

By the Committee on Judiciary; and Senator Simmons

590-01563-12

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Senate Joint Resolution

A joint resolution proposing amendments to Sections 4 and 6 of Article VII and Section 27 of Article XII and the creation of two new Sections in Article XII of the State Constitution to allow the Legislature by general law to prohibit increases in the assessed value of homestead and specified nonhomestead 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, authorize the Legislature to adjust the amount of the exemption, provide that the additional exemption is to be reduced by the difference between the just value and the assessed value, delay a future repeal of provisions limiting annual assessment increases for specified nonhomestead real property, 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 Section 27 of Article XII and the creation of two new Sections 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

590-01563-12

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## 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.

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

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

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

a. A change in an assessment may ~~shall~~ not exceed the lower of the following:

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

2.b. The percent change in the Consumer Price Index for all

590-01563-12

2012314c1

59 urban consumers, U.S. City Average, all items 1967=100, or a  
60 successor index reports for the preceding calendar year as  
61 initially reported by the United States Department of Labor,  
62 Bureau of Labor Statistics.

63 b. The legislature may provide by general law that, except  
64 for changes, additions, reductions, or improvements to homestead  
65 property assessed as provided in paragraph (5), an assessment  
66 may not increase if the just value of the property is less than  
67 the just value of the property on the preceding January 1.

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

69 (3) After a ~~any~~ change of ownership, as provided by general  
70 law, homestead property shall be assessed at just value as of  
71 January 1 of the following year, unless the provisions of  
72 paragraph (8) apply. Thereafter, the homestead shall be assessed  
73 as provided in this subsection.

74 (4) New homestead property shall be assessed at just value  
75 as of January 1 ~~1st~~ of the year following the establishment of  
76 the homestead, unless the provisions of paragraph (8) apply.  
77 That assessment shall ~~only~~ change only as provided in this  
78 subsection.

79 (5) Changes, additions, reductions, or improvements to  
80 homestead property shall be assessed as provided for by general  
81 law, ~~provided,~~ However, after the adjustment for any change,  
82 addition, reduction, or improvement, the property shall be  
83 assessed as provided in this subsection.

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

86 (7) The provisions of this subsection ~~amendment~~ are  
87 severable. If a provision ~~any of the provisions~~ of this

590-01563-12

2012314c1

88 subsection is amendment shall be held unconstitutional by a any  
89 court of competent jurisdiction, the decision of the ~~such~~ court  
90 does shall not affect or impair any remaining provisions of this  
91 subsection amendment.

92 (8)a. A person who ~~establishes a new homestead as of~~  
93 ~~January 1, 2009, or January 1 of any subsequent year and who~~ has  
94 received a homestead exemption pursuant to Section 6 ~~of this~~  
95 ~~Article~~ as of January 1 of either of the 2 ~~two~~ years immediately  
96 preceding the establishment of a the new homestead is entitled  
97 to have the new homestead assessed at less than just value. ~~If~~  
98 ~~this revision is approved in January of 2008, a person who~~  
99 ~~establishes a new homestead as of January 1, 2008, is entitled~~  
100 ~~to have the new homestead assessed at less than just value only~~  
101 ~~if that person received a homestead exemption on January 1,~~  
102 ~~2007.~~ The assessed value of the newly established homestead  
103 shall be determined as follows:

104 1. If the just value of the new homestead is greater than  
105 or equal to the just value of the prior homestead as of January  
106 1 of the year in which the prior homestead was abandoned, the  
107 assessed value of the new homestead shall be the just value of  
108 the new homestead minus an amount equal to the lesser of  
109 \$500,000 or the difference between the just value and the  
110 assessed value of the prior homestead as of January 1 of the  
111 year in which the prior homestead was abandoned. Thereafter, the  
112 homestead shall be assessed as provided in this subsection.

