

By Senator Fasano

11-01403A-09

20091164\_\_

1 Senate Joint Resolution

2 A joint resolution proposing an amendment to Section 4  
3 of Article VII and the creation of a new section in  
4 Article XII of the State Constitution to prohibit  
5 increases in the assessed value of homestead property  
6 if the market value of the property decreases.  
7

8 Be It Resolved by the Legislature of the State of Florida:  
9

10 That the following amendment to Section 4 of Article VII  
11 and the creation of a new section in Article XII of the State  
12 Constitution are agreed to and shall be submitted to the  
13 electors of this state for approval or rejection at the next  
14 general election or at an earlier special election specifically  
15 authorized by law for that purpose:

16 ARTICLE VII

17 FINANCE AND TAXATION

18 SECTION 4. Taxation; assessments.—By general law  
19 regulations shall be prescribed which shall secure a just  
20 valuation of all property for ad valorem taxation, provided:

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

25 (b) As provided by general law and subject to conditions,  
26 limitations, and reasonable definitions specified therein, land  
27 used for conservation purposes shall be classified by general  
28 law and assessed solely on the basis of character or use.

29 (c) Pursuant to general law tangible personal property held

11-01403A-09

20091164\_\_

30 for sale as stock in trade and livestock may be valued for  
31 taxation at a specified percentage of its value, may be  
32 classified for tax purposes, or may be exempted from taxation.

33 (d) All persons entitled to a homestead exemption under  
34 Section 6 ~~of this Article~~ shall have their homestead assessed ~~at~~  
35 ~~just value as of January 1 of the year following the effective~~  
36 ~~date of this amendment. This assessment shall change only as~~  
37 provided in this subsection.

38 (1) Assessments subject to this subsection shall change be  
39 ~~changed~~ annually on January 1 ~~January 1st~~ of each year.; ~~but~~  
40 ~~those changes in assessments~~

41 a. An increase in an assessment may ~~shall~~ not exceed the  
42 lower of the following:

43 1.a. Three percent ~~(3%)~~ of the assessment for the prior  
44 year.

45 2.b. The percent change in the Consumer Price Index for all  
46 urban consumers, U.S. City Average, all items 1967=100, or a  
47 successor index reports for the preceding calendar year ~~as~~  
48 ~~initially reported by the United States Department of Labor,~~  
49 ~~Bureau of Labor Statistics.~~

50 b. An assessment may not increase if the just value of the  
51 property is less than the just value of the property on the  
52 preceding January 1.

53 (2) An ~~No~~ assessment may not ~~shall~~ exceed just value.

54 (3) After a ~~any~~ change of ownership, as provided by general  
55 law, homestead property shall be assessed at just value as of  
56 January 1 of the following year, unless the provisions of  
57 paragraph (8) apply. Thereafter, the homestead shall be assessed  
58 as provided in this subsection.

11-01403A-09

20091164\_\_

59 (4) New homestead property shall be assessed at just value  
60 as of January 1 ~~January 1st~~ of the year following the  
61 establishment of the homestead, unless the provisions of  
62 paragraph (8) apply. That assessment shall ~~only~~ change only as  
63 provided in this subsection.

64 (5) Changes, additions, reductions, or improvements to  
65 homestead property shall be assessed as provided for by general  
66 law. ~~;~~ ~~provided,~~ However, after the adjustment for any change,  
67 addition, reduction, or improvement, the property shall be  
68 assessed as provided in this subsection.

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

71 (7) The provisions of this subsection ~~amendment~~ are  
72 severable. If a provision ~~any of the provisions~~ of this  
73 amendment ~~is~~ ~~shall be~~ held unconstitutional by a ~~any~~ court of  
74 competent jurisdiction, the decision of the ~~such~~ court does  
75 ~~shall~~ not affect or impair any remaining provisions of this  
76 subsection ~~amendment~~.

77 (8)a. A person who ~~establishes a new homestead as of~~  
78 ~~January 1, 2009, or January 1 of any subsequent year and who has~~  
79 received a homestead exemption pursuant to Section 6 ~~of this~~  
80 ~~Article~~ as of January 1 of either of the two years immediately  
81 preceding the establishment of a ~~the~~ new homestead is entitled  
82 to have the new homestead assessed at less than just value. ~~If~~  
83 ~~this revision is approved in January of 2008, a person who~~  
84 ~~establishes a new homestead as of January 1, 2008, is entitled~~  
85 ~~to have the new homestead assessed at less than just value only~~  
86 ~~if that person received a homestead exemption on January 1,~~  
87 ~~2007.~~ The assessed value of the newly established homestead

11-01403A-09

20091164\_\_

88 shall be determined as follows:

89 1. If the just value of the new homestead is greater than  
90 or equal to the just value of the prior homestead as of January  
91 1 of the year in which the prior homestead was abandoned, the  
92 assessed value of the new homestead shall be the just value of  
93 the new homestead minus an amount equal to the lesser of  
94 \$500,000 or the difference between the just value and the  
95 assessed value of the prior homestead as of January 1 of the  
96 year in which the prior homestead was abandoned. Thereafter, the  
97 homestead shall be assessed as provided in this subsection.

