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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/15/2009	.	
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The Committee on Finance and Tax (Altman) recommended the following:

1           **Senate Substitute for Amendment (886910) (with title**  
2 **amendment)**

3  
4           Delete everything after the resolving clause  
5 and insert:

6           That the following amendments to Sections 4 and 6 of  
7 Article VII and the creation of two new sections in Article XII  
8 of the State Constitution are agreed to and shall be submitted  
9 to the electors of this state for approval or rejection at the  
10 next general election or at an earlier special election  
11 specifically authorized by law for that purpose:



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

(c) 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.

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

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

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

b. The percent change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially



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41 reported by the United States Department of Labor, Bureau of  
42 Labor Statistics.

43 (2) No assessment shall exceed just value.

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

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

53 (5) Changes, additions, reductions, or improvements to  
54 homestead property shall be assessed as provided for by general  
55 law; provided, however, after the adjustment for any change,  
56 addition, reduction, or improvement, the property shall be  
57 assessed as provided in this subsection.

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

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

65 (8)a. A person who establishes a new homestead as of  
66 January 1, 2009, or January 1 of any subsequent year and who has  
67 received a homestead exemption pursuant to Section 6 of this  
68 Article as of January 1 of either of the two years immediately  
69 preceding the establishment of the new homestead is entitled to



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70 have the new homestead assessed at less than just value. If this  
71 revision is approved in January of 2008, a person who  
72 establishes a new homestead as of January 1, 2008, is entitled  
73 to have the new homestead assessed at less than just value only  
74 if that person received a homestead exemption on January 1,  
75 2007. The assessed value of the newly established homestead  
76 shall be determined as follows:

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

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



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

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

110           (f) A county may, in the manner prescribed by general law,  
111 provide for a reduction in the assessed value of homestead  
112 property to the extent of any increase in the assessed value of  
113 that property which results from the construction or  
114 reconstruction of the property for the purpose of providing  
115 living quarters for one or more natural or adoptive grandparents  
116 or parents of the owner of the property or of the owner's spouse  
117 if at least one of the grandparents or parents for whom the  
118 living quarters are provided is 62 years of age or older. Such a  
119 reduction may not exceed the lesser of the following:

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

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

124           (g) For all levies other than school district levies,  
125 assessments of residential real property, as defined by general  
126 law, which contains nine units or fewer and which is not subject  
127 to the assessment limitations set forth in subsections (a)



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128 through (d) shall change only as provided in this subsection.

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

133 (2) No assessment shall exceed just value.

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

139 (4) Changes, additions, reductions, or improvements to such  
140 property shall be assessed as provided for by general law;  
141 however, after the adjustment for any change, addition,  
142 reduction, or improvement, the property shall be assessed as  
143 provided in this subsection.

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

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

152 (2) No assessment shall exceed just value.

153 (3) The legislature must provide that such property shall  
154 be assessed at just value as of the next assessment date after a  
155 qualifying improvement, as defined by general law, is made to  
156 such property. Thereafter, such property shall be assessed as



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157 provided in this subsection.

158 (4) The legislature may provide that such property shall be  
159 assessed at just value as of the next assessment date after a  
160 change of ownership or control, as defined by general law,  
161 including any change of ownership of the legal entity that owns  
162 the property. Thereafter, such property shall be assessed as  
163 provided in this subsection.

164 (5) Changes, additions, reductions, or improvements to such  
165 property shall be assessed as provided for by general law;  
166 however, after the adjustment for any change, addition,  
167 reduction, or improvement, the property shall be assessed as  
168 provided in this subsection.

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

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

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

176 (j) (1) The assessment of the following working waterfront  
177 properties shall be based upon the current use of the property:

178 a. Land used predominantly for commercial fishing purposes.

179 b. Land that is accessible to the public and used for  
180 vessel launches into waters that are navigable.

181 c. Marinas and drystacks that are open to the public.

