

By the Committee on Finance and Tax; and Senator Lynn

593-05147-09

2009532c1

Senate Joint Resolution

A joint resolution proposing 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.

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

That the following amendments to Sections 4 and 6 of Article VII and the creation of two new sections in 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) As provided by general law and subject to conditions, limitations, and reasonable definitions specified therein, land

593-05147-09

2009532c1

30 used for conservation purposes shall be classified by general
31 law and assessed solely on the basis of character or use.

32 (c) Pursuant to general law tangible personal property held
33 for sale as stock in trade and livestock may be valued for
34 taxation at a specified percentage of its value, may be
35 classified for tax purposes, or may be exempted from taxation.

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

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

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

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

50 (2) No assessment shall exceed just value.

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

56 (4) New homestead property shall be assessed at just value
57 as of January 1st of the year following the establishment of the
58 homestead, unless the provisions of paragraph (8) apply. That

593-05147-09

2009532c1

59 assessment shall only change as provided in this subsection.

60 (5) Changes, additions, reductions, or improvements to
61 homestead property shall be assessed as provided for by general
62 law; provided, however, after the adjustment for any change,
63 addition, reduction, or improvement, the property shall be
64 assessed as provided in this subsection.

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

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

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

84 1. If the just value of the new homestead is greater than
85 or equal to the just value of the prior homestead as of January
86 1 of the year in which the prior homestead was abandoned, the
87 assessed value of the new homestead shall be the just value of

593-05147-09

2009532c1

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

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

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

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

593-05147-09

2009532c1

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

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

129 (2) Twenty percent of the total assessed value of the
130 property as improved.

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

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

140 (2) No assessment shall exceed just value.

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

593-05147-09

2009532c1

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

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

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

159 (2) No assessment shall exceed just value.

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

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

171 (5) Changes, additions, reductions, or improvements to such
172 property shall be assessed as provided for by general law;
173 however, after the adjustment for any change, addition,
174 reduction, or improvement, the property shall be assessed as

593-05147-09

2009532c1

175 provided in this subsection.

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

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

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

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

185 a. Land used predominantly for commercial fishing purposes.

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

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

189 d. Water-dependent marine manufacturing facilities,
190 commercial fishing facilities, and marine vessel construction
191 and repair facilities and their support activities.

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

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

202 SECTION 6. Homestead exemptions.—

203 (a) Every person who has the legal or equitable title to

593-05147-09

2009532c1

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

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

230 (c) By general law and subject to conditions specified
231 therein, the Legislature may provide to renters, who are
232 permanent residents, ad valorem tax relief on all ad valorem tax

593-05147-09

2009532c1

233 levies. Such ad valorem tax relief shall be in the form and
234 amount established by general law.

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

249 (e) Each veteran who is age 65 or older who is partially or
250 totally permanently disabled shall receive a discount from the
251 amount of the ad valorem tax otherwise owed on homestead
252 property the veteran owns and resides in if the disability was
253 combat related, the veteran was a resident of this state at the
254 time of entering the military service of the United States, and
255 the veteran was honorably discharged upon separation from
256 military service. The discount shall be in a percentage equal to
257 the percentage of the veteran's permanent, service-connected
258 disability as determined by the United States Department of
259 Veterans Affairs. To qualify for the discount granted by this
260 subsection, an applicant must submit to the county property
261 appraiser, by March 1, proof of residency at the time of

593-05147-09

2009532c1

262 entering military service, an official letter from the United
263 States Department of Veterans Affairs stating the percentage of
264 the veteran's service-connected disability and such evidence
265 that reasonably identifies the disability as combat related, and
266 a copy of the veteran's honorable discharge. If the property
267 appraiser denies the request for a discount, the appraiser must
268 notify the applicant in writing of the reasons for the denial,
269 and the veteran may reapply. The Legislature may, by general
270 law, waive the annual application requirement in subsequent
271 years. This subsection shall take effect December 7, 2006, is
272 self-executing, and does not require implementing legislation.

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

276 a. Establish the right to receive the homestead exemption
277 in subsection (a) within one year after purchasing the homestead
278 property; and

279 b. Have not owned a principal residence during the ten-year
280 period before the purchase. For married persons, neither the
281 purchaser nor his or her spouse may have owned a principal
282 residence during the preceding ten years.

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

287 a. The amount of the additional exemption shall be reduced
288 in each subsequent year by an amount equal to twenty percent of
289 the amount of the initial additional exemption or by an amount
290 equal to the difference between the just value of the property

593-05147-09

2009532c1

291 and the assessed value determined under subsection (d) of
 292 section 4 of this Article, whichever is greater.

293 b. The additional homestead exemption shall not apply after
 294 the fifth year after the initial additional exemption is
 295 granted.

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

298 ARTICLE XII

299 SCHEDULE

300 Property tax limit for commercial and residential rental
 301 property.—The amendment to Section 4 of Article VII permitting
 302 the legislature to reduce the maximum annual increase in the
 303 assessed value of nonhomestead property and this section shall
 304 take effect January 1, 2011.

305 Additional homestead exemption for first-time homestead
 306 property owners.—The amendment to subsection (f) of Section 6 of
 307 Article VII providing for an additional homestead exemption for
 308 persons who have not owned a principal residence within a ten-
 309 year period and this section shall take effect January 1, 2011,
 310 and shall be available for properties purchased on or after
 311 January 1, 2010.

312 CONSTITUTIONAL AMENDMENTS

313 ARTICLE VII, SECTIONS 4 and 6

314 ARTICLE XII

315 PROPERTY TAX LIMIT FOR PROPERTY TYPES; ADDITIONAL HOMESTEAD
 316 EXEMPTION FOR NEW PRINCIPAL RESIDENCES.—The State Constitution
 317 generally limits the maximum annual increase in the assessed
 318 value of nonhomestead property to 10 percent annually. This
 319 proposed amendment permits the Legislature to limit those

593-05147-09

2009532c1

320 increases to the greater of 5 percent or the rate of growth in
321 tax revenues derived from the property over the preceding 3
322 years.

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