

By the Committee on Communications, Energy, and Public Utilities; and Senator Brandes

579-02143-15

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## Senate Joint Resolution

A joint resolution proposing amendments to Sections 3 and 4 of Article VII and the creation of Section 34 of Article XII of the State Constitution to require the Legislature, by general law, to exempt the assessed value of a renewable energy source device or a component thereof from the tangible personal property tax, to allow the Legislature, by general law, to prohibit the consideration of the installation of such device or component in determining the assessed value of residential and nonresidential real property for the purpose of ad valorem taxation, and to provide effective and expiration dates.

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

That the following amendment to Sections 3 and 4 of Article VII and the creation of Section 34 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 3. Taxes; exemptions.—

(a) All property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment

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30 to the taxing unit in which the property is located. Such  
31 portions of property as are used predominantly for educational,  
32 literary, scientific, religious or charitable purposes may be  
33 exempted by general law from taxation.

34 (b) There shall be exempt from taxation, cumulatively, to  
35 every head of a family residing in this state, household goods  
36 and personal effects to the value fixed by general law, not less  
37 than one thousand dollars, and to every widow or widower or  
38 person who is blind or totally and permanently disabled,  
39 property to the value fixed by general law not less than five  
40 hundred dollars.

41 (c) Any county or municipality may, for the purpose of its  
42 respective tax levy and subject to the provisions of this  
43 subsection and general law, grant community and economic  
44 development ad valorem tax exemptions to new businesses and  
45 expansions of existing businesses, as defined by general law.  
46 Such an exemption may be granted only by ordinance of the county  
47 or municipality, and only after the electors of the county or  
48 municipality voting on such question in a referendum authorize  
49 the county or municipality to adopt such ordinances. An  
50 exemption so granted shall apply to improvements to real  
51 property made by or for the use of a new business and  
52 improvements to real property related to the expansion of an  
53 existing business and shall also apply to tangible personal  
54 property of such new business and tangible personal property  
55 related to the expansion of an existing business. The amount or  
56 limits of the amount of such exemption shall be specified by  
57 general law. The period of time for which such exemption may be  
58 granted to a new business or expansion of an existing business

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59 shall be determined by general law. The authority to grant such  
60 exemption shall expire ten years from the date of approval by  
61 the electors of the county or municipality, and may be renewable  
62 by referendum as provided by general law.

63 (d) Any county or municipality may, for the purpose of its  
64 respective tax levy and subject to the provisions of this  
65 subsection and general law, grant historic preservation ad  
66 valorem tax exemptions to owners of historic properties. This  
67 exemption may be granted only by ordinance of the county or  
68 municipality. The amount or limits of the amount of this  
69 exemption and the requirements for eligible properties must be  
70 specified by general law. The period of time for which this  
71 exemption may be granted to a property owner shall be determined  
72 by general law.

73 (e) By general law and subject to conditions specified  
74 therein:~~7~~

75 (1) Twenty-five thousand dollars of the assessed value of  
76 property subject to tangible personal property tax shall be  
77 exempt from ad valorem taxation.

78 (2) The assessed value of a renewable energy source device,  
79 or a component thereof, shall be exempt from the tangible  
80 personal property tax.

81 (f) There shall be granted an ad valorem tax exemption for  
82 real property dedicated in perpetuity for conservation purposes,  
83 including real property encumbered by perpetual conservation  
84 easements or by other perpetual conservation protections, as  
85 defined by general law.

86 (g) By general law and subject to the conditions specified  
87 therein, each person who receives a homestead exemption as

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88 provided in section 6 of this article; who was a member of the  
89 United States military or military reserves, the United States  
90 Coast Guard or its reserves, or the Florida National Guard; and  
91 who was deployed during the preceding calendar year on active  
92 duty outside the continental United States, Alaska, or Hawaii in  
93 support of military operations designated by the legislature  
94 shall receive an additional exemption equal to a percentage of  
95 the taxable value of his or her homestead property. The  
96 applicable percentage shall be calculated as the number of days  
97 during the preceding calendar year the person was deployed on  
98 active duty outside the continental United States, Alaska, or  
99 Hawaii in support of military operations designated by the  
100 legislature divided by the number of days in that year.

