

By Senator Lynn

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Senate Joint Resolution

A joint resolution proposing amendments to Sections 4 and 6 of Article VII of the State Constitution to provide for a limitation on increases in assessments of commercial or residential rental property and to provide an additional homestead exemption for first-time homestead property owners.

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

That the following amendments to Sections 4 and 6 of Article VII 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) 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

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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 be changed
39 annually on January 1st of each year; but those changes in
40 assessments shall not exceed the lower of the following:

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

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

47 (2) No assessment shall exceed just value.

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

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

57 (5) Changes, additions, reductions, or improvements to
58 homestead property shall be assessed as provided for by general

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59 law; provided, however, after the adjustment for any change,
60 addition, reduction, or improvement, the property shall be
61 assessed as provided in this subsection.

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

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

69 (8)a. A person who establishes a new homestead as of
70 January 1, 2009, or January 1 of any subsequent year and who has
71 received a homestead exemption pursuant to Section 6 of this
72 Article as of January 1 of either of the two years immediately
73 preceding the establishment of the new homestead is entitled to
74 have the new homestead assessed at less than just value. If this
75 revision is approved in January of 2008, a person who
76 establishes a new homestead as of January 1, 2008, is entitled
77 to have the new homestead assessed at less than just value only
78 if that person received a homestead exemption on January 1,
79 2007. The assessed value of the newly established homestead
80 shall be determined as follows:

81 1. If the just value of the new homestead is greater than
82 or equal to the just value of the prior homestead as of January
83 1 of the year in which the prior homestead was abandoned, the
84 assessed value of the new homestead shall be the just value of
85 the new homestead minus an amount equal to the lesser of
86 \$500,000 or the difference between the just value and the
87 assessed value of the prior homestead as of January 1 of the

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88 year in which the prior homestead was abandoned. Thereafter, the
89 homestead shall be assessed as provided in this subsection.

90 2. If the just value of the new homestead is less than the
91 just value of the prior homestead as of January 1 of the year in
92 which the prior homestead was abandoned, the assessed value of
93 the new homestead shall be equal to the just value of the new
94 homestead divided by the just value of the prior homestead and
95 multiplied by the assessed value of the prior homestead.

96 However, if the difference between the just value of the new
97 homestead and the assessed value of the new homestead calculated
98 pursuant to this sub-subparagraph is greater than \$500,000, the
99 assessed value of the new homestead shall be increased so that
100 the difference between the just value and the assessed value
101 equals \$500,000. Thereafter, the homestead shall be assessed as
102 provided in this subsection.

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

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

114 (f) A county may, in the manner prescribed by general law,
115 provide for a reduction in the assessed value of homestead
116 property to the extent of any increase in the assessed value of

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117 that property which results from the construction or
118 reconstruction of the property for the purpose of providing
119 living quarters for one or more natural or adoptive grandparents
120 or parents of the owner of the property or of the owner's spouse
121 if at least one of the grandparents or parents for whom the
122 living quarters are provided is 62 years of age or older. Such a
123 reduction may not exceed the lesser of the following:

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

126 (2) Twenty percent of the total assessed value of the
127 property as improved.

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

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

137 (2) No assessment shall exceed just value.

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

143 (4) Changes, additions, reductions, or improvements to such
144 property shall be assessed as provided for by general law;
145 however, after the adjustment for any change, addition,

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146 reduction, or improvement, the property shall be assessed as
147 provided in this subsection.

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

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

156 (2) No assessment shall exceed just value.

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

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

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

173 (i) The legislature, by general law and subject to
174 conditions specified therein, may prohibit the consideration of

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175 the following in the determination of the assessed value of real
176 property used for residential purposes:

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

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

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

182 a. Land used predominantly for commercial fishing purposes.

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

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

186 d. Water-dependent marine manufacturing facilities,
187 commercial fishing facilities, and marine vessel construction
188 and repair facilities and their support activities.

