

By the Committee on Community Affairs; and Senator Fasano

578-02438-11

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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 just 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 to Florida's aquifers, or land used exclusively for

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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 held
37 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 these~~
47 ~~changes in assessments~~

48 a. A change in an assessment may ~~shall~~ not exceed the lower
49 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 all~~
53 ~~urban consumers, U.S. City Average, all items 1967=100, or a~~
54 ~~successor index reports for the preceding calendar year as~~
55 ~~initially reported by the United States Department of Labor,~~
56 ~~Bureau of Labor Statistics.~~

57 b. Except for changes, additions, reductions, or
58 improvements to homestead property assessed as provided in

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59 subsection (d) (5), an assessment may not increase if the just
60 value of the property is less than the just value of the
61 property on the preceding January 1.

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

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

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

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

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

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

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88 received a homestead exemption pursuant to Section 6 ~~of this~~
89 ~~Article~~ as of January 1 of either of the 2 ~~two~~ years immediately
90 preceding the establishment of a ~~the~~ new homestead is entitled
91 to have the new homestead assessed at less than just value. ~~If~~
92 ~~this 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.
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

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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,

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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 changed
151 annually on the date of assessment provided by law. However,
152 ~~but~~ those changes in assessments may ~~shall~~ not exceed 3 ~~ten~~
153 percent ~~(10%)~~ of the assessment for the prior year. An
154 assessment may not increase if the just value of the property is
155 less than the just value of the property on the preceding date
156 of assessment provided by law.

157 (2) An ~~No~~ assessment may not ~~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 such
164 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,
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 changed
173 annually on the date of assessment provided by law. However,
174 ~~but~~ those changes in assessments may ~~shall~~ not exceed 3 ~~ten~~

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175 percent ~~(+10%)~~ of the assessment for the prior year. An
176 assessment may not increase if the just value of the property is
177 less than the just value of the property on the preceding date
178 of assessment provided by law.

179 (2) An ~~No~~ assessment may not ~~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 be
186 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 such
192 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
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

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204 properties shall be based upon the current use of the property:

205 a. Land used predominantly for commercial fishing purposes.

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

208 c. Marinas and drystackes that are open to the public.

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

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

215 SECTION 6. Homestead exemptions.-

216 (a) Every person who has the legal or equitable title to
217 real estate and maintains thereon the permanent residence of the
218 owner, or another legally or naturally dependent upon the owner,
219 shall be exempt from taxation thereon, except assessments for
220 special benefits, up to the assessed valuation of \$25,000
221 ~~twenty-five thousand dollars~~ and, for all levies other than
222 school district levies, on the assessed valuation greater than
223 \$50,000 ~~fifty thousand dollars~~ and up to \$75,000 ~~seventy-five~~
224 ~~thousand dollars~~, upon establishment of right thereto in the
225 manner prescribed by law. The real estate may be held by legal
226 or equitable title, by the entirety, jointly, in common, as a
227 condominium, or indirectly by stock ownership or membership
228 representing the owner's or member's proprietary interest in a
229 corporation owning a fee or a leasehold initially in excess of
230 98 ~~ninety-eight~~ years. The exemption shall not apply with
231 respect to any assessment roll until such roll is first
232 determined to be in compliance with the provisions of Section 4

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233 by a state agency designated by general law. This exemption is
234 repealed on the effective date of any amendment to this Article
235 which provides for the assessment of homestead property at less
236 than just value.

237 (b) Not more than one exemption shall be allowed any
238 individual or family unit or with respect to any residential
239 unit. No exemption shall exceed the value of the real estate
240 assessable to the owner or, in case of ownership through stock
241 or membership in a corporation, the value of the proportion
242 which the interest in the corporation bears to the assessed
243 value of the property.

244 (c) By general law and subject to conditions specified
245 therein, the legislature may provide to renters, who are
246 permanent residents, ad valorem tax relief on all ad valorem tax
247 levies. Such ad valorem tax relief shall be in the form and
248 amount established by general law.

249 (d) The legislature may, by general law, allow counties or
250 municipalities, for the purpose of their respective tax levies
251 and subject to the provisions of general law, to grant an
252 additional homestead tax exemption not exceeding \$50,000 ~~fifty~~
253 ~~thousand dollars~~ to any person who has the legal or equitable
254 title to real estate and maintains thereon the permanent
255 residence of the owner and who has attained age 65 ~~sixty-five~~
256 and whose household income, as defined by general law, does not
257 exceed \$20,000 ~~twenty thousand dollars~~. The general law must
258 allow counties and municipalities to grant this additional
259 exemption, within the limits prescribed in this subsection, by
260 ordinance adopted in the manner prescribed by general law, and
261 must provide for the periodic adjustment of the income

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262 limitation prescribed in this subsection for changes in the cost
263 of living.

