

House Joint Resolution

A joint resolution proposing amendments to Sections 3, 6, and 9 of Article VII and the creation of Section 19 of Article VII and Section 27 of Article XII of the State Constitution to provide for an ad valorem tax exemption for tangible personal property, clarify that ad valorem tax relief to renters may be provided in the form of tax relief to the owner of the property, authorize counties and school districts to grant a homestead property exemption and impose a discretionary sales surtax upon approval by referendum, authorize qualified electors to petition for a grant of the homestead exemption and imposition of the surtax, provide a methodology for limiting increases in ad valorem taxes, increase the state sales and use tax to replace school district revenues lost from not imposing a required local effort on homestead property, and provide applicability, nonseverability, and an effective date.

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

That the following amendments to Sections 3, 6, and 9 of Article VII and the creation of Section 19 of Article VII and Section 27 of 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. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes may be exempted by general law from taxation.

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

(c) Any county or municipality may, for the purpose of its respective tax levy and subject to the provisions of this subsection and general law, grant community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses, as defined by general law. Such an exemption may be granted only by ordinance of the county or municipality, and only after the electors of the county or municipality voting on such question in a referendum authorize the county or municipality to adopt such ordinances. An exemption so granted shall apply to improvements to real

57 | property made by or for the use of a new business and
 58 | improvements to real property related to the expansion of an
 59 | existing business and shall also apply to tangible personal
 60 | property of such new business and tangible personal property
 61 | related to the expansion of an existing business. The amount or
 62 | limits of the amount of such exemption shall be specified by
 63 | general law. The period of time for which such exemption may be
 64 | granted to a new business or expansion of an existing business
 65 | shall be determined by general law. The authority to grant such
 66 | exemption shall expire ten years from the date of approval by
 67 | the electors of the county or municipality, and may be renewable
 68 | by referendum as provided by general law.

69 | (d) By general law and subject to conditions specified
 70 | therein, there may be granted an ad valorem tax exemption to a
 71 | renewable energy source device and to real property on which
 72 | such device is installed and operated, to the value fixed by
 73 | general law not to exceed the original cost of the device, and
 74 | for the period of time fixed by general law not to exceed ten
 75 | years.

76 | (e) Any county or municipality may, for the purpose of its
 77 | respective tax levy and subject to the provisions of this
 78 | subsection and general law, grant historic preservation ad
 79 | valorem tax exemptions to owners of historic properties. This
 80 | exemption may be granted only by ordinance of the county or
 81 | municipality. The amount or limits of the amount of this
 82 | exemption and the requirements for eligible properties must be
 83 | specified by general law. The period of time for which this

84 exemption may be granted to a property owner shall be determined
 85 by general law.

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

89 SECTION 6. Homestead exemptions.--

90 (a) Every person who has the legal or equitable title to
 91 real estate and maintains thereon the permanent residence of the
 92 owner, or another legally or naturally dependent upon the owner,
 93 shall be exempt from taxation thereon, except assessments for
 94 special benefits, up to the assessed valuation of five thousand
 95 dollars, upon establishment of right thereto in the manner
 96 prescribed by law. The real estate may be held by legal or
 97 equitable title, by the entirety, jointly, in common, as a
 98 condominium, or indirectly by stock ownership or membership
 99 representing the owner's or member's proprietary interest in a
 100 corporation owning a fee or a leasehold initially in excess of
 101 ninety-eight years.

102 (b) Not more than one exemption shall be allowed any
 103 individual or family unit or with respect to any residential
 104 unit. No exemption shall exceed the value of the real estate
 105 assessable to the owner or, in case of ownership through stock
 106 or membership in a corporation, the value of the proportion
 107 which the interest in the corporation bears to the assessed
 108 value of the property.

109 (c) By general law and subject to conditions specified
 110 therein, the exemption shall be increased to a total of twenty-
 111 five thousand dollars of the assessed value of the real estate

112 for each school district levy. By general law and subject to
 113 conditions specified therein, the exemption for all other levies
 114 may be increased up to an amount not exceeding ten thousand
 115 dollars of the assessed value of the real estate if the owner
 116 has attained age sixty-five or is totally and permanently
 117 disabled and if the owner is not entitled to the exemption
 118 provided in subsection (d).

