

By the Committee on Community Affairs; and Senator Fasano

578-03126-10

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Senate Joint Resolution

A joint resolution proposing an amendment to Sections 4 and 6 of Article VII and the creation of Sections 31 and 32 of Article XII of the State Constitution to reduce from 10 percent to 5 percent the limitation on annual assessment increases applicable to nonhomestead real property, provide an additional homestead exemption for new owners of homestead property and application and limitations with respect thereto, and provide an effective date.

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 Sections 31 and 32 of 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,

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30 limitations, and reasonable definitions specified therein, land
31 used for conservation purposes shall be classified by general
32 law and assessed solely on the basis of character or use.

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

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

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

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

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

51 (2) No assessment shall exceed just value.

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

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

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

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

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

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

74 (8)a. A person who establishes a new homestead as of
75 January 1, 2009, or January 1 of any subsequent year and who has
76 received a homestead exemption pursuant to Section 6 of this
77 Article as of January 1 of either of the 2 ~~two~~ years immediately
78 preceding the establishment of the new homestead is entitled to
79 have the new homestead assessed at less than just value. If this
80 revision is approved in January of 2008, a person who
81 establishes a new homestead as of January 1, 2008, is entitled
82 to have the new homestead assessed at less than just value only
83 if that person received a homestead exemption on January 1,
84 2007. The assessed value of the newly established homestead
85 shall be determined as follows:

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

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

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

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

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

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

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117 requirements for eligible properties must be specified by
118 general law.

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

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

131 (2) Twenty percent of the total assessed value of the
132 property as improved.

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

138 (1) Assessments subject to this subsection shall be changed
139 annually on the date of assessment provided by law; but those
140 changes in assessments shall not exceed 5 ~~ten~~ percent ~~(10%)~~ of
141 the assessment for the prior year.

142 (2) No assessment shall exceed just value.

143 (3) After a change of ownership or control, as defined by
144 general law, including any change of ownership of a legal entity
145 that owns the property, such property shall be assessed at just

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146 value as of the next assessment date. Thereafter, such property
147 shall be assessed as provided in this subsection.

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

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

157 (1) Assessments subject to this subsection shall be changed
158 annually on the date of assessment provided by law; but those
159 changes in assessments shall not exceed 5 ~~ten~~ percent ~~(10%)~~ of
160 the assessment for the prior year.

161 (2) No assessment shall exceed just value.

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

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

173 (5) Changes, additions, reductions, or improvements to such
174 property shall be assessed as provided for by general law;

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175 however, after the adjustment for any change, addition,
176 reduction, or improvement, the property shall be assessed as
177 provided in this subsection.

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

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

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

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

187 a. Land used predominantly for commercial fishing purposes.

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

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

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

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

197 SECTION 6. Homestead exemptions.—

198 (a) Every person who has the legal or equitable title to
199 real estate and maintains thereon the permanent residence of the
200 owner, or another legally or naturally dependent upon the owner,
201 shall be exempt from taxation thereon, except assessments for
202 special benefits, up to the assessed valuation of \$25,000
203 ~~twenty five thousand dollars~~ and, for all levies other than

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204 school district levies, on the assessed valuation greater than
205 \$50,000 ~~fifty thousand dollars~~ and up to \$75,000 ~~seventy-five~~
206 ~~thousand dollars~~, upon establishment of right thereto in the
207 manner prescribed by law. The real estate may be held by legal
208 or equitable title, by the entireties, jointly, in common, as a
209 condominium, or indirectly by stock ownership or membership
210 representing the owner's or member's proprietary interest in a
211 corporation owning a fee or a leasehold initially in excess of
212 98 ~~ninety-eight~~ years. The exemption shall not apply with
213 respect to any assessment roll until such roll is first
214 determined to be in compliance with the provisions of Section 4
215 of this Article by a state agency designated by general law.
216 This exemption is repealed on the effective date of any
217 amendment to this Article which provides for the assessment of
218 homestead property at less than just value.

