

House Joint Resolution

A joint resolution proposing an amendment to Section 4 of Article VII and the creation of Section 28 of Article XII of the State Constitution to provide a limitation on increases in assessments of residential rental or commercial property.

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

That the following amendment to Section 4 of Article VII and the creation of Section 28 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 taxation at a specified percentage of its value, may be classified for tax purposes, or may be exempted from taxation.

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

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

37 a. Three percent (3%) of the assessment for the prior
38 year.

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

44 (2) No assessment shall exceed just value.

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

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

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

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

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

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

66 (8)a. A person who establishes a new homestead as of
 67 January 1, 2009, or January 1 of any subsequent year and who has
 68 received a homestead exemption pursuant to Section 6 of this
 69 Article as of January 1 of either of the two years immediately
 70 preceding the establishment of the new homestead is entitled to
 71 have the new homestead assessed at less than just value. If this
 72 revision is approved in January of 2008, a person who
 73 establishes a new homestead as of January 1, 2008, is entitled
 74 to have the new homestead assessed at less than just value only
 75 if that person received a homestead exemption on January 1,
 76 2007. The assessed value of the newly established homestead
 77 shall be determined as follows:

78 1. If the just value of the new homestead is greater than
 79 or equal to the just value of the prior homestead as of January
 80 1 of the year in which the prior homestead was abandoned, the
 81 assessed value of the new homestead shall be the just value of
 82 the new homestead minus an amount equal to the lesser of
 83 \$500,000 or the difference between the just value and the
 84 assessed value of the prior homestead as of January 1 of the

85 year in which the prior homestead was abandoned. Thereafter, the
 86 homestead shall be assessed as provided herein.

87 2. If the just value of the new homestead is less than the
 88 just value of the prior homestead as of January 1 of the year in
 89 which the prior homestead was abandoned, the assessed value of
 90 the new homestead shall be equal to the just value of the new
 91 homestead divided by the just value of the prior homestead and
 92 multiplied by the assessed value of the prior homestead.
 93 However, if the difference between the just value of the new
 94 homestead and the assessed value of the new homestead calculated
 95 pursuant to this sub-subparagraph is greater than \$500,000, the
 96 assessed value of the new homestead shall be increased so that
 97 the difference between the just value and the assessed value
 98 equals \$500,000. Thereafter, the homestead shall be assessed as
 99 provided herein.

100 b. By general law and subject to conditions specified
 101 therein, the Legislature shall provide for application of this
 102 paragraph to property owned by more than one person.

103 (d) The legislature may, by general law, for assessment
 104 purposes and subject to the provisions of this subsection, allow
 105 counties and municipalities to authorize by ordinance that
 106 historic property may be assessed solely on the basis of
 107 character or use. Such character or use assessment shall apply
 108 only to the jurisdiction adopting the ordinance. The
 109 requirements for eligible properties must be specified by
 110 general law.

111 (e) A county may, in the manner prescribed by general law,
 112 provide for a reduction in the assessed value of homestead

113 property to the extent of any increase in the assessed value of
 114 that property which results from the construction or
 115 reconstruction of the property for the purpose of providing
 116 living quarters for one or more natural or adoptive grandparents
 117 or parents of the owner of the property or of the owner's spouse
 118 if at least one of the grandparents or parents for whom the
 119 living quarters are provided is 62 years of age or older. Such a
 120 reduction may not exceed the lesser of the following:

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

123 (2) Twenty percent of the total assessed value of the
 124 property as improved.

125 (f) Pursuant to general law and subject to conditions
 126 specified therein ~~For all levies other than school district~~
 127 ~~levies, assessments of residential real property that, as~~
 128 ~~defined by general law, which contains nine units or fewer and~~
 129 ~~which~~ is not subject to the assessment limitations set forth in
 130 subsections (a) through (c) shall change only as provided in
 131 this subsection.

132 (1)a. For all levies other than school district levies,
 133 assessments of residential rental property that contains nine
 134 units or fewer ~~subject to this subsection~~ shall be changed
 135 annually on the date of assessment provided by law; but those
 136 changes in assessments shall not exceed ten percent (10%) of the
 137 assessment for the prior year.

138 b. If increases in assessment of real property used for
 139 residential rental purposes exceed five percent (5%) of the
 140 assessment for the prior year, the assessment shall be limited

141 to the average annual percentage growth in revenues derived from
 142 the property owner over the preceding three years if ownership
 143 has not changed.

144 (2) No assessment shall exceed just value.

145 (3) After a change of ownership or control, as defined by
 146 general law, including any change of ownership of a legal entity
 147 that owns the property, such property shall be assessed at just
 148 value as of the next assessment date. Thereafter, such property
 149 shall be assessed as provided in this subsection.

150 (4) Changes, additions, reductions, or improvements to
 151 such property shall be assessed as provided for by general law;
 152 however, after the adjustment for any change, addition,
 153 reduction, or improvement, the property shall be assessed as
 154 provided in this subsection.

155 (g) Pursuant to general law and subject to conditions
 156 specified therein ~~For all levies other than school district~~
 157 ~~levies~~, assessments of real property that is not subject to the
 158 assessment limitations set forth in subsections (a) through (c)
 159 and (f) shall change only as provided in this subsection.

160 (1)a. Assessments subject to this subsection shall be
 161 changed annually on the date of assessment provided by law; but
 162 those changes in assessments shall not exceed ten percent (10%)
 163 of the assessment for the prior year.

164 b. If increases in assessments of real property used for
 165 commercial purposes exceed five percent (5%) of the assessment
 166 for the prior year, the assessment shall be limited to the
 167 average annual percentage growth in revenues derived from the
 168 property over the preceding three years if ownership has not

169 changed.

170 (2) No assessment shall exceed just value.

171 (3) The legislature must provide that such property shall
 172 be assessed at just value as of the next assessment date after a
 173 qualifying improvement, as defined by general law, is made to
 174 such property. Thereafter, such property shall be assessed as
 175 provided in this subsection.

176 (4) The legislature may provide that such property shall
 177 be assessed at just value as of the next assessment date after a
 178 change of ownership or control, as defined by general law,
 179 including any change of ownership of the legal entity that owns
 180 the property. Thereafter, such property shall be assessed as
 181 provided in this subsection.

182 (5) Changes, additions, reductions, or improvements to
 183 such property shall be assessed as provided for by general law;
 184 however, after the adjustment for any change, addition,
 185 reduction, or improvement, the property shall be assessed as
 186 provided in this subsection.

187 ARTICLE XII

188 SCHEDULE

189 SECTION 28. Residential rental or commercial property
 190 assessment increase limitation.--The amendment to Section 4 of
 191 Article VII, providing for assessment limitations for
 192 residential rental real property and property used for
 193 commercial purposes, if submitted to the electors of this state
 194 for approval or rejection at the next general election, shall
 195 take effect January 1 of the year following such general
 196 election.

CS/HJR 441

2008

197 BE IT FURTHER RESOLVED that the following statement be
 198 placed on the ballot:

199 CONSTITUTIONAL AMENDMENT

200 ARTICLE VII, SECTION 4

201 RESIDENTIAL RENTAL OR COMMERCIAL PROPERTY ASSESSMENT

202 INCREASE LIMITATION.--Proposing an amendment to the State
 203 Constitution to limit increases in assessments of real property
 204 used for residential rental or commercial purposes that exceed 5
 205 percent of the assessment for the prior year to the average
 206 annual percentage growth in revenues derived from the property
 207 over the preceding 3 years if ownership has not changed.