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House 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 is 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.

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29 (c) Pursuant to general law tangible personal property
30 held 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
39 changed annually on January 1st of each year; but those changes
40 in assessments shall not exceed the lower of the following:

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

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

48 (2) No assessment shall exceed just value.

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

54 (4) New homestead property shall be assessed at just value
55 as of January 1st of the year following the establishment of the

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56 homestead, unless the provisions of paragraph (8) apply. That
 57 assessment shall only change as provided in this subsection.

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

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

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

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

82 1. If the just value of the new homestead is greater than
 83 or equal to the just value of the prior homestead as of January

84 1 of the year in which the prior homestead was abandoned, the
 85 assessed value of the new homestead shall be the just value of
 86 the new homestead minus an amount equal to the lesser of
 87 \$500,000 or the difference between the just value and the
 88 assessed value of the prior homestead as of January 1 of the
 89 year in which the prior homestead was abandoned. Thereafter, the
 90 homestead shall be assessed as provided in this subsection.

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

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

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

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

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112 only to the jurisdiction adopting the ordinance. The
 113 requirements for eligible properties must be specified by
 114 general law.

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

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

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

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

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

138 (2) No assessment shall exceed just value.

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

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

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

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

157 (2) No assessment shall exceed just value.

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

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

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167 the property. Thereafter, such property shall be assessed as
 168 provided in this subsection.

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

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

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

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

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

183 a. Land used predominantly for commercial fishing
 184 purposes.

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

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

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

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

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

201 SECTION 6. Homestead exemptions.--

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

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

229 (c) As provided by general law and subject to conditions
 230 specified therein, every person who establishes the right to
 231 receive the homestead exemption provided in subsection (a)
 232 within one year after purchasing the homestead property and who
 233 has not previously owned property to which the homestead
 234 exemption provided in subsection (a) applied is entitled to an
 235 additional homestead exemption in an amount equal to fifty
 236 percent of the homestead property's just value on January 1 of
 237 the year the homestead is established. The amount of the initial
 238 additional exemption shall be reduced by twenty percent on
 239 January 1 of each year after the additional exemption is
 240 granted. The additional exemption is not available if any owner
 241 of the property has previously owned property to which the
 242 homestead exemption provided in subsection (a) applied.

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

248 (e)~~(d)~~ The legislature may, by general law, allow counties
 249 or municipalities, for the purpose of their respective tax

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

262 (f)~~(e)~~ Each veteran who is age 65 or older who is
 263 partially or totally permanently disabled shall receive a
 264 discount from the amount of the ad valorem tax otherwise owed on
 265 homestead property the veteran owns and resides in if the
 266 disability was combat related, the veteran was a resident of
 267 this state at the time of entering the military service of the
 268 United States, and the veteran was honorably discharged upon
 269 separation from military service. The discount shall be in a
 270 percentage equal to the percentage of the veteran's permanent,
 271 service-connected disability as determined by the United States
 272 Department of Veterans Affairs. To qualify for the discount
 273 granted by this subsection, an applicant must submit to the
 274 county property appraiser, by March 1, proof of residency at the
 275 time of entering military service, an official letter from the
 276 United States Department of Veterans Affairs stating the
 277 percentage of the veteran's service-connected disability and

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278 such evidence that reasonably identifies the disability as
 279 combat related, and a copy of the veteran's honorable discharge.
 280 If the property appraiser denies the request for a discount, the
 281 appraiser must notify the applicant in writing of the reasons
 282 for the denial, and the veteran may reapply. The Legislature
 283 may, by general law, waive the annual application requirement in
 284 subsequent years. This subsection shall take effect December 7,
 285 2006, is self-executing, and does not require implementing
 286 legislation.

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

289 CONSTITUTIONAL AMENDMENT

290 ARTICLE VII, SECTIONS 4 AND 6

291 COMMERCIAL AND RESIDENTIAL RENTAL PROPERTY ASSESSMENT

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