

HJR 381

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House Joint Resolution

A joint resolution proposing amendments to Sections 4 and 6 of Article VII and the creation of Sections 32 and 33 of 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, reduce the limitation on annual assessment increases applicable to nonhomestead real property, provide an additional homestead exemption for owners of homestead property who have not owned homestead property for a specified time before purchase of the current homestead property, and application and limitations with respect thereto, and provide effective dates.

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 32 and 33 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:

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28 (a) Agricultural land, land producing high water recharge
 29 to Florida's aquifers, or land used exclusively for
 30 noncommercial recreational purposes may be classified by general
 31 law and assessed solely on the basis of character or use.

32 (b) As provided by general law and subject to conditions,
 33 limitations, and reasonable definitions specified therein, land
 34 used for conservation purposes shall be classified by general
 35 law and assessed solely on the basis of character or use.

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

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

45 (1) Assessments subject to this subsection shall change ~~be~~
 46 ~~changed~~ annually on January 1 ~~1st~~ of each year. ~~but those~~
 47 ~~changes in assessments~~

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

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

52 2.b. The percent change in the Consumer Price Index for
 53 all urban consumers, U.S. City Average, all items 1967=100, or a
 54 successor index ~~reports~~ for the preceding calendar year ~~as~~

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55 ~~initially reported by the United States Department of Labor,~~
 56 ~~Bureau of Labor Statistics.~~

57 b. An assessment may not increase if the just value of the
 58 property is less than the just value of the property on the
 59 preceding January 1.

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

61 (3) After a ~~any~~ change of ownership, as provided by
 62 general law, homestead property shall be assessed at just value
 63 as of January 1 of the following year, unless the provisions of
 64 paragraph (8) apply. Thereafter, the homestead shall be assessed
 65 as provided in this subsection.

66 (4) New homestead property shall be assessed at just value
 67 as of January 1 ~~1st~~ of the year following the establishment of
 68 the homestead, unless the provisions of paragraph (8) apply.
 69 That assessment shall ~~only~~ change only as provided in this
 70 subsection.

71 (5) Changes, additions, reductions, or improvements to
 72 homestead property shall be assessed as provided for by general
 73 law. ~~;~~ ~~provided,~~ However, after the adjustment for any change,
 74 addition, reduction, or improvement, the property shall be
 75 assessed as provided in this subsection.

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

78 (7) The provisions of this subsection ~~amendment~~ are
 79 severable. If a provision ~~any of the provisions~~ of this
 80 subsection is ~~amendment shall be~~ held unconstitutional by a ~~any~~
 81 court of competent jurisdiction, the decision of the ~~such~~ court

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82 does ~~shall~~ not affect or impair any remaining provisions of this
 83 subsection ~~amendment~~.

84 (8)a. A person who ~~establishes a new homestead as of~~
 85 ~~January 1, 2009, or January 1 of any subsequent year and who has~~
 86 received a homestead exemption pursuant to Section 6 ~~of this~~
 87 ~~Article~~ as of January 1 of either of the 2 ~~two~~ years immediately
 88 preceding the establishment of a ~~the~~ new homestead is entitled
 89 to have the new homestead assessed at less than just value. ~~If~~
 90 ~~this revision is approved in January of 2008, a person who~~
 91 ~~establishes a new homestead as of January 1, 2008, is entitled~~
 92 ~~to have the new homestead assessed at less than just value only~~
 93 ~~if that person received a homestead exemption on January 1,~~
 94 ~~2007.~~ The assessed value of the newly established homestead
 95 shall be determined as follows:

96 1. If the just value of the new homestead is greater than
 97 or equal to the just value of the prior homestead as of January
 98 1 of the year in which the prior homestead was abandoned, the
 99 assessed value of the new homestead shall be the just value of
 100 the new homestead minus an amount equal to the lesser of
 101 \$500,000 or the difference between the just value and the
 102 assessed value of the prior homestead as of January 1 of the
 103 year in which the prior homestead was abandoned. Thereafter, the
 104 homestead shall be assessed as provided in this subsection.

105 2. If the just value of the new homestead is less than the
 106 just value of the prior homestead as of January 1 of the year in
 107 which the prior homestead was abandoned, the assessed value of
 108 the new homestead shall be equal to the just value of the new
 109 homestead divided by the just value of the prior homestead and

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110 multiplied by the assessed value of the prior homestead.
 111 However, if the difference between the just value of the new
 112 homestead and the assessed value of the new homestead calculated
 113 pursuant to this sub-subparagraph is greater than \$500,000, the
 114 assessed value of the new homestead shall be increased so that
 115 the difference between the just value and the assessed value
 116 equals \$500,000. Thereafter, the homestead shall be assessed as
 117 provided in this subsection.