119 (d) By general law and subject to conditions specified
 120 therein, the exemption shall be increased to a total of the
 121 following amounts of assessed value of real estate for each levy
 122 other than those of school districts: fifteen thousand dollars
 123 with respect to 1980 assessments; twenty thousand dollars with
 124 respect to 1981 assessments; twenty-five thousand dollars with
 125 respect to assessments for 1982 and each year thereafter.
 126 However, such increase shall not apply with respect to any
 127 assessment roll until such roll is first determined to be in
 128 compliance with the provisions of section 4 by a state agency
 129 designated by general law. This subsection shall stand repealed
 130 on the effective date of any amendment to section 4 which
 131 provides for the assessment of homestead property at a specified
 132 percentage of its just value.

133 (e) By general law and subject to conditions specified
 134 therein, the Legislature may provide to renters, who are
 135 permanent residents, ad valorem tax relief on all ad valorem tax
 136 levies. Such ad valorem tax relief shall be in the form and
 137 amount established by general law and may be provided in the
 138 form of tax relief to the owner of the property.

139 (f) The legislature may, by general law, allow counties or
 140 municipalities, for the purpose of their respective tax levies
 141 and subject to the provisions of general law, to grant an
 142 additional homestead tax exemption not exceeding fifty thousand
 143 dollars to any person who has the legal or equitable title to
 144 real estate and maintains thereon the permanent residence of the
 145 owner and who has attained age sixty-five and whose household
 146 income, as defined by general law, does not exceed twenty
 147 thousand dollars. The general law must allow counties and
 148 municipalities to grant this additional exemption, within the
 149 limits prescribed in this subsection, by ordinance adopted in
 150 the manner prescribed by general law, and must provide for the
 151 periodic adjustment of the income limitation prescribed in this
 152 subsection for changes in the cost of living.

153 (g) Each veteran who is age 65 or older who is partially
 154 or totally permanently disabled shall receive a discount from
 155 the amount of the ad valorem tax otherwise owed on homestead
 156 property the veteran owns and resides in if the disability was
 157 combat related, the veteran was a resident of this state at the
 158 time of entering the military service of the United States, and
 159 the veteran was honorably discharged upon separation from
 160 military service. The discount shall be in a percentage equal to
 161 the percentage of the veteran's permanent, service-connected
 162 disability as determined by the United States Department of
 163 Veterans Affairs. To qualify for the discount granted by this
 164 subsection, an applicant must submit to the county property
 165 appraiser, by March 1, proof of residency at the time of
 166 entering military service, an official letter from the United

167 States Department of Veterans Affairs stating the percentage of
 168 the veteran's service-connected disability and such evidence
 169 that reasonably identifies the disability as combat related, and
 170 a copy of the veteran's honorable discharge. If the property
 171 appraiser denies the request for a discount, the appraiser must
 172 notify the applicant in writing of the reasons for the denial,
 173 and the veteran may reapply. The Legislature may, by general
 174 law, waive the annual application requirement in subsequent
 175 years. This subsection shall take effect December 7, 2006, is
 176 self-executing, and does not require implementing legislation.

177 (h) A county may provide to every person who qualifies for
 178 an exemption under this section an exemption from all ad valorem
 179 tax levies imposed by all taxing authorities within the county
 180 other than school districts and, at the same time, levy a
 181 discretionary sales surtax of up to one percent on any
 182 transaction or use currently or hereafter subject to tax
 183 pursuant to the provisions of chapter 212, Florida Statutes.
 184 Exemptions from the tax imposed pursuant to chapter 212, Florida
 185 Statutes, adopted by general law, shall apply to the surtax. The
 186 sales surtax rate levied may not be expected to produce revenues
 187 in the first full year it is in effect that exceed the revenues
 188 expected to be produced from the ad valorem tax being replaced.
 189 The exemption and the imposition of the surtax shall be by
 190 ordinance and shall not take effect unless the ordinance is
 191 approved by a majority of the electors of the county voting in a
 192 referendum. Upon submission of a petition to the county
 193 commission signed by at least fifteen percent of the qualified
 194 electors of the county requesting that a referendum be held on

