

By Senator Peaden

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Senate Joint Resolution

A joint resolution proposing amendments to Sections 4 and 6 of Article VII and the creation of Section 27 of Article XII of the State Constitution to provide for the transfer of the accrued benefit from the limitation on the assessed value of homestead property, to provide for an additional homestead exemption, 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 amendment to Sections 4 and 6 of Article VII and the creation of 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 4. Taxation; assessments.--By general law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation, provided:

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

(b) Pursuant to general law tangible personal property held for sale as stock in trade and livestock may be valued for

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29 | taxation at a specified percentage of its value, may be
30 | classified for tax purposes, or may be exempted from taxation.

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

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

39 | a. Three percent (3%) of the assessment for the prior year.

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

45 | (2) No assessment shall exceed just value.

46 | (3) After any change of ownership, as provided by general
47 | law, homestead property shall be assessed at just value as of
48 | January 1 of the following year, unless the provisions of
49 | paragraph (8) apply. Thereafter, the homestead shall be assessed
50 | as provided herein.

51 | (4) New homestead property shall be assessed at just value
52 | as of January 1st of the year following the establishment of the
53 | homestead, unless the provisions of paragraph (8) apply. That
54 | assessment shall only change as provided herein.

55 | (5) Changes, additions, reductions, or improvements to
56 | homestead property shall be assessed as provided for by general
57 | law; provided, however, after the adjustment for any change,

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58 | addition, reduction, or improvement, the property shall be
59 | assessed as provided herein.

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

62 | (7) The provisions of this amendment are severable. If any
63 | of the provisions of this amendment shall be held
64 | unconstitutional by any court of competent jurisdiction, the
65 | decision of such court shall not affect or impair any remaining
66 | provisions of this amendment.

67 | (8)a. For all levies other than school district levies, a
68 | person who establishes a new homestead as of January 1, 2009, or
69 | January 1 of any subsequent year and who has received a homestead
70 | exemption pursuant to Section 6 of this Article as of January 1
71 | of either of the two years immediately preceding the
72 | establishment of the new homestead is entitled to have the new
73 | homestead assessed at less than just value. A person who
74 | establishes a new homestead as of January 1, 2009, is entitled to
75 | have the new homestead assessed at less than just value only if
76 | that person received a homestead exemption on January 1, 2008.
77 | The assessed value of the newly established homestead shall be
78 | determined as follows:

79 | 1. If the just value of the new homestead is greater than
80 | or equal to the just value of the prior homestead of the person
81 | establishing the new homestead as of January 1 of the year in
82 | which the prior homestead was abandoned, the assessed value of
83 | the new homestead shall be the lesser of:

84 | (A) The just value of the new homestead minus an amount
85 | equal to the difference between the just value and the assessed
86 | value of the prior homestead as of January 1 of the year in which

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87 the prior homestead was abandoned, not to exceed one million
88 dollars; or

89 (B) Sixty percent (60%) of the just value of the new
90 homestead up to one million dollars and one hundred percent
91 (100%) of that portion of just value exceeding one million
92 dollars.

93
94 Thereafter, the homestead shall be assessed as provided herein.

95 2. If the just value of the new homestead is less than the
96 just value of the prior homestead of the person establishing the
97 new homestead as of January 1 of the year in which the prior
98 homestead was abandoned, the assessed value of the new homestead
99 shall be equal to the lesser of:

100 (A) The just value of the new homestead divided by the just
101 value of the prior homestead and multiplied by the assessed value
102 of the prior homestead; or

103 (B) Sixty percent (60%) of the just value of the new
104 homestead up to \$1 million and one hundred percent (100%) of that
105 portion of the just value exceeding one million dollars.

106
107 However, if the difference between the just value of the new
108 homestead and the assessed value of the new homestead calculated
109 pursuant to this sub-subparagraph is greater than one million
110 dollars, the assessed value of the new homestead shall be
111 increased so that the difference between the just value and the
112 assessed value equals one million dollars. Thereafter, the
113 homestead shall be assessed as provided herein.

