

By Senator Fasano

11-00446A-11

2011658

Senate 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:

(a) Agricultural land, land producing high water recharge

11-00446A-11

2011658

30 to Florida's aquifers, or land used exclusively for
31 noncommercial recreational purposes may be classified by general
32 law and assessed solely on the basis of character or use.

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

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

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

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

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

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

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

58 b. An assessment may not increase if the just value of the

11-00446A-11

2011658__

59 property is less than the just value of the property on the
60 preceding January 1.

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

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

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

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

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

79 (7) The provisions of this subsection ~~amendment~~ are
80 severable. If a provision ~~any of the provisions~~ of this
81 subsection is ~~amendment shall be~~ held unconstitutional by a ~~any~~
82 court of competent jurisdiction, the decision of the ~~such~~ court
83 does ~~shall~~ not affect or impair any remaining provisions of this
84 subsection ~~amendment~~.

85 (8)a. A person who ~~establishes a new homestead as of~~
86 ~~January 1, 2009, or January 1 of any subsequent year and who has~~
87 received a homestead exemption pursuant to Section 6 ~~of this~~

11-00446A-11

2011658

88 ~~Article~~ as of January 1 of either of the 2 ~~two~~ years immediately
89 preceding the establishment of a ~~the~~ new homestead is entitled
90 to have the new homestead assessed at less than just value. ~~If~~
91 ~~this revision is approved in January of 2008, a person who~~
92 ~~establishes a new homestead as of January 1, 2008, is entitled~~
93 ~~to have the new homestead assessed at less than just value only~~
94 ~~if that person received a homestead exemption on January 1,~~
95 ~~2007.~~ The assessed value of the newly established homestead
96 shall be determined as follows:

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

106 2. If the just value of the new homestead is less than the
107 just value of the prior homestead as of January 1 of the year in
108 which the prior homestead was abandoned, the assessed value of
109 the new homestead shall be equal to the just value of the new
110 homestead divided by the just value of the prior homestead and
111 multiplied by the assessed value of the prior homestead.
112 However, if the difference between the just value of the new
113 homestead and the assessed value of the new homestead calculated
114 pursuant to this sub-subparagraph is greater than \$500,000, the
115 assessed value of the new homestead shall be increased so that
116 the difference between the just value and the assessed value

11-00446A-11

2011658

117 equals \$500,000. Thereafter, the homestead shall be assessed as
118 provided in this subsection.

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

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

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

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

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

144 (g) For all levies other than school district levies,
145 assessments of residential real property, as defined by general

11-00446A-11

2011658__

146 law, which contains nine units or fewer and which is not subject
147 to the assessment limitations set forth in subsections (a)
148 through (d) shall change only as provided in this subsection.

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

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

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

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

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

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

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

173 (3) The legislature must provide that such property shall
174 be assessed at just value as of the next assessment date after a

11-00446A-11

2011658

175 qualifying improvement, as defined by general law, is made to
176 such property. Thereafter, such property shall be assessed as
177 provided in this subsection.

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

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

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

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

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

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

198 a. Land used predominantly for commercial fishing 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

11-00446A-11

2011658

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
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

11-00446A-11

2011658

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
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 or
258 totally permanently disabled shall receive a discount from the
259 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

11-00446A-11

2011658

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
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

11-00446A-11

2011658

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.

ARTICLE XII

SCHEDULE

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

312 SECTION 33. Additional homestead exemption for owners of
313 homestead property who recently have not owned homestead
314 property.—This section and the amendment to Section 6 of Article
315 VII providing for an additional homestead exemption for owners
316 of homestead property who have not owned homestead property
317 during the 3 calendar years immediately preceding purchase of
318 the current homestead property shall take effect January 1,
319 2013, and the additional homestead exemption shall be available

11-00446A-11

2011658

320 for properties purchased on or after January 1, 2012.

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

323 CONSTITUTIONAL AMENDMENT

324 ARTICLE VII, SECTIONS 4, 6

325 ARTICLE XII, SECTIONS 32, 33

326 PROPERTY ASSESSMENT; HOMESTEAD VALUE DECLINE; NONHOMESTEAD
327 INCREASE LIMITATION REDUCTION; ADDITIONAL HOMESTEAD EXEMPTION.-

328 (1) In certain circumstances, the law requires the assessed
329 value of homestead property to increase when the fair market
330 value of the property decreases. Therefore, this amendment
331 provides that the assessed value of homestead property will not
332 increase if the fair market value of that property decreases and
333 provides an effective date of January 1, 2013.

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

337 (3) This amendment also provides owners of homestead
338 property who have not owned homestead property during the 3
339 calendar years immediately preceding purchase of the current
340 homestead property with an additional homestead exemption equal
341 to 50 percent of the property's just value in the first year for
342 all levies other than school district levies, limited to
343 \$200,000; applies the additional exemption for the shorter of 5
344 years or the year of sale of the property; reduces the amount of
345 the additional exemption in each succeeding year for 5 years by
346 the greater of 20 percent of the amount of the initial
347 additional exemption or the difference between the just value
348 and the assessed value of the property; limits the additional

11-00446A-11

2011658__

349 exemption to one per homestead property; limits the additional
350 exemption to properties purchased on or after January 1, 2012;
351 prohibits availability of the additional exemption in the sixth
352 and subsequent years after the additional exemption is granted;
353 and provides for the amendment to take effect January 1, 2013,
354 and apply to properties purchased on or after January 1, 2012.