182 d. Water-dependent marine manufacturing facilities,  
183 commercial fishing facilities, and marine vessel construction  
184 and repair facilities and their support activities.

185 (2) The assessment benefit provided by this subsection is



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186 subject to conditions and limitations and reasonable definitions  
187 as specified by the legislature by general law.

188 (k) Pursuant to general law and subject to conditions  
189 specified therein, increases in assessments of real property  
190 used for commercial or residential rental purposes may be  
191 limited to the greater of five percent or the average annual  
192 percentage growth in revenues derived from a property over the  
193 preceding three years if ownership of the property has not  
194 changed within that period.

195 SECTION 6. Homestead exemptions.-

196 (a) Every person who has the legal or equitable title to  
197 real estate and maintains thereon the permanent residence of the  
198 owner, or another legally or naturally dependent upon the owner,  
199 shall be exempt from taxation thereon, except assessments for  
200 special benefits, up to the assessed valuation of twenty-five  
201 thousand dollars and, for all levies other than school district  
202 levies, on the assessed valuation greater than fifty thousand  
203 dollars and up to seventy-five thousand dollars, upon  
204 establishment of right thereto in the manner prescribed by law.  
205 The real estate may be held by legal or equitable title, by the  
206 entirety, jointly, in common, as a condominium, or indirectly  
207 by stock ownership or membership representing the owner's or  
208 member's proprietary interest in a corporation owning a fee or a  
209 leasehold initially in excess of ninety-eight years. The  
210 exemption shall not apply with respect to any assessment roll  
211 until such roll is first determined to be in compliance with the  
212 provisions of section 4 by a state agency designated by general  
213 law. This exemption is repealed on the effective date of any  
214 amendment to this Article which provides for the assessment of





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215 homestead property at less than just value.

216 (b) Not more than one exemption shall be allowed any  
217 individual or family unit or with respect to any residential  
218 unit. No exemption shall exceed the value of the real estate  
219 assessable to the owner or, in case of ownership through stock  
220 or membership in a corporation, the value of the proportion  
221 which the interest in the corporation bears to the assessed  
222 value of the property.

223 (c) By general law and subject to conditions specified  
224 therein, the Legislature may provide to renters, who are  
225 permanent residents, ad valorem tax relief on all ad valorem tax  
226 levies. Such ad valorem tax relief shall be in the form and  
227 amount established by general law.

228 (d) The legislature may, by general law, allow counties or  
229 municipalities, for the purpose of their respective tax levies  
230 and subject to the provisions of general law, to grant an  
231 additional homestead tax exemption not exceeding fifty thousand  
232 dollars to any person who has the legal or equitable title to  
233 real estate and maintains thereon the permanent residence of the  
234 owner and who has attained age sixty-five and whose household  
235 income, as defined by general law, does not exceed twenty  
236 thousand dollars. The general law must allow counties and  
237 municipalities to grant this additional exemption, within the  
238 limits prescribed in this subsection, by ordinance adopted in  
239 the manner prescribed by general law, and must provide for the  
240 periodic adjustment of the income limitation prescribed in this  
241 subsection for changes in the cost of living.

242 (e) Each veteran who is age 65 or older who is partially or  
243 totally permanently disabled shall receive a discount from the



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244 amount of the ad valorem tax otherwise owed on homestead  
245 property the veteran owns and resides in if the disability was  
246 combat related, the veteran was a resident of this state at the  
247 time of entering the military service of the United States, and  
248 the veteran was honorably discharged upon separation from  
249 military service. The discount shall be in a percentage equal to  
250 the percentage of the veteran's permanent, service-connected  
251 disability as determined by the United States Department of  
252 Veterans Affairs. To qualify for the discount granted by this  
253 subsection, an applicant must submit to the county property  
254 appraiser, by March 1, proof of residency at the time of  
255 entering military service, an official letter from the United  
256 States Department of Veterans Affairs stating the percentage of  
257 the veteran's service-connected disability and such evidence  
258 that reasonably identifies the disability as combat related, and  
259 a copy of the veteran's honorable discharge. If the property  
260 appraiser denies the request for a discount, the appraiser must  
261 notify the applicant in writing of the reasons for the denial,  
262 and the veteran may reapply. The Legislature may, by general  
263 law, waive the annual application requirement in subsequent  
264 years. This subsection shall take effect December 7, 2006, is  
265 self-executing, and does not require implementing legislation.

