

House Joint Resolution

A joint resolution proposing an amendment to Sections 2, 4, and 9 of Article VII of the State Constitution to prevent taxes from increasing on homestead and nonhomestead property with a declining market value by prohibiting increases in the annual assessment and the applicable millage rate.

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

That the following amendments to Sections 2, 4, and 9 of Article VII 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 2. Taxes; rate.—All ad valorem taxation shall be at a uniform rate within each taxing unit, except the taxes on real property may be at different rates if the property is not subject to an assessment increase under Section 4 and a millage increase under Section 9 and except the taxes on intangible personal property may be at different rates but shall never exceed two mills on the dollar of assessed value; provided, as to any obligations secured by mortgage, deed of trust, or other lien on real estate wherever located, an intangible tax of not more than two mills on the dollar may be levied by law to be in lieu of all other intangible assessments on such obligations.

29 SECTION 4. Taxation; assessments.—By general law
 30 regulations shall be prescribed which shall secure a just
 31 valuation of all property for ad valorem taxation, provided:

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

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

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

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

49 (1) Assessments subject to this subsection shall be
 50 changed annually on January 1 ~~1st~~ of each year.

51 a. An increase in an assessment; but those changes in
 52 ~~assessments~~ shall not exceed the lower of the following:

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

55 2.b. The percent change in the Consumer Price Index for
 56 all urban consumers, U.S. City Average, all items 1967=100, or

57 | successor reports for the preceding calendar year as initially
 58 | reported by the United States Department of Labor, Bureau of
 59 | Labor Statistics.

60 | b. An assessment shall not increase if the just value of
 61 | the property is less than the just value of the property on the
 62 | preceding January 1.

63 | (2) No assessment shall exceed just value.

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

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

74 | (5) Changes, additions, reductions, or improvements to
 75 | homestead property shall be assessed as provided for by general
 76 | law; provided, however, after the adjustment for any change,
 77 | addition, reduction, or improvement, the property shall be
 78 | assessed as provided in this subsection.

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

81 | (7) The provisions of this amendment are severable. If any
 82 | of the provisions of this amendment shall be held
 83 | unconstitutional by any court of competent jurisdiction, the
 84 | decision of such court shall not affect or impair any remaining

85 provisions of this amendment.

86 (8)a. A person who establishes a new homestead as of
 87 January 1, 2009, or January 1 of any subsequent year and who has
 88 received a homestead exemption pursuant to Section 6 of this
 89 Article as of January 1 of either of the two years immediately
 90 preceding the establishment of the new homestead is entitled to
 91 have the new homestead assessed at less than just value. If this
 92 revision is approved in January of 2008, a person who
 93 establishes a new homestead as of January 1, 2008, is entitled
 94 to have the new homestead assessed at less than just value only
 95 if that person received a homestead exemption on January 1,
 96 2007. The assessed value of the newly established homestead
 97 shall be determined as follows:

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

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

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

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

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

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

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

143 (2) Twenty percent of the total assessed value of the
 144 property as improved.

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

150 (1) Assessments subject to this subsection shall be
 151 changed annually on the date of assessment provided by law,[†] but
 152 an increase ~~those changes~~ in assessments shall not exceed ten
 153 percent ~~(10%)~~ of the assessment for the prior year. An
 154 assessment shall not increase if the just value of the property
 155 is less than the just value of the property on the preceding
 156 date of assessment provided by law.

157 (2) No assessment shall exceed just value.

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

163 (4) Changes, additions, reductions, or improvements to
 164 such property shall be assessed as provided for by general law;
 165 however, after the adjustment for any change, addition,
 166 reduction, or improvement, the property shall be assessed as
 167 provided in this subsection.

168 (h) For all levies other than school district levies,

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169 assessments of real property that is not subject to the
 170 assessment limitations set forth in subsections (a) through (d)
 171 and (g) shall change only as provided in this subsection.

172 (1) Assessments subject to this subsection shall be
 173 changed annually on the date of assessment provided by law, ~~+~~ but
 174 an increase ~~those changes~~ in assessments shall not exceed ten
 175 percent ~~(10%)~~ of the assessment for the prior year. An
 176 assessment shall not increase if the just value of the property
 177 is less than the just value of the property on the preceding
 178 date of assessment provided by law.

179 (2) No assessment shall exceed just value.

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

185 (4) The legislature may provide that such property shall
 186 be assessed at just value as of the next assessment date after a
 187 change of ownership or control, as defined by general law,
 188 including any change of ownership of the legal entity that owns
 189 the property. Thereafter, such property shall be assessed as
 190 provided in this subsection.

191 (5) Changes, additions, reductions, or improvements to
 192 such property shall be assessed as provided for by general law;
 193 however, after the adjustment for any change, addition,
 194 reduction, or improvement, the property shall be assessed as
 195 provided in this subsection.

196 (i) The legislature, by general law and subject to

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197 conditions specified therein, may prohibit the consideration of
 198 the following in the determination of the assessed value of real
 199 property used for residential purposes:

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

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

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

205 a. Land used predominantly for commercial fishing
 206 purposes.

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

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

210 d. Water-dependent marine manufacturing facilities,
 211 commercial fishing facilities, and marine vessel construction
 212 and repair facilities and their support activities.

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

216 SECTION 9. Local taxes.—

217 (a) Counties, school districts, and municipalities shall,
 218 and special districts may, be authorized by law to levy ad
 219 valorem taxes and may be authorized by general law to levy other
 220 taxes, for their respective purposes, except ad valorem taxes on
 221 intangible personal property and taxes prohibited by this
 222 constitution.

223 (b) Ad valorem taxes, exclusive of taxes levied for the
 224 payment of bonds and taxes levied for periods not longer than

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225 two years when authorized by vote of the electors who are the
 226 owners of freeholds therein not wholly exempt from taxation,
 227 shall not be levied in excess of the following millages upon the
 228 assessed value of real estate and tangible personal property:
 229 for all county purposes, ten mills; for all municipal purposes,
 230 ten mills; for all school purposes, ten mills; for water
 231 management purposes for the northwest portion of the state lying
 232 west of the line between ranges two and three east, 0.05 mill;
 233 for water management purposes for the remaining portions of the
 234 state, 1.0 mill; and for all other special districts a millage
 235 authorized by law approved by vote of the electors who are
 236 owners of freeholds therein not wholly exempt from taxation. A
 237 county furnishing municipal services may, to the extent
 238 authorized by law, levy additional taxes within the limits fixed
 239 for municipal purposes.

240 (c) An increase in millage by a county, municipality, or
 241 special district shall not apply to any real property if the
 242 property's assessment may not be increased under Section 4
 243 because the just value of the property is less than the just
 244 value of the property on the preceding date of assessment
 245 provided by law. An increase in millage by a school district
 246 shall not apply to homestead property if the property's
 247 assessment may not be increased under Section 4 because the just
 248 value of the property is less than the just value of the
 249 property on the preceding date of assessment provided by law.

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

252 CONSTITUTIONAL AMENDMENT

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253 ARTICLE VII, SECTIONS 2, 4, 9
 254 HOMESTEAD AND NONHOMESTEAD PROPERTY WITH A DECLINING MARKET
 255 VALUE; PROHIBITING INCREASES IN ASSESSMENTS OR MILLAGE.—
 256 Proposing an amendment to the State Constitution to prevent
 257 property taxes from increasing on homestead and nonhomestead
 258 property with a declining fair market value by prohibiting
 259 increases in either the assessed value or millage rate
 260 applicable to the property.