113 2. If the just value of the new homestead is less than the  
114 just value of the prior homestead as of January 1 of the year in  
115 which the prior homestead was abandoned, the assessed value of  
116 the new homestead shall be equal to the just value of the new

590-01563-12

2012314c1

117 homestead divided by the just value of the prior homestead and  
118 multiplied by the assessed value of the prior homestead.  
119 However, if the difference between the just value of the new  
120 homestead and the assessed value of the new homestead calculated  
121 pursuant to this sub-subparagraph is greater than \$500,000, the  
122 assessed value of the new homestead shall be increased so that  
123 the difference between the just value and the assessed value  
124 equals \$500,000. Thereafter, the homestead shall be assessed as  
125 provided in this subsection.

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

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

137       (f) A county may, in the manner prescribed by general law,  
138 provide for a reduction in the assessed value of homestead  
139 property to the extent of any increase in the assessed value of  
140 that property which results from the construction or  
141 reconstruction of the property for the purpose of providing  
142 living quarters for one or more natural or adoptive grandparents  
143 or parents of the owner of the property or of the owner's spouse  
144 if at least one of the grandparents or parents for whom the  
145 living quarters are provided is 62 years of age or older. Such a

590-01563-12

2012314c1

146 reduction may not exceed the lesser of the following:

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

149 (2) Twenty percent of the total assessed value of the  
150 property as improved.

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

156 (1) Assessments subject to this subsection shall be changed  
157 annually on the date of assessment provided by law. However,  
158 ~~but~~ those changes in assessments may ~~shall~~ not exceed 7 ~~ten~~  
159 percent ~~(10%)~~ of the assessment for the prior year. The  
160 legislature may provide by general law that, except for changes,  
161 additions, reductions, or improvements to property assessed as  
162 provided in paragraph (4), an assessment may not increase if the  
163 just value of the property is less than the just value of the  
164 property on the preceding date of assessment provided by law.

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

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

171 (4) Changes, additions, reductions, or improvements to such  
172 property shall be assessed as provided for by general law. †  
173 However, after the adjustment for any change, addition,  
174 reduction, or improvement, the property shall be assessed as

590-01563-12

2012314c1

175 provided in this subsection.

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

180 (1) Assessments subject to this subsection shall be changed  
181 annually on the date of assessment provided by law. However,  
182 ~~but~~ those changes in assessments may ~~shall~~ not exceed 7 ~~ten~~  
183 percent ~~(10%)~~ of the assessment for the prior year. The  
184 legislature may provide by general law that, except for changes,  
185 additions, reductions, or improvements to property assessed as  
186 provided in paragraph (5), an assessment may not increase if the  
187 just value of the property is less than the just value of the  
188 property on the preceding date of assessment provided by law.

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

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

195 (4) The legislature may provide that such property shall be  
196 assessed at just value as of the next assessment date after a  
197 change of ownership or control, as defined by general law,  
198 including any change of ownership of the legal entity that owns  
199 the property. Thereafter, such property shall be assessed as  
200 provided in this subsection.

201 (5) Changes, additions, reductions, or improvements to such  
202 property shall be assessed as provided for by general law. +  
203 However, after the adjustment for any change, addition,

590-01563-12

2012314c1

204 reduction, or improvement, the property shall be assessed as  
205 provided in this subsection.

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

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

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

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

215 a. Land used predominantly for commercial fishing purposes.

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

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

219 d. Water-dependent marine manufacturing facilities,  
220 commercial fishing facilities, and marine vessel construction  
221 and repair facilities and their support activities.

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

225 SECTION 6. Homestead exemptions.-

226 (a) Every person who has the legal or equitable title to  
227 real estate and maintains thereon the permanent residence of the  
228 owner, or another legally or naturally dependent upon the owner,  
229 shall be exempt from taxation thereon, except assessments for  
230 special benefits, up to the assessed valuation of \$25,000  
231 ~~twenty-five thousand dollars~~ and, for all levies other than  
232 school district levies, on the assessed valuation greater than



590-01563-12

2012314c1

233 \$50,000 ~~fifty thousand dollars~~ and up to \$75,000 ~~seventy-five~~  
234 ~~thousand dollars~~, upon establishment of right thereto in the  
235 manner prescribed by law. The real estate may be held by legal  
236 or equitable title, by the entirety, jointly, in common, as a  
237 condominium, or indirectly by stock ownership or membership  
238 representing the owner's or member's proprietary interest in a  
239 corporation owning a fee or a leasehold initially in excess of  
240 98 ~~ninety-eight~~ years. The exemption shall not apply with  
241 respect to any assessment roll until such roll is first  
242 determined to be in compliance with the provisions of Section 4  
243 by a state agency designated by general law. This exemption is  
244 repealed on the effective date of any amendment to this Article  
245 which provides for the assessment of homestead property at less  
246 than just value.