114 b. By general law and subject to conditions specified
115 therein, the legislature shall provide for application of this

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116 paragraph to property owned by more than one person.

117 (9) By general law, the legislature may decrease the
118 percentages specified in sub-sub-subparagraphs (8)a.1.(B) and
119 2.(B).

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

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

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

139 (2) Twenty percent of the total assessed value of the
140 property as improved.

141 SECTION 6. Homestead exemptions.--

142 (a) (1) Every person who has the legal or equitable title to
143 real estate and maintains thereon the permanent residence of the
144 owner, or another legally or naturally dependent upon the owner,

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145 shall be exempt from taxation thereon, upon establishment of
146 right thereto in the manner prescribed by law, except assessments
147 for special benefits, up to the assessed valuation of twenty-five
148 ~~five~~ thousand dollars plus an amount equal to the greater of:

149 a. Forty percent (40%) of the just valuation of such
150 property greater than twenty-five thousand dollars up to five
151 hundred thousand dollars of just valuation; or

152 b. The accumulated benefit provided under subsection (c) of
153 Section 4 of this Article, ~~upon establishment of right thereto in~~
154 ~~the manner prescribed by law.~~

155 (2) The real estate may be held by legal or equitable
156 title, by the entireties, jointly, in common, as a condominium,
157 or indirectly by stock ownership or membership representing the
158 owner's or member's proprietary interest in a corporation owning
159 a fee or a leasehold initially in excess of ninety-eight years.
160 The exemption shall not apply with respect to any assessment roll
161 until such roll is first determined to be in compliance with the
162 provisions of Section 4 of this Article by a state agency
163 designated by general law. This exemption is repealed on the
164 effective date of any amendment to Section 4 of this Article that
165 provides for the assessment of homestead property at less than
166 just value.

167 (b) Not more than one exemption shall be allowed any
168 individual or family unit or with respect to any residential
169 unit. No exemption shall exceed the value of the real estate
170 assessable to the owner or, in case of ownership through stock or
171 membership in a corporation, the value of the proportion which
172 the interest in the corporation bears to the assessed value of
173 the property.

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174 ~~(c) By general law and subject to conditions specified~~
175 ~~therein, the exemption shall be increased to a total of twenty-~~
176 ~~five thousand dollars of the assessed value of the real estate~~
177 ~~for each school district levy. By general law and subject to~~
178 ~~conditions specified therein, the exemption for all other levies~~
179 ~~may be increased up to an amount not exceeding ten thousand~~
180 ~~dollars of the assessed value of the real estate if the owner has~~
181 ~~attained age sixty-five or is totally and permanently disabled~~
182 ~~and if the owner is not entitled to the exemption provided in~~
183 ~~subsection (d).~~

184 ~~(d) By general law and subject to conditions specified~~
185 ~~therein, the exemption shall be increased to a total of the~~
186 ~~following amounts of assessed value of real estate for each levy~~
187 ~~other than those of school districts: fifteen thousand dollars~~
188 ~~with respect to 1980 assessments; twenty thousand dollars with~~
189 ~~respect to 1981 assessments; twenty-five thousand dollars with~~
190 ~~respect to assessments for 1982 and each year thereafter.~~
191 ~~However, such increase shall not apply with respect to any~~
192 ~~assessment roll until such roll is first determined to be in~~
193 ~~compliance with the provisions of section 4 by a state agency~~
194 ~~designated by general law. This subsection shall stand repealed~~
195 ~~on the effective date of any amendment to section 4 which~~
196 ~~provides for the assessment of homestead property at a specified~~
197 ~~percentage of its just value.~~

198 (c)(e) By general law and subject to conditions specified
199 therein, the Legislature may provide to renters, who are
200 permanent residents, ad valorem tax relief on all ad valorem tax
201 levies. Such ad valorem tax relief shall be in the form and
202 amount established by general law.