264 (e) Each veteran who is age 65 or older who is partially or
265 totally permanently disabled shall receive a discount from the
266 amount of the ad valorem tax otherwise owed on homestead
267 property the veteran owns and resides in if the disability was
268 combat related, the veteran was a resident of this state at the
269 time of entering the military service of the United States, and
270 the veteran was honorably discharged upon separation from
271 military service. The discount shall be in a percentage equal to
272 the percentage of the veteran's permanent, service-connected
273 disability as determined by the United States Department of
274 Veterans Affairs. To qualify for the discount granted by this
275 subsection, an applicant must submit to the county property
276 appraiser, by March 1, proof of residency at the time of
277 entering military service, an official letter from the United
278 States Department of Veterans Affairs stating the percentage of
279 the veteran's service-connected disability and such evidence
280 that reasonably identifies the disability as combat related, and
281 a copy of the veteran's honorable discharge. If the property
282 appraiser denies the request for a discount, the appraiser must
283 notify the applicant in writing of the reasons for the denial,
284 and the veteran may reapply. The legislature may, by general
285 law, waive the annual application requirement in subsequent
286 years. This subsection shall take effect December 7, 2006, is
287 self-executing, and does not require implementing legislation.

288 (f) As provided by general law and subject to conditions
289 specified therein, every person who establishes the right to
290 receive the homestead exemption provided in subsection (a)

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291 within 1 year after purchasing the homestead property and who
292 has not owned property in the previous 3 calendar years to which
293 the homestead exemption provided in subsection (a) applied is
294 entitled to an additional homestead exemption in an amount equal
295 to 50 percent of the homestead property's just value on January
296 1 of the year the homestead is established for all levies other
297 than school district levies. The additional exemption shall
298 apply for a period of 5 years or until the year the property is
299 sold, whichever occurs first. The amount of the additional
300 exemption shall not exceed \$200,000 and shall be reduced in each
301 subsequent year by an amount equal to 20 percent of the amount
302 of the additional exemption received in the year the homestead
303 was established or by an amount equal to the difference between
304 the just value of the property and the assessed value of the
305 property determined under Section 4(d), whichever is greater.
306 Not more than one exemption provided under this subsection shall
307 be allowed per homestead property. The additional exemption
308 shall apply to property purchased on or after January 1, 2012,
309 but shall not be available in the sixth and subsequent years
310 after the additional exemption is first received.

ARTICLE XII

SCHEDULE

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

319 SECTION 33. Additional homestead exemption for owners of

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320 homestead property who recently have not owned homestead
321 property.—This section and the amendment to Section 6 of Article
322 VII providing for an additional homestead exemption for owners
323 of homestead property who have not owned homestead property
324 during the 3 calendar years immediately preceding purchase of
325 the current homestead property shall take effect January 1,
326 2013, and the additional homestead exemption shall be available
327 for properties purchased on or after January 1, 2012.

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

330 CONSTITUTIONAL AMENDMENT

331 ARTICLE VII, SECTIONS 4, 6

332 ARTICLE XII, SECTIONS 32, 33

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

335 (1) In certain circumstances, the law requires the assessed
336 value of homestead property to increase when the just value of
337 the property decreases. Therefore, this amendment provides that
338 the assessed value of homestead property will not increase if
339 the just value of that property decreases and provides an
340 effective date of January 1, 2013.

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

344 (3) This amendment also provides owners of homestead
345 property who have not owned homestead property during the 3
346 calendar years immediately preceding purchase of the current
347 homestead property with an additional homestead exemption equal
348 to 50 percent of the property's just value in the first year for

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349 all levies other than school district levies, limited to
350 \$200,000; applies the additional exemption for the shorter of 5
351 years or the year of sale of the property; reduces the amount of
352 the additional exemption in each succeeding year for 5 years by
353 the greater of 20 percent of the amount of the initial
354 additional exemption or the difference between the just value
355 and the assessed value of the property; limits the additional
356 exemption to one per homestead property; limits the additional
357 exemption to properties purchased on or after January 1, 2012;
358 prohibits availability of the additional exemption in the sixth
359 and subsequent years after the additional exemption is granted;
360 and provides for the amendment to take effect January 1, 2013,
361 and apply to properties purchased on or after January 1, 2012.