247 (b) Not more than one exemption under subsection (a) and  
248 one exemption under subsection (f) shall be allowed any  
249 individual or family unit or with respect to any residential  
250 unit. No exemption shall exceed the value of the real estate  
251 assessable to the owner or, in case of ownership through stock  
252 or membership in a corporation, the value of the proportion  
253 which the interest in the corporation bears to the assessed  
254 value of the property.

255 (c) By general law and subject to conditions specified  
256 therein, the legislature may provide to renters, who are  
257 permanent residents, ad valorem tax relief on all ad valorem tax  
258 levies. Such ad valorem tax relief shall be in the form and  
259 amount established by general law.

260 (d) The legislature may, by general law, allow counties or  
261 municipalities, for the purpose of their respective tax levies

590-01563-12

2012314c1

262 and subject to the provisions of general law, to grant an  
263 additional homestead tax exemption not exceeding \$50,000 ~~fifty~~  
264 ~~thousand dollars~~ to any person who has the legal or equitable  
265 title to real estate and maintains thereon the permanent  
266 residence of the owner and who has attained age 65 ~~sixty-five~~  
267 and whose household income, as defined by general law, does not  
268 exceed \$20,000 ~~twenty thousand dollars~~. The general law must  
269 allow counties and municipalities to grant this additional  
270 exemption, within the limits prescribed in this subsection, by  
271 ordinance adopted in the manner prescribed by general law, and  
272 must provide for the periodic adjustment of the income  
273 limitation prescribed in this subsection for changes in the cost  
274 of living.

275 (e) Each veteran who is age 65 or older who is partially or  
276 totally permanently disabled shall receive a discount from the  
277 amount of the ad valorem tax otherwise owed on homestead  
278 property the veteran owns and resides in if the disability was  
279 combat related, the veteran was a resident of this state at the  
280 time of entering the military service of the United States, and  
281 the veteran was honorably discharged upon separation from  
282 military service. The discount shall be in a percentage equal to  
283 the percentage of the veteran's permanent, service-connected  
284 disability as determined by the United States Department of  
285 Veterans Affairs. To qualify for the discount granted by this  
286 subsection, an applicant must submit to the county property  
287 appraiser, by March 1, proof of residency at the time of  
288 entering military service, an official letter from the United  
289 States Department of Veterans Affairs stating the percentage of  
290 the veteran's service-connected disability and such evidence

590-01563-12

2012314c1

291 that reasonably identifies the disability as combat related, and  
292 a copy of the veteran's honorable discharge. If the property  
293 appraiser denies the request for a discount, the appraiser must  
294 notify the applicant in writing of the reasons for the denial,  
295 and the veteran may reapply. The legislature may, by general  
296 law, waive the annual application requirement in subsequent  
297 years. This subsection shall take effect December 7, 2006, is  
298 self-executing, and does not require implementing legislation.

299 (f) Every person who has established the right to receive  
300 the homestead exemption provided in subsection (a) is entitled  
301 to an additional homestead exemption for all levies other than  
302 school district levies in an amount equal to 30 percent of the  
303 homestead property's just value in excess of \$75,000 but less  
304 than or equal to \$200,000, plus 15 percent of the homestead  
305 property's just value in excess of \$200,000 but less than or  
306 equal to \$400,000. The value of the additional homestead  
307 exemption shall be reduced by the difference between the just  
308 value of the property and the assessed value of the property  
309 determined under Section 4(d). By general law, the legislature  
310 may adjust the percent of just value or the maximum and minimum  
311 levels of just value used to calculate the additional homestead  
312 exemption, but may not reduce the value of the additional  
313 exemption below the value established in this subsection.