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

217 (e)~~(g)~~ Each veteran who is age 65 or older who is partially
218 or totally permanently disabled shall receive a discount from the
219 amount of the ad valorem tax otherwise owed on homestead property
220 the veteran owns and resides in if the disability was combat
221 related, the veteran was a resident of this state at the time of
222 entering the military service of the United States, and the
223 veteran was honorably discharged upon separation from military
224 service. The discount shall be in a percentage equal to the
225 percentage of the veteran's permanent, service-connected
226 disability as determined by the United States Department of
227 Veterans Affairs. To qualify for the discount granted by this
228 subsection, an applicant must submit to the county property
229 appraiser, by March 1, proof of residency at the time of entering
230 military service, an official letter from the United States
231 Department of Veterans Affairs stating the percentage of the

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232 | veteran's service-connected disability and such evidence that
233 | reasonably identifies the disability as combat related, and a
234 | copy of the veteran's honorable discharge. If the property
235 | appraiser denies the request for a discount, the appraiser must
236 | notify the applicant in writing of the reasons for the denial,
237 | and the veteran may reapply. The Legislature may, by general law,
238 | waive the annual application requirement in subsequent years.
239 | This subsection shall take effect December 7, 2006, is self-
240 | executing, and does not require implementing legislation.

ARTICLE XII

SCHEDULE

243 | SECTION 27. Property tax exemptions and ad valorem tax
244 | limitations.--The amendments to Sections 4 and 6 of Article VII,
245 | authorizing the transfer of the accrued benefit from the
246 | limitation on annual increases in assessments of homestead
247 | property and providing an additional homestead exemption equal to
248 | the greater of forty percent of the homestead's just valuation
249 | from twenty-five thousand dollars up to five hundred thousand
250 | dollars or the accumulated benefit from the limitation on annual
251 | increases in assessments of homestead property and this section,
252 | if submitted to the electors of this state for approval or
253 | rejection at the next general election, shall take effect January
254 | 1 of the year following such general election.

255 | BE IT FURTHER RESOLVED that the following statement be
256 | placed on the ballot:

CONSTITUTIONAL AMENDMENTS

ARTICLE VII, SECTIONS 4 and 6

ARTICLE XII, SECTION 27

TRANSFER OF ACCUMULATED BENEFIT OF LIMITATIONS ON INCREASES

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261 | IN HOMESTEAD PROPERTY ASSESSMENTS; ADDITIONAL HOMESTEAD
262 | EXEMPTION.--Proposing amendments to the State Constitution to:
263 | (1) Provide for the transfer of accumulated Save-Our-Homes
264 | benefits. Homestead property owners will be able to transfer
265 | their Save-Our-Homes benefit to a new homestead within two years
266 | of relinquishing their previous homestead exemption; except, if
267 | the new homestead is established on January 1, 2008, the previous
268 | homestead must have been relinquished in 2007. If the new
269 | homestead has a higher just value than the old one, the benefit
270 | transferred shall be the lesser of (a) the just value of the new
271 | homestead minus an amount equal to the difference between the
272 | just value and the assessed value of the prior homestead as of
273 | January 1 of the year in which the prior homestead was abandoned,
274 | not to exceed \$1 million, or (b) 60 percent of the just value up
275 | to \$1 million in just value, and 100 percent of that portion of
276 | just value over \$1 million, of the new homestead; if the new
277 | homestead has a lower just value, the amount of benefit
278 | transferred will be equal to the lesser of (c) the just value of
279 | the new homestead divided by the just value of the prior
280 | homestead and multiplied by the assessed value of the prior
281 | homestead, or (d) 60 percent of the just value up to \$1 million
282 | in just value, and 100 percent of that portion of the just value
283 | over \$1 million, of the new homestead. The transferred benefit
284 | may not exceed \$1 million. Authorizes the Legislature to decrease
285 | the percentages of the just value of the new homestead used in
286 | the calculations. This provision does not apply to school taxes.
287 | (2) Provide for an additional homestead exemption equal to
288 | the greater of 40 percent of the just value of the homestead
289 | property from \$25,000 up to \$500,000 or the accumulated benefit

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290 | provided under Save Our Homes.