

By Senator Fasano

11-00160-11

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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 fair market value of the property decreases and to provide an effective date.

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.

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

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

39 (1) Assessments subject to this subsection shall change ~~be~~  
40 ~~changed~~ annually on January 1 ~~1st~~ of each year, ~~but these~~  
41 ~~changes in assessments~~

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

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

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

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

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

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

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59 as provided in this subsection.

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

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

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

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

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

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88 ~~2007~~. The assessed value of the newly established homestead  
89 shall be determined as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

161 (1) Assessments subject to this subsection shall be changed  
162 annually on the date of assessment provided by law. However, +  
163 ~~but~~ those changes in assessments shall not exceed ten percent  
164 ~~(10%)~~ of the assessment for the prior year.

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

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

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

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175 the property. Thereafter, such property shall be assessed as  
176 provided in this subsection.

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

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

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

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

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

191 a. Land used predominantly for commercial fishing purposes.

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

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

195 d. Water-dependent marine manufacturing facilities,  
196 commercial fishing facilities, and marine vessel construction  
197 and repair facilities and their support activities.

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

201 ARTICLE XII

202 SCHEDULE

203 Assessment of homestead property that has declining market

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204 value.-The amendment to Section 4 of Article VII, relating to  
205 homestead property having a declining market value, and this  
206 section shall take effect January 1, 2013.

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

209 CONSTITUTIONAL AMENDMENT

210 ARTICLE VII, SECTION 4

211 ARTICLE XII

212 ASSESSMENT OF HOMESTEAD PROPERTY HAVING A DECLINING MARKET  
213 VALUE.-In certain circumstances, the law requires the assessed  
214 value of homestead property to increase when the fair market  
215 value of the property decreases. Under this proposed amendment  
216 to the State Constitution, the assessed value of homestead  
217 property will not increase if the fair market value of that  
218 property decreases. If approved by the voters, the amendment  
219 will take effect January 1, 2013.