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

121 (e) The legislature may, by general law, for assessment
 122 purposes and subject to the provisions of this subsection, allow
 123 counties and municipalities to authorize by ordinance that
 124 historic property may be assessed solely on the basis of
 125 character or use. Such character or use assessment shall apply
 126 only to the jurisdiction adopting the ordinance. The
 127 requirements for eligible properties must be specified by
 128 general law.

129 (f) A county may, in the manner prescribed by general law,
 130 provide for a reduction in the assessed value of homestead
 131 property to the extent of any increase in the assessed value of
 132 that property which results from the construction or
 133 reconstruction of the property for the purpose of providing
 134 living quarters for one or more natural or adoptive grandparents
 135 or parents of the owner of the property or of the owner's spouse
 136 if at least one of the grandparents or parents for whom the

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137 living quarters are provided is 62 years of age or older. Such a
 138 reduction may not exceed the lesser of the following:

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

141 (2) Twenty percent of the total assessed value of the
 142 property as improved.

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

148 (1) Assessments subject to this subsection shall be
 149 changed annually on the date of assessment provided by law.
 150 However, ~~but~~ those changes in assessments may ~~shall~~ not exceed
 151 3 ~~ten~~ percent ~~(10%)~~ of the assessment for the prior year.

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

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

158 (4) Changes, additions, reductions, or improvements to
 159 such property shall be assessed as provided for by general law. +
 160 However, after the adjustment for any change, addition,
 161 reduction, or improvement, the property shall be assessed as
 162 provided in this subsection.

163 (h) For all levies other than school district levies,
 164 assessments of real property that is not subject to the

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165 assessment limitations set forth in subsections (a) through (d)
 166 and (g) shall change only as provided in this subsection.

167 (1) Assessments subject to this subsection shall be
 168 changed annually on the date of assessment provided by law.
 169 However, ~~but~~ those changes in assessments may ~~shall~~ not exceed
 170 3 ~~ten~~ percent ~~(10%)~~ of the assessment for the prior year.

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

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

177 (4) The legislature may provide that such property shall
 178 be assessed at just value as of the next assessment date after a
 179 change of ownership or control, as defined by general law,
 180 including any change of ownership of the legal entity that owns
 181 the property. Thereafter, such property shall be assessed as
 182 provided in this subsection.

183 (5) Changes, additions, reductions, or improvements to
 184 such property shall be assessed as provided for by general law.
 185 However, after the adjustment for any change, addition,
 186 reduction, or improvement, the property shall be assessed as
 187 provided in this subsection.

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

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

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

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

197 a. Land used predominantly for commercial fishing
 198 purposes.

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

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

202 d. Water-dependent marine manufacturing facilities,
 203 commercial fishing facilities, and marine vessel construction
 204 and repair facilities and their support activities.

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

208 SECTION 6. Homestead exemptions.—

209 (a) Every person who has the legal or equitable title to
 210 real estate and maintains thereon the permanent residence of the
 211 owner, or another legally or naturally dependent upon the owner,
 212 shall be exempt from taxation thereon, except assessments for
 213 special benefits, up to the assessed valuation of \$25,000
 214 ~~twenty-five thousand dollars~~ and, for all levies other than
 215 school district levies, on the assessed valuation greater than
 216 \$50,000 ~~fifty thousand dollars~~ and up to \$75,000 ~~seventy-five~~
 217 ~~thousand dollars~~, upon establishment of right thereto in the
 218 manner prescribed by law. The real estate may be held by legal
 219 or equitable title, by the entirety, jointly, in common, as a

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220 condominium, or indirectly by stock ownership or membership
221 representing the owner's or member's proprietary interest in a
222 corporation owning a fee or a leasehold initially in excess of
223 98 ~~ninety-eight~~ years. The exemption shall not apply with
224 respect to any assessment roll until such roll is first
225 determined to be in compliance with the provisions of Section 4
226 by a state agency designated by general law. This exemption is
227 repealed on the effective date of any amendment to this Article
228 which provides for the assessment of homestead property at less
229 than just value.

230 (b) Not more than one exemption shall be allowed any
231 individual or family unit or with respect to any residential
232 unit. No exemption shall exceed the value of the real estate
233 assessable to the owner or, in case of ownership through stock
234 or membership in a corporation, the value of the proportion
235 which the interest in the corporation bears to the assessed
236 value of the property.

237 (c) By general law and subject to conditions specified
238 therein, the legislature may provide to renters, who are
239 permanent residents, ad valorem tax relief on all ad valorem tax
240 levies. Such ad valorem tax relief shall be in the form and
241 amount established by general law.