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

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

231 (d) The legislature may, by general law, allow counties or
232 municipalities, for the purpose of their respective tax levies

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233 and subject to the provisions of general law, to grant an
234 additional homestead tax exemption not exceeding \$50,000 ~~fifty~~
235 ~~thousand dollars~~ to any person who has the legal or equitable
236 title to real estate and maintains thereon the permanent
237 residence of the owner and who has attained age 65 ~~sixty-five~~
238 and whose household income, as defined by general law, does not
239 exceed \$20,000 ~~twenty thousand dollars~~. The general law must
240 allow counties and municipalities to grant this additional
241 exemption, within the limits prescribed in this subsection, by
242 ordinance adopted in the manner prescribed by general law, and
243 must provide for the periodic adjustment of the income
244 limitation prescribed in this subsection for changes in the cost
245 of living.

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

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262 that reasonably identifies the disability as combat related, and
263 a copy of the veteran's honorable discharge. If the property
264 appraiser denies the request for a discount, the appraiser must
265 notify the applicant in writing of the reasons for the denial,
266 and the veteran may reapply. The legislature may, by general
267 law, waive the annual application requirement in subsequent
268 years. This subsection shall take effect December 7, 2006, is
269 self-executing, and does not require implementing legislation.

270 (f) As provided by general law and subject to conditions
271 specified therein, every person who establishes the right to
272 receive the homestead exemption provided in subsection (a)
273 within 1 year after purchasing the homestead property and who
274 has not owned property in the previous 3 years to which the
275 homestead exemption provided in subsection (a) applied is
276 entitled to an additional homestead exemption in an amount equal
277 to 50 percent of the homestead property's just value on January
278 1 of the year the homestead is established. The additional
279 exemption shall apply for a period of 5 years or until the year
280 the property is sold, whichever occurs first. The amount of the
281 additional exemption shall not exceed \$100,000 and shall be
282 reduced in each subsequent year by an amount equal to 20 percent
283 of the amount of the additional exemption received in the year
284 the homestead was established or by an amount equal to the
285 difference between the just value of the property and the
286 assessed value of the property determined under Section 4(d) of
287 this Article, whichever is greater. Not more than one exemption
288 provided under this subsection shall be allowed per homestead
289 property. The additional exemption shall apply to property
290 purchased after January 1, 2010, but shall not be available in

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291 the sixth and subsequent years after the additional exemption is
 292 first received.

293 ARTICLE XII

294 SCHEDULE

295 SECTION 31. Property tax limit for nonhomestead property.-
 296 The amendment to Section 4 of Article VII reducing the limit on
 297 the maximum annual increase in the assessed value of
 298 nonhomestead property from 10 percent to 5 percent and this
 299 section shall take effect January 1, 2011.

300 SECTION 32. Additional homestead exemption for new owners
 301 of homestead property.-The amendment to Section 6 of Article VII
 302 providing for an additional homestead exemption for new owners
 303 of homestead property who have not owned homestead property
 304 during the immediately preceding 3 years and this section shall
 305 take effect January 1, 2011, and shall be available for
 306 properties purchased on or after January 1, 2010.

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

309 CONSTITUTIONAL AMENDMENT

310 ARTICLE VII, SECTIONS 4, 6

311 ARTICLE XII, SECTIONS 31, 32

312 REDUCED NONHOMESTEAD PROPERTY ANNUAL ASSESSMENT INCREASE
 313 LIMITATION; ADDITIONAL HOMESTEAD EXEMPTION FOR NEW HOMESTEAD
 314 PROPERTY OWNERS.-

315 (1) This amendment reduces from 10 percent to 5 percent the
 316 limitation on annual increases in assessments of nonhomestead
 317 real property and provides an effective date of January 1, 2011.

318 (2) This amendment also provides new owners of homestead
 319 property who have not owned homestead property during the

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320 immediately preceding 3 years with an additional homestead
321 exemption equal to 50 percent of the property's just value in
322 the first year, limited to \$100,000; applies the additional
323 exemption for the shorter of 5 years or the year of sale of the
324 property; reduces the amount of the additional exemption in each
325 succeeding year for 5 years by the greater of 20 percent of the
326 amount of the initial additional exemption or the difference
327 between the just value and the assessed value of the property;
328 limits the additional exemption to one per homestead property;
329 limits the additional exemption to properties purchased after
330 January 1, 2010; prohibits availability of the additional
331 exemption in the sixth and subsequent years after the additional
332 exemption is granted; and provides for the amendment to take
333 effect January 1, 2011, and apply to properties purchased on or
334 after January 1, 2010.