

By Senator Gardiner

9-01626-10

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Senate Joint Resolution

A joint resolution proposing an amendment to Section 4 of Article VII and the creation of a new section in Article XII of the State Constitution to prohibit increases in the assessed value of homestead property if the market value of the property decreases.

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

That the following amendment to Section 4 of Article VII and the creation of a new section 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 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 change ~~be~~
39 ~~changed~~ annually on January 1 ~~1st~~ of each year, ~~but those~~
40 ~~changes in assessments~~

41 a. An increase in an assessment may ~~shall~~ not exceed the
42 lower of the following:

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

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

50 b. An assessment may not increase if the just value of the
51 property is less than the just value of the property on the
52 preceding January 1.

53 (2) An ~~No~~ assessment may not ~~shall~~ exceed just value.

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

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59 (4) New homestead property shall be assessed at just value
60 as of January 1 ~~1st~~ of the year following the establishment of
61 the homestead, unless the provisions of paragraph (8) apply.
62 That assessment shall ~~only~~ change only as provided in this
63 subsection.

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

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

71 (7) The provisions of this subsection ~~amendment~~ are
72 severable. If a provision ~~any of the provisions~~ of this
73 amendment ~~is~~ ~~shall be~~ held unconstitutional by a ~~any~~ court of
74 competent jurisdiction, the decision of the ~~such~~ court does
75 ~~shall~~ not affect or impair any remaining provisions of this
76 subsection ~~amendment~~.

77 (8)a. A person who ~~establishes a new homestead as of~~
78 ~~January 1, 2009, or January 1 of any subsequent year and who has~~
79 ~~received a homestead exemption pursuant to Section 6 of this~~
80 ~~Article~~ as of January 1 of either of the two years immediately
81 preceding the establishment of a ~~the~~ new homestead is entitled
82 to have the new homestead assessed at less than just value. ~~If~~
83 ~~this revision is approved in January of 2008, a person who~~
84 ~~establishes a new homestead as of January 1, 2008, is entitled~~
85 ~~to have the new homestead assessed at less than just value only~~
86 ~~if that person received a homestead exemption on January 1,~~
87 ~~2007.~~ The assessed value of the newly established homestead

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88 shall be determined as follows:

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

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

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

114 (e) The legislature may, by general law, for assessment
115 purposes and subject to the provisions of this subsection, allow
116 counties and municipalities to authorize by ordinance that

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117 historic property may be assessed solely on the basis of
118 character or use. Such character or use assessment shall apply
119 only to the jurisdiction adopting the ordinance. The
120 requirements for eligible properties must be specified by
121 general law.

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

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

134 (2) Twenty percent of the total assessed value of the
135 property as improved.

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

141 (1) Assessments subject to this subsection shall be changed
142 annually on the date of assessment provided by law. However,
143 ~~but~~ those changes in assessments may ~~shall~~ not exceed ten
144 percent ~~(10%)~~ of the assessment for the prior year.

145 (2) An ~~No~~ assessment may not ~~shall~~ exceed just value.

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

151 (4) Changes, additions, reductions, or improvements to such
152 property shall be assessed as provided for by general law.+
153 However, after the adjustment for any change, addition,
154 reduction, or improvement, the property shall be assessed as
155 provided in this subsection.

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

160 (1) Assessments subject to this subsection shall be changed
161 annually on the date of assessment provided by law. However, ~~but~~
162 those changes in assessments may ~~shall~~ not exceed ten percent
163 ~~(10%)~~ of the assessment for the prior year.

164 (2) An ~~No~~ assessment may not ~~shall~~ exceed just value.

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

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

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175 provided in this subsection.

176 (5) Changes, additions, reductions, or improvements to such
 177 property shall be assessed as provided for by general law.~~†~~
 178 However, after the adjustment for any change, addition,
 179 reduction, or improvement, the property shall be assessed as
 180 provided in this subsection.

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

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

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

188 (j) (1) The assessment of the following working waterfront
 189 properties shall be based upon the current use of the property:
 190 a. Land used predominantly for commercial fishing purposes.
 191 b. Land that is accessible to the public and used for
 192 vessel launches into waters that are navigable.
 193 c. Marinas and drystacks that are open to the public.
 194 d. Water-dependent marine manufacturing facilities,
 195 commercial fishing facilities, and marine vessel construction
 196 and repair facilities and their support activities.

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

200 ARTICLE XII

201 SCHEDULE

202 Assessment of homestead property that has declining market
 203 value.—The amendment to Section 4 of Article VII, relating to

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204 homestead property having a declining market value, and this
205 section shall take effect January 1, 2011.

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

208 CONSTITUTIONAL AMENDMENT

209 ARTICLE VII, SECTION 4

210 ARTICLE XII

211 ASSESSMENT OF HOMESTEAD PROPERTY THAT HAS A DECLINING
212 MARKET VALUE.—In certain circumstances, current law requires an
213 increase in the assessed value of homestead property even if the
214 market value of the property decreases. Under this proposed
215 amendment to the State Constitution, the assessed value of
216 homestead property would not increase if the market value of
217 that property decreases.