195 an ordinance providing for the exemption and imposition of the
 196 surtax as provided in this subsection, the county commission
 197 shall adopt such an ordinance and schedule such referendum
 198 within 90 days. Proceeds from the surtax shall be distributed to
 199 the taxing authorities within the county, other than the school
 200 district, based upon a formula developed by the county. Proceeds
 201 from the surtax received by a county, municipality, or special
 202 district shall be used, prior to any other purpose, to the
 203 extent necessary for payments relating to bonds or any similar
 204 financial obligations, paid from or secured by ad valorem tax
 205 revenues, that are outstanding on the effective date of this
 206 amendment, including any subsequent refunding of such bonds or
 207 other similar financial obligations. If a referendum has not
 208 been held pursuant to this subsection before October 31, 2010, a
 209 referendum shall be held in November of 2010. After an ordinance
 210 adopted under this subsection has been approved by referendum,
 211 the exemption granted and surtax imposed shall be permanent and
 212 may not be repealed or rescinded.

213 (i) A school district may provide to every person who
 214 qualifies for an exemption under this section an exemption from
 215 all ad valorem tax levies imposed by the school district and, at
 216 the same time, levy a discretionary sales surtax of up to one-
 217 half of one percent on any transaction or use currently or
 218 hereafter subject to tax pursuant to the provisions of chapter
 219 212, Florida Statutes. The sales surtax rate levied may not be
 220 expected to produce revenues in the first full year it is in
 221 effect that exceed the revenues expected to be produced from the
 222 ad valorem tax being replaced. Exemptions from the tax imposed

223 pursuant to chapter 212, Florida Statutes, adopted by general
 224 law, shall apply to the surtax. The exemption and the imposition
 225 of the surtax shall be by resolution adopted by the district
 226 school board and shall not take effect unless the resolution is
 227 approved by a majority of the electors of the school district
 228 voting in a referendum. Upon submission of a petition to the
 229 district school board signed by at least fifteen percent of the
 230 qualified electors of the school district requesting that a
 231 referendum be held on a resolution providing for the exemption
 232 and imposition of the surtax as provided in this subsection, the
 233 district school board shall adopt such a resolution and schedule
 234 such referendum within 90 days. Proceeds from the surtax shall
 235 be distributed to the school district. Proceeds from the surtax
 236 received by the school district shall be used, prior to any
 237 other purpose, to the extent necessary for payments relating to
 238 bonds or any similar financial obligations, paid from or secured
 239 by ad valorem tax revenues, that are outstanding on the
 240 effective date of this amendment, including any subsequent
 241 refunding of such bonds or other similar financial obligations.
 242 If a referendum has not been held pursuant to this subsection
 243 before October 31, 2010, a referendum shall be held in November
 244 of 2010. After an ordinance adopted under this subsection has
 245 been approved by referendum, the exemption granted and surtax
 246 imposed shall be permanent and may not be repealed or rescinded.

247 SECTION 9. Local taxes.--

248 (a) Counties, school districts, and municipalities shall,
 249 and special districts may, be authorized by law to levy ad
 250 valorem taxes and may be authorized by general law to levy other

251 taxes, for their respective purposes, except ad valorem taxes on
 252 intangible personal property and taxes prohibited by this
 253 constitution.

254 (b) Ad valorem taxes, exclusive of taxes levied for the
 255 payment of bonds and taxes levied for periods not longer than
 256 two years when authorized by vote of the electors who are the
 257 owners of freeholds therein not wholly exempt from taxation,
 258 shall not be levied in excess of the following millages upon the
 259 assessed value of real estate and tangible personal property:
 260 for all county purposes, ten mills; for all municipal purposes,
 261 ten mills; for all school purposes, ten mills; for water
 262 management purposes for the northwest portion of the state lying
 263 west of the line between ranges two and three east, 0.05 mill;
 264 for water management purposes for the remaining portions of the
 265 state, 1.0 mill; and for all other special districts a millage
 266 authorized by law approved by vote of the electors who are
 267 owners of freeholds therein not wholly exempt from taxation. A
 268 county furnishing municipal services may, to the extent
 269 authorized by law, levy additional taxes within the limits fixed
 270 for municipal purposes.