98 2. If the just value of the new homestead is less than the  
99 just value of the prior homestead as of January 1 of the year in  
100 which the prior homestead was abandoned, the assessed value of  
101 the new homestead shall be equal to the just value of the new  
102 homestead divided by the just value of the prior homestead and  
103 multiplied by the assessed value of the prior homestead.  
104 However, if the difference between the just value of the new  
105 homestead and the assessed value of the new homestead calculated  
106 pursuant to this sub-subparagraph is greater than \$500,000, the  
107 assessed value of the new homestead shall be increased so that  
108 the difference between the just value and the assessed value  
109 equals \$500,000. Thereafter, the homestead shall be assessed as  
110 provided in this subsection.

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

114 (e) The legislature may, by general law, for assessment  
115 purposes and subject to the provisions of this subsection, allow  
116 counties and municipalities to authorize by ordinance that

11-01403A-09

20091164\_\_

117 historic property may be assessed solely on the basis of  
118 character or use. Such character or use assessment shall apply  
119 only to the jurisdiction adopting the ordinance. The  
120 requirements for eligible properties must be specified by  
121 general law.

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

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

134 (2) Twenty percent of the total assessed value of the  
135 property as improved.

136 (g) For all levies other than school district levies,  
137 assessments of residential real property, as defined by general  
138 law, which contains nine units or fewer and which is not subject  
139 to the assessment limitations set forth in subsections (a)  
140 through (d) shall change only as provided in this subsection.

141 (1) Assessments subject to this subsection shall be changed  
142 annually on the date of assessment provided by law. However,  
143 ~~but~~ those changes in assessments may ~~shall~~ not exceed ten  
144 percent ~~(10%)~~ of the assessment for the prior year.

145 (2) An ~~No~~ assessment may not ~~shall~~ exceed just value.

11-01403A-09

20091164\_\_

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

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

156 (h) For all levies other than school district levies,  
157 assessments of real property that is not subject to the  
158 assessment limitations set forth in subsections (a) through (d)  
159 and (g) shall change only as provided in this subsection.

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

164 (2) An ~~No~~ assessment may not ~~shall~~ exceed just value.

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

170 (4) The legislature may provide that such property shall be  
171 assessed at just value as of the next assessment date after a  
172 change of ownership or control, as defined by general law,  
173 including any change of ownership of the legal entity that owns  
174 the property. Thereafter, such property shall be assessed as

11-01403A-09

20091164\_\_

175 provided in this subsection.

176 (5) Changes, additions, reductions, or improvements to such  
177 property shall be assessed as provided for by general law.~~†~~  
178 However, after the adjustment for any change, addition,  
179 reduction, or improvement, the property shall be assessed as  
180 provided in this subsection.

181 (i) The legislature, by general law and subject to  
182 conditions specified therein, may prohibit the consideration of  
183 the following in the determination of the assessed value of real  
184 property used for residential purposes:

185 (1) Any change or improvement made for the purpose of  
186 improving the property's resistance to wind damage.

187 (2) The installation of a renewable energy source device.

188 (j) (1) The assessment of the following working waterfront  
189 properties shall be based upon the current use of the property:  
190 a. Land used predominantly for commercial fishing purposes.  
191 b. Land that is accessible to the public and used for  
192 vessel launches into waters that are navigable.  
193 c. Marinas and drystacks that are open to the public.  
194 d. Water-dependent marine manufacturing facilities,  
195 commercial fishing facilities, and marine vessel construction  
196 and repair facilities and their support activities.

197 (2) The assessment benefit provided by this subsection is  
198 subject to conditions and limitations and reasonable definitions  
199 as specified by the legislature by general law.

200 ARTICLE XII

201 SCHEDULE

202 Assessment of homestead property that has declining market  
203 value.-The amendment to Section 4 of Article VII, relating to

11-01403A-09

20091164\_\_

204 homestead property having a declining market value, and this  
205 section takes effect on January 1, 2011.

206 BE IT FURTHER RESOLVED that the following statement be  
207 placed on the ballot:

208 CONSTITUTIONAL AMENDMENT

209 ARTICLE VII, SECTION 4

210 ARTICLE XII

211 ASSESSMENT OF HOMESTEAD PROPERTY THAT HAS A DECLINING  
212 MARKET VALUE.—In certain circumstances, the law requires the  
213 assessed value of homestead property to increase when the market  
214 value of the property decreases. Under this proposed amendment  
215 to the State Constitution, the assessed value of homestead  
216 property may not increase if the market value of that property  
217 decreases.