266 (f) (1) By general law, and subject to conditions specified  
267 therein, the legislature shall provide an additional homestead  
268 exemption to the person or persons who:

269 a. Establish the right to receive the homestead exemption  
270 in subsection (a) within one year after purchasing the homestead  
271 property; and

272 b. Have not owned a principal residence during the ten-year



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273 period before the purchase. For married persons, neither the  
274 purchaser nor his or her spouse may have owned a principal  
275 residence during the preceding ten years.

276 (2) The additional homestead exemption shall equal 25  
277 percent of the just value of the property on January 1 of the  
278 year in which the homestead exemption in subsection (a) is  
279 received, but not more than \$100,000.

280 a. The amount of the additional exemption shall be reduced  
281 in each subsequent year by an amount equal to twenty percent of  
282 the amount of the initial additional exemption or by an amount  
283 equal to the difference between the just value of the property  
284 and the assessed value determined under subsection (d) of  
285 section 4 of this Article, whichever is greater.

286 b. The additional homestead exemption shall not apply after  
287 the fifth year after the initial additional exemption is  
288 granted.

289 (3) Only one additional exemption under this subsection may  
290 apply to a single homestead property.

291 ARTICLE XII

292 SCHEDULE

293 Property tax limit for commercial and residential rental  
294 property.—The amendment to Section 4 of Article VII permitting  
295 the legislature to reduce the maximum annual increase in the  
296 assessed value of nonhomestead property and this section shall  
297 take effect January 1, 2011.

298 Additional homestead exemption for first-time homestead  
299 property owners.—The amendment to subsection (f) of Section 6 of  
300 Article VII providing for an additional homestead exemption for  
301 persons who have not owned a principal residence within a ten-



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302 year period and this section shall take effect January 1, 2011,  
303 and shall be available for properties purchased on or after  
304 January 1, 2010.

305 CONSTITUTIONAL AMENDMENTS

306 ARTICLE VII, SECTIONS 4 and 6

307 ARTICLE XII

308 PROPERTY TAX LIMIT FOR PROPERTY TYPES; ADDITIONAL HOMESTEAD  
309 EXEMPTION FOR NEW PRINCIPAL RESIDENCES.—The State Constitution  
310 generally limits the maximum annual increase in the assessed  
311 value of nonhomestead property to 10 percent annually. This  
312 proposed amendment permits the Legislature to limit those  
313 increases to the greater of 5 percent or the rate of growth in  
314 tax revenues derived from the property over the preceding 3  
315 years.

316 This amendment also requires the Legislature to provide an  
317 additional homestead exemption for persons who have not owned a  
318 principal residence during the preceding 10 years. Under the  
319 exemption, 25 percent of the just value of a first-time  
320 homestead, up to \$100,000, will be exempt from property taxes.  
321 The amount of the additional exemption will decrease in each  
322 succeeding year for 5 years by the greater of 20 percent of the  
323 initial additional exemption or the difference between the just  
324 value and the assessed value of the property. The additional  
325 exemption will not be available in the 6th and subsequent years.

326  
327 ===== T I T L E A M E N D M E N T =====

328 And the title is amended as follows:

329 Delete everything before the resolving clause  
330 and insert:



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Senate Joint Resolution  
A joint resolution proposing an amendments to Sections  
4 and 6 of Article VII and the creation of two new  
sections in Article XII of the State Constitution to  
generally limit the maximum annual increase in the  
assessed value of certain nonhomestead properties and  
to provide an additional homestead exemption to  
persons who have not owned a principal residence  
within the preceding 10 years.