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

272 (b) :

273 (1)a. Ad valorem taxes may not be levied in excess of a
 274 millage rate equal to the rolled-back rate adjusted by the
 275 percentage change in the Consumer Price Index for all urban
 276 consumers, U.S. City Average, all items 1982-84 = 100, or
 277 successor reports, for the 12-month period through June prior to
 278 the beginning of the fiscal year as initially reported by the

279 United States Department of Labor, Bureau of Labor Statistics.
 280 For purposes of this paragraph, the term "rolled-back rate"
 281 means a millage rate that, exclusive of new construction,
 282 additions to structures, deletions, increases in the value of
 283 improvements that have undergone a substantial rehabilitation
 284 that increased the assessed value of such improvements by at
 285 least one hundred percent, and property added due to geographic
 286 boundary changes, will provide the same ad valorem tax revenue
 287 for each taxing authority as was levied during the immediately
 288 preceding year. The rolled-back rate applicable for the year
 289 tangible personal property is first exempt pursuant to Section 3
 290 of this Article or homestead property is first exempt pursuant
 291 to Section (6) (h) or (i) or Section 19 of this Article shall be
 292 calculated by using the ad valorem tax revenue levied during the
 293 immediately preceding year reduced by the taxes levied on the
 294 property being first exempt.

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

299 (2)a. For the fiscal year beginning October 1, 2009, ad
 300 valorem taxes may not be levied in excess of the maximum millage
 301 rate that would have resulted from the application of paragraph
 302 (1) if paragraph (1) had been in effect beginning on January 1,
 303 2004, and had been applied each year up to and including the
 304 fiscal year beginning October 1, 2008.

305 b. A taxing authority that begins levying taxes after
 306 January 1, 2000, may not levy ad valorem taxes in excess of the

307 maximum millage rate that would have resulted from the
 308 application of paragraph (1) if paragraph (1) had been in effect
 309 in the fifth full fiscal year in which the authority levied ad
 310 valorem taxes and had been applied up to and including the
 311 fiscal year beginning October 1, 2008.

312 c. This paragraph does not apply to ad valorem taxes
 313 levied by school districts and independent special districts as
 314 defined by general law. By general law and subject to conditions
 315 specified therein, the legislature shall exempt taxes levied by
 316 hospital and health care districts, children's services
 317 districts, fiscally constrained counties, municipalities located
 318 in a county considered a fiscally constrained county pursuant to
 319 general law, and municipalities located in a rural area of
 320 critical economic concern established pursuant to general law,
 321 and taxes levied by a county to provide children's services, or
 322 to provide indigent care pursuant to an operating agreement with
 323 a hospital or medical facility and for which annual contractual
 324 obligations have been made, from the provisions of this
 325 paragraph.

326 (3) Ad valorem taxes may be levied in excess of the
 327 limitations provided in this subsection upon approval by a
 328 unanimous vote of the full membership of the governing body
 329 adopting the millage rate.

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

334 (d) The aggregate amount of required local effort for all

335 school districts collectively to be raised from ad valorem taxes
 336 each year may not exceed the aggregate amount required in the
 337 immediately preceding prior year, adjusted by the percentage
 338 that additions to the ad valorem tax base represent to the
 339 entire ad valorem tax base and by the percentage change in the
 340 Consumer Price Index for all urban consumers, U.S. City Average,
 341 all items 1982-84 = 100, or successor reports, for the 12-month
 342 period through June prior to the beginning of the fiscal year as
 343 initially reported by the United States Department of Labor,
 344 Bureau of Labor Statistics. For purposes of this subsection, the
 345 term "additions to the ad valorem tax base" means new
 346 construction, additions to structures, deletions, increases in
 347 the value of improvements that have undergone a substantial
 348 rehabilitation that increased the assessed value of such
 349 improvements by at least one hundred percent, and property added
 350 due to geographic boundary changes.