## ARTICLE XII

## SCHEDULE

316 SECTION 27. Property tax exemptions and limitations on  
317 property tax assessments.—The amendments to Sections 3, 4, and 6  
318 of Article VII, providing a \$25,000 exemption for tangible  
319 personal property, providing an additional \$25,000 homestead

590-01563-12

2012314c1

320 exemption, authorizing transfer of the accrued benefit from the  
321 limitations on the assessment of homestead property, and this  
322 section, if submitted to the electors of this state for approval  
323 or rejection at a special election authorized by law to be held  
324 on January 29, 2008, shall take effect upon approval by the  
325 electors and shall operate retroactively to January 1, 2008, or,  
326 if submitted to the electors of this state for approval or  
327 rejection at the next general election, shall take effect  
328 January 1 of the year following such general election. The  
329 amendments to Section 4 of Article VII creating subsections (g)  
330 ~~(f)~~ and (h) ~~(g)~~ of that section, creating a limitation on annual  
331 assessment increases for specified real property, shall take  
332 effect upon approval of the electors and shall first limit  
333 assessments beginning January 1, 2009, if approved at a special  
334 election held on January 29, 2008, or shall first limit  
335 assessments beginning January 1, 2010, if approved at the  
336 general election held in November of 2008. Subsections (g) ~~(f)~~  
337 and (h) ~~(g)~~ of Section 4 of Article VII are repealed effective  
338 January 1, 2023 ~~2019~~; however, the legislature shall by joint  
339 resolution propose an amendment abrogating the repeal of  
340 subsections (g) ~~(f)~~ and (h) ~~(g)~~, which shall be submitted to the  
341 electors of this state for approval or rejection at the general  
342 election of 2022 ~~2018~~ and, if approved, shall take effect  
343 January 1, 2023 ~~2019~~.

344 Property assessments.—This section and the amendments to  
345 Section 4 of Article VII authorizing the legislature to prohibit  
346 increases in the assessed value of homestead property that has a  
347 declining just value and reducing the limit on the maximum  
348 annual increase in the assessed value of nonhomestead property

590-01563-12

2012314c1

349 from 10 percent to 7 percent shall take effect January 1, 2013.

350 Additional homestead exemption.—This section and the  
351 amendment to Section 6 of Article VII providing for an  
352 additional homestead exemption shall take effect January 1,  
353 2013.

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

356 CONSTITUTIONAL AMENDMENT

357 ARTICLE VII, SECTIONS 4, 6

358 ARTICLE XII, SECTION 27

359 PROPERTY TAX LIMITATIONS; ADDITIONAL HOMESTEAD EXEMPTION.—

360 (1) In certain circumstances, the law requires the assessed  
361 value of real property to increase when the just value of the  
362 property is greater than its assessed value. This amendment  
363 authorizes the Legislature, by general law, to prohibit such  
364 increase in the assessment of property whose just value is less  
365 than its just value on the preceding assessment date. This  
366 amendment takes effect January 1, 2013.

367 (2) The State Constitution generally limits increases in  
368 the assessed value of nonhomestead real property for property  
369 tax purposes to 10 percent annually. This amendment reduces that  
370 limit to 7 percent. This amendment takes effect January 1, 2013.

371 (3) This amendment also provides owners of homestead  
372 property an additional homestead exemption for all levies other  
373 than school district levies in an amount equal to 30 percent of  
374 the homestead property's just value between \$75,000 and  
375 \$200,000, plus 15 percent of the homestead property's just value  
376 between \$200,000 and \$400,000. The Legislature may adjust the  
377 amount of the additional homestead exemption but may not reduce

590-01563-12

2012314c1

378 it below what is provided in this amendment. The value of the  
379 additional homestead exemption shall be reduced by the  
380 difference between the just value of the property and its  
381 assessed value. This amendment takes effect January 1, 2013.

382 (4) The State Constitution provides for the automatic  
383 repeal of the provisions that provide a general limit on annual  
384 increases in the assessed value of nonhomestead properties for  
385 the purposes of property taxes. This amendment delays until 2023  
386 the repeal of those provisions, which is currently scheduled to  
387 occur in 2019.