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## 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 8 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

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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

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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

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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.

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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 five ~~ten~~ percent ~~(10%)~~  
139 of the 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.

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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 five ~~ten~~ percent ~~(10%)~~  
158 of the 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

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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 drystackes 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 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

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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 entireties, 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  
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



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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  
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,

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

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## ARTICLE XII

## SCHEDULE

Property tax limit for nonhomestead property.—The amendment to Section 4 of Article VII reducing the limit on the maximum annual increase in the assessed value of nonhomestead property to five percent from ten percent and this section shall take effect January 1, 2011.

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

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

## CONSTITUTIONAL AMENDMENTS

## ARTICLE VII, SECTIONS 4 and 6

## ARTICLE XII

PROPERTY TAX LIMIT FOR NONHOMESTEAD PROPERTY; ADDITIONAL HOMESTEAD EXEMPTION FOR NEW HOMESTEAD OWNERS.—The State Constitution generally limits the maximum annual increase in the assessed value of nonhomestead property to 10 percent annually. This proposed amendment reduces the maximum annual increase in the assessed values of those properties to 5 percent annually.

This amendment also requires the Legislature to provide an additional homestead exemption for persons who have not owned a principal residence during the preceding 8 years. Under the exemption, 25 percent of the just value of a first-time

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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.