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

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

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

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

116 (d) All persons entitled to a homestead exemption under

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117 Section 6 of this Article shall have their homestead assessed at  
118 just value as of January 1 of the year following the effective  
119 date of this amendment. This assessment shall change only as  
120 provided in this subsection.

121 (1) Assessments subject to this subsection shall be changed  
122 annually on January 1st of each year; but those changes in  
123 assessments shall not exceed the lower of the following:

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

125 b. The percent change in the Consumer Price Index for all  
126 urban consumers, U.S. City Average, all items 1967=100, or  
127 successor reports for the preceding calendar year as initially  
128 reported by the United States Department of Labor, Bureau of  
129 Labor Statistics.

130 (2) No assessment shall exceed just value.

131 (3) After any change of ownership, as provided by general  
132 law, homestead property shall be assessed at just value as of  
133 January 1 of the following year, unless the provisions of  
134 paragraph (8) apply. Thereafter, the homestead shall be assessed  
135 as provided in this subsection.

136 (4) New homestead property shall be assessed at just value  
137 as of January 1st of the year following the establishment of the  
138 homestead, unless the provisions of paragraph (8) apply. That  
139 assessment shall only change as provided in this subsection.

140 (5) Changes, additions, reductions, or improvements to  
141 homestead property shall be assessed as provided for by general  
142 law; provided, however, after the adjustment for any change,  
143 addition, reduction, or improvement, the property shall be  
144 assessed as provided in this subsection.

145 (6) In the event of a termination of homestead status, the

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146 property shall be assessed as provided by general law.

147 (7) The provisions of this amendment are severable. If any  
148 of the provisions of this amendment shall be held  
149 unconstitutional by any court of competent jurisdiction, the  
150 decision of such court shall not affect or impair any remaining  
151 provisions of this amendment.

152 (8)a. A person who establishes a new homestead as of  
153 January 1, 2009, or January 1 of any subsequent year and who has  
154 received a homestead exemption pursuant to Section 6 of this  
155 Article as of January 1 of either of the two years immediately  
156 preceding the establishment of the new homestead is entitled to  
157 have the new homestead assessed at less than just value. If this  
158 revision is approved in January of 2008, a person who  
159 establishes a new homestead as of January 1, 2008, is entitled  
160 to have the new homestead assessed at less than just value only  
161 if that person received a homestead exemption on January 1,  
162 2007. The assessed value of the newly established homestead  
163 shall be determined as follows:

164 1. If the just value of the new homestead is greater than  
165 or equal to the just value of the prior homestead as of January  
166 1 of the year in which the prior homestead was abandoned, the  
167 assessed value of the new homestead shall be the just value of  
168 the new homestead minus an amount equal to the lesser of  
169 \$500,000 or the difference between the just value and the  
170 assessed value of the prior homestead as of January 1 of the  
171 year in which the prior homestead was abandoned. Thereafter, the  
172 homestead shall be assessed as provided in this subsection.

173 2. If the just value of the new homestead is less than the  
174 just value of the prior homestead as of January 1 of the year in

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175 which the prior homestead was abandoned, the assessed value of  
176 the new homestead shall be equal to the just value of the new  
177 homestead divided by the just value of the prior homestead and  
178 multiplied by the assessed value of the prior homestead.  
179 However, if the difference between the just value of the new  
180 homestead and the assessed value of the new homestead calculated  
181 pursuant to this sub-subparagraph is greater than \$500,000, the  
182 assessed value of the new homestead shall be increased so that  
183 the difference between the just value and the assessed value  
184 equals \$500,000. Thereafter, the homestead shall be assessed as  
185 provided in this subsection.

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

189       (e) The legislature may, by general law, for assessment  
190 purposes and subject to the provisions of this subsection, allow  
191 counties and municipalities to authorize by ordinance that  
192 historic property may be assessed solely on the basis of  
193 character or use. Such character or use assessment shall apply  
194 only to the jurisdiction adopting the ordinance. The  
195 requirements for eligible properties must be specified by  
196 general law.

