the  
368 fiscal year beginning October 1, 2007.

369 c. This paragraph does not apply to ad valorem taxes  
370 levied by school districts and independent special districts as  
371 defined by general law. By general law and subject to conditions  
372 specified therein, the legislature shall exempt taxes levied by  
373 hospital and health care districts, children's services  
374 districts, fiscally constrained counties, municipalities located  
375 in a county considered a fiscally constrained county pursuant to  
376 general law, and municipalities located in a rural area of

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377 critical economic concern established pursuant to general law  
378 from the provisions of this paragraph.

379 (3) Ad valorem taxes may be levied in excess of the  
380 limitations provided in this subsection upon approval by a  
381 unanimous vote of the full membership of the governing body  
382 adopting the millage rate.

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

387 (d) The aggregate amount of required local effort for all  
388 school districts collectively to be raised from ad valorem taxes  
389 each year may not exceed the aggregate amount required in the  
390 immediately preceding prior year, adjusted by the percentage  
391 that additions to the ad valorem tax base represent to the  
392 entire ad valorem tax base and by the percentage change in the  
393 Consumer Price Index for all urban consumers, U.S. City Average,  
394 all items 1982-84 = 100, or successor reports, for the 12-month  
395 period through June prior to the beginning of the fiscal year as  
396 initially reported by the United States Department of Labor,  
397 Bureau of Labor Statistics. For purposes of this subsection, the  
398 term "additions to the ad valorem tax base" means new  
399 construction, additions to structures, deletions, increases in  
400 the value of improvements that have undergone a substantial  
401 rehabilitation that increased the assessed value of such  
402 improvements by at least one hundred percent, and property added  
403 due to geographic boundary changes.

404 SECTION 19. Increased state sales and use tax.--

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405 (a) Beginning July 1, 2008, the tax imposed on any  
406 transaction or use currently or hereafter subject to tax  
407 pursuant to the provisions of chapter 212, Florida Statutes, is  
408 increased by adding one percent to the tax rate imposed by  
409 chapter 212, Florida Statutes. Exemptions from the tax imposed  
410 pursuant to chapter 212, Florida Statutes, adopted by general  
411 law, shall apply to the tax increase provided by this section.

412 (b) The proceeds of the tax increase provided by this  
413 section shall be set aside for distribution to school districts  
414 and shall replace the imposition of the required local effort  
415 for all school districts collectively that has historically been  
416 raised from ad valorem taxes each year from persons who qualify  
417 for an exemption under Section 6 of this Article.

418 (c) Proceeds received by a school district shall be used,  
419 prior to any other purpose, to the extent necessary for payments  
420 relating to bonds or any similar financial obligations, paid  
421 from or secured by ad valorem tax revenues, that are outstanding  
422 on the effective date of this amendment, including any  
423 subsequent refunding of such bonds or other similar financial  
424 obligations.

425 ARTICLE XII

426 SCHEDULE

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

428 (a) The amendments to Sections 3, 4, 6, and 9 of Article  
429 VII and the creation of Section 19 of Article VII and this  
430 section of this constitution contained in this revision shall  
431 take effect January 1, 2008.

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432       (b) The amendments to Sections 3, 4, 6, and 9 of Article  
 433 VII and the creation of Section 19 of Article VII of this  
 434 constitution contained in this revision are not severable. If  
 435 any portion of this revision is held invalid under any provision  
 436 of this constitution, the effect of such declaration shall be  
 437 that the amendments to Sections 3, 4, 6, and 9 of Article VII  
 438 and

439

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

441       Remove lines 387-392, and insert:

442               ARTICLE VII, SECTIONS 3, 4, 6, 9, 19

443                       ARTICLE XII, SECTION 27

444       PROPERTY TAX EXEMPTIONS; DISCRETIONARY SALES SURTAXES; AD  
 445 VALOREM TAX MILLAGE LIMITATION; INCREASED SALES TAX.--Proposing  
 446 amendment of the State Constitution to provide for a \$25,000  
 447 exemption from ad valorem taxes for tangible personal property;  
 448 to authorize residential rental property to be classified and  
 449 assessed solely on the basis of market rent from the property;

450

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

452       Remove lines 2-6 and insert:

453 A joint resolution proposing amendments to Sections 3, 4, 6, and  
 454 9 of Article VII and the creation of Section 19 of Article VII  
 455 and Section 27 of Article XII of the State Constitution to  
 456 provide for an ad valorem tax exemption for tangible personal  
 457 property, authorize residential rental property to be classified  
 458 and assessed on the basis of market rent, clarify that ad  
 459 valorem

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