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

352 (a) Beginning July 1, 2009, the tax imposed on any
 353 transaction or use currently or hereafter subject to tax
 354 pursuant to the provisions of chapter 212, Florida Statutes, is
 355 increased by adding one percent to the tax rate imposed by
 356 chapter 212, Florida Statutes. Exemptions from the tax imposed
 357 pursuant to chapter 212, Florida Statutes, adopted by general
 358 law, shall apply to the tax increase provided by this section.

359 (b) The proceeds of the tax increase provided by this
 360 section shall be set aside for distribution to school districts
 361 and shall replace the imposition of the required local effort
 362 for all school districts collectively that has historically been

363 raised from ad valorem taxes each year from persons who qualify
 364 for an exemption under Section 6 of this Article.

365 (c) Proceeds received by a school district shall be used,
 366 prior to any other purpose, to the extent necessary for payments
 367 relating to bonds or any similar financial obligations, paid
 368 from or secured by ad valorem tax revenues, that are outstanding
 369 on the effective date of this amendment, including any
 370 subsequent refunding of such bonds or other similar financial
 371 obligations.

372 ARTICLE XII

373 SCHEDULE

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

375 (a) The amendments to Sections 3, 6, and 9 of Article VII
 376 and the creation of Section 19 of Article VII and this section
 377 of this constitution contained in this revision shall take
 378 effect January 1, 2009.

379 (b) The amendments to Sections 3, 6, and 9 of Article VII
 380 and the creation of Section 19 of Article VII of this
 381 constitution contained in this revision are not severable. If
 382 any portion of this revision is held invalid under any provision
 383 of this constitution, the effect of such declaration shall be
 384 that the amendments to Sections 3, 6, and 9 of Article VII and
 385 the creation of Section 19 of Article VII of this constitution
 386 contained in this revision shall be null, void, and without
 387 effect.

388 BE IT FURTHER RESOLVED that the following statement be
 389 placed on the ballot:

390 CONSTITUTIONAL AMENDMENT

391 ARTICLE VII, SECTIONS 3, 6, 9, 19
 392 ARTICLE XII, SECTION 27
 393 PROPERTY TAX EXEMPTIONS; DISCRETIONARY SALES SURTAXES; AD
 394 VALOREM TAX MILLAGE LIMITATION; INCREASED SALES TAX.--Proposing
 395 amendment of the State Constitution to provide for a \$25,000
 396 exemption from ad valorem taxes for tangible personal property;
 397 to clarify that ad valorem tax relief to renters may be provided
 398 in the form of tax relief to the owner of the property; to
 399 provide that counties may grant homestead property an exemption
 400 from all ad valorem tax levies other than school district levies
 401 together with the imposition of a discretionary sales surtax of
 402 up to 1 percent upon approval by referendum and authorize the
 403 qualified electors to petition for a referendum providing for
 404 the exemption and imposing the surtax; to provide that school
 405 districts may grant homestead property an exemption from all
 406 school district ad valorem tax levies together with the
 407 imposition of a discretionary sales surtax of up to 0.5 percent
 408 upon approval by referendum and authorize the qualified electors
 409 to petition for a referendum providing for the exemption and
 410 imposing the surtax; to provide a methodology for limiting
 411 increases in ad valorem taxes, including an override by a
 412 unanimous vote of the governing body levying the millage; to
 413 limit the aggregate amount of required local effort for all
 414 school districts collectively; to increase the state sales and
 415 use tax by 1 percent, dedicate the increased revenues to
 416 replacing the required local effort for all school districts
 417 collectively, and provide for distribution and application of
 418 such revenues; to require that provisions of the revision are

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419 | not severable such that if any are held invalid, all will be
420 | invalid; and to provide an effective date of January 1, 2009.