242 (d) The legislature may, by general law, allow counties or
243 municipalities, for the purpose of their respective tax levies
244 and subject to the provisions of general law, to grant an
245 additional homestead tax exemption not exceeding \$50,000 ~~fifty~~
246 ~~thousand dollars~~ to any person who has the legal or equitable
247 title to real estate and maintains thereon the permanent

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248 residence of the owner and who has attained age 65 ~~sixty-five~~
 249 and whose household income, as defined by general law, does not
 250 exceed \$20,000 ~~twenty thousand dollars~~. The general law must
 251 allow counties and municipalities to grant this additional
 252 exemption, within the limits prescribed in this subsection, by
 253 ordinance adopted in the manner prescribed by general law, and
 254 must provide for the periodic adjustment of the income
 255 limitation prescribed in this subsection for changes in the cost
 256 of living.

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

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276 | notify the applicant in writing of the reasons for the denial,
 277 | and the veteran may reapply. The legislature may, by general
 278 | law, waive the annual application requirement in subsequent
 279 | years. This subsection shall take effect December 7, 2006, is
 280 | self-executing, and does not require implementing legislation.

281 | (f) As provided by general law and subject to conditions
 282 | specified therein, every person who establishes the right to
 283 | receive the homestead exemption provided in subsection (a)
 284 | within 1 year after purchasing the homestead property and who
 285 | has not owned property in the previous 3 calendar years to which
 286 | the homestead exemption provided in subsection (a) applied is
 287 | entitled to an additional homestead exemption in an amount equal
 288 | to 50 percent of the homestead property's just value on January
 289 | 1 of the year the homestead is established for all levies other
 290 | than school district levies. The additional exemption shall
 291 | apply for a period of 5 years or until the year the property is
 292 | sold, whichever occurs first. The amount of the additional
 293 | exemption shall not exceed \$200,000 and shall be reduced in each
 294 | subsequent year by an amount equal to 20 percent of the amount
 295 | of the additional exemption received in the year the homestead
 296 | was established or by an amount equal to the difference between
 297 | the just value of the property and the assessed value of the
 298 | property determined under Section 4(d), whichever is greater.
 299 | Not more than one exemption provided under this subsection shall
 300 | be allowed per homestead property. The additional exemption
 301 | shall apply to property purchased on or after January 1, 2012,
 302 | but shall not be available in the sixth and subsequent years
 303 | after the additional exemption is first received.

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ARTICLE XII

SCHEDULE

SECTION 32. Property assessments.—This section and the amendment of Section 4 of Article VII protecting homestead property having a declining market value and reducing the limit on the maximum annual increase in the assessed value of nonhomestead property from 10 percent to 3 percent shall take effect January 1, 2013.

SECTION 33. Additional homestead exemption for owners of homestead property who recently have not owned homestead property.—This section and the amendment to Section 6 of Article VII providing for an additional homestead exemption for owners of homestead property who have not owned homestead property during the 3 calendar years immediately preceding purchase of the current homestead property shall take effect January 1, 2013, and the additional homestead exemption shall be available for properties purchased on or after January 1, 2012.

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

CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTIONS 4, 6

ARTICLE XII, SECTIONS 32, 33

PROPERTY ASSESSMENT; HOMESTEAD VALUE DECLINE; NONHOMESTEAD INCREASE LIMITATION REDUCTION; ADDITIONAL HOMESTEAD EXEMPTION.—

(1) In certain circumstances, the law requires the assessed value of homestead property to increase when the fair market value of the property decreases. Therefore, this amendment provides that the assessed value of homestead property

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332 will not increase if the fair market value of that property
 333 decreases and provides an effective date of January 1, 2013.

334 (2) This amendment reduces from 10 percent to 3 percent
 335 the limitation on annual increases in assessments of
 336 nonhomestead real property and provides an effective date of
 337 January 1, 2013.

338 (3) This amendment also provides owners of homestead
 339 property who have not owned homestead property during the 3
 340 calendar years immediately preceding purchase of the current
 341 homestead property with an additional homestead exemption equal
 342 to 50 percent of the property's just value in the first year for
 343 all levies other than school district levies, limited to
 344 \$200,000; applies the additional exemption for the shorter of 5
 345 years or the year of sale of the property; reduces the amount of
 346 the additional exemption in each succeeding year for 5 years by
 347 the greater of 20 percent of the amount of the initial
 348 additional exemption or the difference between the just value
 349 and the assessed value of the property; limits the additional
 350 exemption to one per homestead property; limits the additional
 351 exemption to properties purchased on or after January 1, 2012;
 352 prohibits availability of the additional exemption in the sixth
 353 and subsequent years after the additional exemption is granted;
 354 and provides for the amendment to take effect January 1, 2013,
 355 and apply to properties purchased on or after January 1, 2012.