

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Military Affairs and Domestic Security Committee

BILL:               SJR 1550

INTRODUCER:     Senator Aronberg

SUBJECT:           Disabled Veterans Property Tax Discount

DATE:              February 26, 2009     REVISED:     \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Pardue	Skelton	MS	<b>Favorable</b>
2.	_____	_____	CA	_____
3.	_____	_____	FT	_____
4.	_____	_____	WPSC	_____
5.	_____	_____	RC	_____
6.	_____	_____	_____	_____

**I. Summary:**

Senate Joint Resolution 1550 proposes an amendment to the Florida Constitution to allow disabled veterans who were not Florida residents prior to entering military service to qualify for the disabled veteran’s ad valorem tax discount on homestead property.

This joint resolution amends Article VII, Section 6 of the Florida Constitution.

**II. Present Situation:**

**Disabled Veteran’s Ad Valorem Tax Discount**

Article VII, Section 6 of the Florida Constitution, contains provisions that grant certain exemptions from ad valorem taxation on homestead property. Included in this section is a provision that grants a discount on ad valorem taxes owed on homestead property to partially or totally disabled veterans who are 65 or older and were Florida residents when they entered military service. Section 6 (e), provides that the ad valorem tax discount percentage shall be equal to the veteran’s percentage of disability, as determined by the United States Department of Veterans Affairs.

In order to qualify for the discount the veteran must submit proof of the veteran’s disability percentage to the county property appraiser. The veteran must also prove that the:

- Disability is combat related;
- Veteran was a Florida resident prior to entering the military; and
- Veteran was honorably discharged.

The U. S. Department of Veterans Affairs (USDVA) indicates that there were 227,190 veterans in Florida receiving compensation for service related conditions at the end of Fiscal Year 2007.<sup>1</sup> The table below illustrates the number of veterans by percentage of assessed disability. The number of veterans in this population who were 65 years of age or older by percentage category, the number who were Florida residents at the time of entry into military service, and the number of veterans whose compensation is the result of combat are indeterminate at this time.

Number of Veterans in Florida Receiving Service-Connected Compensation by Percentage of Assessed Disability FY-2007

0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
941	67,474	35,239	27,363	20,599	13,080	15,279	13,237	9,601	4,971	19,406

Source: U. S. Department of Veterans Affairs

According to the USDVA, approximately 80% of the veterans in Florida who are receiving 100% VA disability compensation served during a wartime period.<sup>2</sup> The national percentage of veterans 65 years of age or older is 39.4%.<sup>3</sup>

**Constitutional Amendment Process**

Article XI of the Florida Constitution sets forth various methods for proposing amendments to the constitution along with the methods for approval or rejection of proposals. One method by which constitutional amendments may be proposed is by joint resolution agreed to by three-fifths of the membership of each house of the Legislature.<sup>4</sup> Any such proposal must be submitted to the electors, either at the next general election held more than 90 days after the joint resolution is filed with the Secretary of State, or, if pursuant to law enacted by the affirmative vote of three-fourths of the membership of each house of the Legislature and limited to a single amendment or revision, at an earlier special election held more than 90 days after such filing.<sup>5</sup> If the proposed amendment is approved by a vote of at least 60 percent of the electors voting on the measure it becomes effective as an amendment to the Florida Constitution on the first Tuesday after the first Monday in January following the election, or on such other date as may be specified in the amendment.<sup>6</sup>

**III. Effect of Proposed Changes:**

Senate Joint Resolution 1550 proposes an amendment to Article VII, Section 6 of the Florida Constitution to allow disabled veterans who were not Florida residents prior to entering military service to qualify for the disabled veteran’s ad valorem tax discount on homestead property.

SJR 1550 also deletes an effective date reference in the section that would become outdated upon passage of the amendment.

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<sup>1</sup> U. S. Department of Veterans Affairs response to a committee staff request for information.  
<sup>2</sup> Id.  
<sup>3</sup> U. S. Department of Veterans Affairs, VA Stats At A Glance at <http://www1.va.gov/vetdata/>.  
<sup>4</sup> FLA. CONST. art. XI, s. 1.  
<sup>5</sup> FLA. CONST. art. XI, s. 5(a).  
<sup>6</sup> FLA. CONST. art. XI s. 5(e).

This joint resolution provides no effective date for the constitutional amendment. In accordance with Article XI, Section 5 of the Florida Constitution, it would take effect on the first Tuesday after the first Monday in January following the election at which it was approved by the electorate.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

In order for the Legislature to submit SJR 1550 to the voters for approval, the Joint Resolution must be agreed to by three-fifths of the membership of each house.<sup>7</sup> If SJR 1550 is agreed to by the Legislature, it will be submitted to the voters at the next general election held more than 90 days after the amendment is filed with the Department of State.<sup>8</sup> As such, SJR 1550 would be submitted to the voters at the 2010 General Election. In order for SJR 1550 to take effect, it must be approved by at least 60 percent of the voters voting on the measure.<sup>9</sup>

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The fiscal impact in terms of lost ad valorem tax revenues to local governments is indeterminate pending a review by the Revenue Estimating Conference. However, based on a population of 227,190 veterans in Florida receiving disability compensation, a percentage of 39.4% of all veterans in the VA system who are 65 years of age or older,

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<sup>7</sup> FLA. CONST. art. XI, s. 1.

<sup>8</sup> FLA. CONST. art. XI, s. 5(a).

<sup>9</sup> FLA. CONST. art. XI, s. 5(e).

and an estimated 80% of veterans' service during wartime, the maximum number of veterans who might qualify for the benefit proposed in this bill is estimated at 71,610. This figure likely overstates the number of veterans who might qualify for further ad valorem tax discounts because the combat related injury variable is unknown.

Each constitutional amendment is required to be published in a newspaper of general circulation in each county, once in the sixth week and once in the tenth week preceding the general election.<sup>10</sup> Costs for advertising vary depending upon the length of the amendment. According to the Department of State, the average cost of publishing a constitutional amendment with the ballot summary is \$102,053. The cost varies depending on the length of the full text. The average cost per word is \$94.68.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

**A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>10</sup> FLA. CONST. art. XI, s. 5(d).