197       (f) A county may, in the manner prescribed by general law,  
198 provide for a reduction in the assessed value of homestead  
199 property to the extent of any increase in the assessed value of  
200 that property which results from the construction or  
201 reconstruction of the property for the purpose of providing  
202 living quarters for one or more natural or adoptive grandparents  
203 or parents of the owner of the property or of the owner's spouse

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204 if at least one of the grandparents or parents for whom the  
205 living quarters are provided is 62 years of age or older. Such a  
206 reduction may not exceed the lesser of the following:

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

209 (2) Twenty percent of the total assessed value of the  
210 property as improved.

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

216 (1) Assessments subject to this subsection shall be changed  
217 annually on the date of assessment provided by law; but those  
218 changes in assessments shall not exceed ten percent (10%) of the  
219 assessment for the prior year.

220 (2) No assessment shall exceed just value.

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

226 (4) Changes, additions, reductions, or improvements to such  
227 property shall be assessed as provided for by general law;  
228 however, after the adjustment for any change, addition,  
229 reduction, or improvement, the property shall be assessed as  
230 provided in this subsection.

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



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

235 (1) Assessments subject to this subsection shall be changed  
236 annually on the date of assessment provided by law; but those  
237 changes in assessments shall not exceed ten percent (10%) of the  
238 assessment for the prior year.

239 (2) No assessment shall exceed just value.

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

245 (4) The legislature may provide that such property shall be  
246 assessed at just value as of the next assessment date after a  
247 change of ownership or control, as defined by general law,  
248 including any change of ownership of the legal entity that owns  
249 the property. Thereafter, such property shall be assessed as  
250 provided in this subsection.

251 (5) Changes, additions, reductions, or improvements to such  
252 property shall be assessed as provided for by general law;  
253 however, after the adjustment for any change, addition,  
254 reduction, or improvement, the property shall be assessed as  
255 provided in this subsection.

256 (i) The legislature, by general law and subject to  
257 conditions specified therein, may prohibit the consideration of  
258 the following in the determination of the assessed value of real  
259 property ~~used for residential purposes~~:

260 (1) Any change or improvement to real property used for  
261 residential purposes made to improve ~~for the purpose of~~

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262 ~~improving~~ the property's resistance to wind damage.

263 (2) The installation of a renewable energy source device or  
264 a component thereof.

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

267 a. Land used predominantly for commercial fishing purposes.

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

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

271 d. Water-dependent marine manufacturing facilities,  
272 commercial fishing facilities, and marine vessel construction  
273 and repair facilities and their support activities.

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

277 ARTICLE XII

278 SCHEDULE

279 SECTION 34. Renewable energy source devices and components  
280 thereof; exemption from certain taxation and assessment.—This  
281 section, the amendment to subsection (e) of Section 3 of Article  
282 VII requiring the legislature, by general law, to exempt the  
283 assessed value of a renewable energy source device, or a  
284 component thereof, from the tangible personal property tax, and  
285 the amendment to subsection (i) of Section 4 of Article VII  
286 allowing the legislature, by general law, to prohibit the  
287 consideration of the installation of a renewable energy source  
288 device, or a component thereof, in determining the assessed  
289 value of real property for the purpose of ad valorem taxation  
290 shall take effect on January 1, 2017, and shall expire on

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291 December 31, 2036. Upon expiration, this section shall be  
292 repealed and the text of subsection (e) of Section 3 of Article  
293 VII and subsection (i) of Section 4 of Article VII shall revert  
294 to that in existence on December 31, 2016, except that any  
295 amendments to such text otherwise adopted shall be preserved and  
296 continue to operate to the extent that such amendments are not  
297 dependent upon the portions of text which expire pursuant to  
298 this section.

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

301 CONSTITUTIONAL AMENDMENT

302 ARTICLE VII, SECTIONS 3 AND 4

303 ARTICLE XII, SECTION 34

304 RENEWABLE ENERGY SOURCE DEVICES AND COMPONENTS THEREOF;  
305 EXEMPTION FROM CERTAIN TAXATION AND ASSESSMENT.—Proposing an  
306 amendment to the State Constitution to require the Legislature  
307 to exempt the assessed value of a renewable energy source device  
308 or component thereof from the tangible personal property tax and  
309 allow the Legislature to prohibit consideration of the  
310 installation of such device or component in determining the  
311 assessed value of all real property for the purpose of ad  
312 valorem taxation. This amendment takes effect January 1, 2017,  
313 and expires on December 31, 2036.