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

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

199 SECTION 6. Homestead exemptions.—

200 (a) Every person who has the legal or equitable title to
201 real estate and maintains thereon the permanent residence of the
202 owner, or another legally or naturally dependent upon the owner,
203 shall be exempt from taxation thereon, except assessments for

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204 special benefits, up to the assessed valuation of twenty-five
205 thousand dollars and, for all levies other than school district
206 levies, on the assessed valuation greater than fifty thousand
207 dollars and up to seventy-five thousand dollars, upon
208 establishment of right thereto in the manner prescribed by law.
209 The real estate may be held by legal or equitable title, by the
210 entirety, jointly, in common, as a condominium, or indirectly
211 by stock ownership or membership representing the owner's or
212 member's proprietary interest in a corporation owning a fee or a
213 leasehold initially in excess of ninety-eight years. The
214 exemption shall not apply with respect to any assessment roll
215 until such roll is first determined to be in compliance with the
216 provisions of section 4 by a state agency designated by general
217 law. This exemption is repealed on the effective date of any
218 amendment to this Article which provides for the assessment of
219 homestead property at less than just value.

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

227 (c) As provided by general law and subject to conditions
228 specified therein, every person who establishes the right to
229 receive the homestead exemption provided in subsection (a)
230 within one year after purchasing the homestead property and who
231 has not previously owned property to which the homestead
232 exemption provided in subsection (a) applied is entitled to an

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233 additional homestead exemption in an amount equal to fifty
234 percent of the homestead property's just value on January 1 of
235 the year the homestead is established. The amount of the initial
236 additional exemption shall be reduced by twenty percent on
237 January 1 of each year after the additional exemption is
238 granted. The additional exemption is not available if any owner
239 of the property has previously owned property to which the
240 homestead exemption provided in subsection (a) applied.

241 (d)~~(e)~~ By general law and subject to conditions specified
242 therein, the Legislature may provide to renters, who are
243 permanent residents, ad valorem tax relief on all ad valorem tax
244 levies. Such ad valorem tax relief shall be in the form and
245 amount established by general law.

246 (e)~~(d)~~ The legislature may, by general law, allow counties
247 or municipalities, for the purpose of their respective tax
248 levies and subject to the provisions of general law, to grant an
249 additional homestead tax exemption not exceeding fifty thousand
250 dollars to any person who has the legal or equitable title to
251 real estate and maintains thereon the permanent residence of the
252 owner and who has attained age sixty-five and whose household
253 income, as defined by general law, does not exceed twenty
254 thousand dollars. The general law must allow counties and
255 municipalities to grant this additional exemption, within the
256 limits prescribed in this subsection, by ordinance adopted in
257 the manner prescribed by general law, and must provide for the
258 periodic adjustment of the income limitation prescribed in this
259 subsection for changes in the cost of living.

260 (f)~~(e)~~ Each veteran who is age 65 or older who is partially
261 or totally permanently disabled shall receive a discount from

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262 the amount of the ad valorem tax otherwise owed on homestead
263 property the veteran owns and resides in if the disability was
264 combat related, the veteran was a resident of this state at the
265 time of entering the military service of the United States, and
266 the veteran was honorably discharged upon separation from
267 military service. The discount shall be in a percentage equal to
268 the percentage of the veteran's permanent, service-connected
269 disability as determined by the United States Department of
270 Veterans Affairs. To qualify for the discount granted by this
271 subsection, an applicant must submit to the county property
272 appraiser, by March 1, proof of residency at the time of
273 entering military service, an official letter from the United
274 States Department of Veterans Affairs stating the percentage of
275 the veteran's service-connected disability and such evidence
276 that reasonably identifies the disability as combat related, and
277 a copy of the veteran's honorable discharge. If the property
278 appraiser denies the request for a discount, the appraiser must
279 notify the applicant in writing of the reasons for the denial,
280 and the veteran may reapply. The Legislature may, by general
281 law, waive the annual application requirement in subsequent
282 years. This subsection shall take effect December 7, 2006, is
283 self-executing, and does not require implementing legislation.

284 BE IT FURTHER RESOLVED that the following statement be
285 placed on the ballot:

286 CONSTITUTIONAL AMENDMENT

287 ARTICLE VII, SECTIONS 4 AND 6

288 COMMERCIAL AND RESIDENTIAL RENTAL PROPERTY ASSESSMENT
289 LIMITATION; ADDITIONAL HOMESTEAD EXEMPTION FOR FIRST-TIME
290 HOMESTEAD PROPERTY OWNERS.—Proposing amendments to the State

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291 Constitution to limit increases in assessments of real property
292 used for commercial or residential rental purposes to the
293 greater of 5 percent or the average annual percentage growth in
294 revenues derived from the property over the preceding 3 years if
295 ownership of the property has not changed and to provide first-
296 time homestead property owners with an additional homestead
297 exemption equal to 50 percent of the property's just value in
298 the first year and the amount of the additional exemption to be
299 reduced by 20 percent in each succeeding year.