

By Senator Steube

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Senate Joint Resolution

A joint resolution proposing an amendment to Section 4 of Article VII and the creation of a new section in Article XII of the State Constitution authorizing the Legislature to exempt certain manufacturing equipment from the tangible personal property tax or permitting such equipment to be assessed at less than just value pursuant to an accelerated depreciation method established by general law, and providing an effective date.

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

That the following amendment to Section 4 of Article VII and the creation of a new section 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

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.

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

34 (c) Pursuant to general law, tangible personal property:

35 (1) Held for sale as stock in trade and livestock may be
36 valued for taxation at a specified percentage of its value, may
37 be classified for tax purposes, or may be exempted from
38 taxation.

39 (2) In the form of manufacturing equipment, as defined by
40 general law, which is used by a business primarily engaged in
41 manufacturing may be exempted from taxation or may be assessed
42 at less than just value pursuant to a method of accelerated
43 depreciation established by general law.

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 changed
50 annually on January 1st of each year; but those changes in
51 assessments shall not exceed the lower of the following:

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

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

58 (2) No assessment shall exceed just value.

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

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

68 (5) Changes, additions, reductions, or improvements to
69 homestead property shall be assessed as provided for by general
70 law; provided, however, after the adjustment for any change,
71 addition, reduction, or improvement, the property shall be
72 assessed as provided in this subsection.

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

75 (7) The provisions of this amendment are severable. If any
76 of the provisions of this amendment shall be held
77 unconstitutional by any court of competent jurisdiction, the
78 decision of such court shall not affect or impair any remaining
79 provisions of this amendment.

80 (8)

81 a. A person who establishes a new homestead as of January
82 1, 2009, or January 1 of any subsequent year and who has
83 received a homestead exemption pursuant to Section 6 of this
84 Article as of January 1 of either of the two years immediately
85 preceding the establishment of the new homestead is entitled to
86 have the new homestead assessed at less than just value. If this
87 revision is approved in January of 2008, a person who

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88 establishes a new homestead as of January 1, 2008, is entitled
89 to have the new homestead assessed at less than just value only
90 if that person received a homestead exemption on January 1,
91 2007. The assessed value of the newly established homestead
92 shall be determined as follows:

93 1. If the just value of the new homestead is greater than
94 or equal to the just value of the prior homestead as of January
95 1 of the year in which the prior homestead was abandoned, the
96 assessed value of the new homestead shall be the just value of
97 the new homestead minus an amount equal to the lesser of
98 \$500,000 or the difference between the just value and the
99 assessed value of the prior homestead as of January 1 of the
100 year in which the prior homestead was abandoned. Thereafter, the
101 homestead shall be assessed as provided in this subsection.

102 2. If the just value of the new homestead is less than the
103 just value of the prior homestead as of January 1 of the year in
104 which the prior homestead was abandoned, the assessed value of
105 the new homestead shall be equal to the just value of the new
106 homestead divided by the just value of the prior homestead and
107 multiplied by the assessed value of the prior homestead.

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

115 b. By general law and subject to conditions specified
116 therein, the legislature shall provide for application of this

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117 paragraph to property owned by more than one person.

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

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

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

138 (2) Twenty percent of the total assessed value of the
139 property as improved.

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

145 (1) Assessments subject to this subsection shall be changed

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146 annually on the date of assessment provided by law; but those
147 changes in assessments shall not exceed ten percent (10%) of the
148 assessment for the prior year.

149 (2) No assessment shall exceed just value.

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

155 (4) Changes, additions, reductions, or improvements to such
156 property shall be assessed as provided for by general law;
157 however, after the adjustment for any change, addition,
158 reduction, or improvement, the property shall be assessed as
159 provided in this subsection.

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

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

168 (2) No assessment shall exceed just value.

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

174 (4) The legislature may provide that such property shall be

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175 assessed at just value as of the next assessment date after a
176 change of ownership or control, as defined by general law,
177 including any change of ownership of the legal entity that owns
178 the property. Thereafter, such property shall be assessed as
179 provided in this subsection.

180 (5) Changes, additions, reductions, or improvements to such
181 property shall be assessed as provided for by general law;
182 however, after the adjustment for any change, addition,
183 reduction, or improvement, the property shall be assessed as
184 provided in this subsection.

185 (i) The legislature, by general law and subject to
186 conditions specified therein, may prohibit the consideration of
187 the following in the determination of the assessed value of real
188 property:

189 (1) Any change or improvement to real property used for
190 residential purposes made to improve the property's resistance
191 to wind damage.

192 (2) The installation of a solar or renewable energy source
193 device.

194 (j)

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

197 a. Land used predominantly for commercial fishing purposes.

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

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

201 d. Water-dependent marine manufacturing facilities,
202 commercial fishing facilities, and marine vessel construction
203 and repair facilities and their support activities.

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

ARTICLE XII

SCHEDULE

209 Certain manufacturing equipment; ad valorem taxation.—This
210 section and the amendment to Section 4 of Article VII
211 authorizing the Legislature to exempt certain manufacturing
212 equipment from the tangible personal property tax or permitting
213 such equipment to be assessed at less than just value pursuant
214 to an accelerated depreciation method established by general law
215 shall take effect January 1, 2019.

216 BE IT FURTHER RESOLVED that the following statement be
217 placed on the ballot:

CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTION 4

ARTICLE XII

221 CERTAIN MANUFACTURING EQUIPMENT; TANGIBLE PERSONAL PROPERTY
222 TAX.—Proposing an amendment to the State Constitution
223 authorizing the Legislature to exempt manufacturing equipment
224 used by businesses primarily engaged in manufacturing from the
225 tangible personal property tax or permitting such equipment to
226 be assessed at less than just value pursuant to an accelerated
227 depreciation method established by general law. This amendment
228 takes effect January 1, 2019.