

# FLORIDA HOUSE OF REPRESENTATIVES

## BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

**BILL #:** [CS/HJR 1215](#)

**TITLE:** Ad Valorem Tax Exemption

**SPONSOR(S):** Alvarez, D.

**COMPANION BILL:** [CS/SJR 318](#) (Truenow)

**LINKED BILLS:** None

**RELATED BILLS:** None

### Committee References

[Ways & Means](#)

16 Y, 1 N



[Housing, Agriculture & Tourism](#)

15 Y, 0 N



[State Affairs](#)

22 Y, 4 N, As CS

## SUMMARY

### Effect of the Bill:

CS/HJR 1215 proposes an amendment to the Florida Constitution to exempt tangible personal property from ad valorem taxes when the tangible personal property is habitually located or typically present on agricultural land, used in the production of agricultural products or for agritourism activities, and owned by the landowner or leaseholder of the agricultural land. The exemption created by the joint resolution is subject to conditions, limitations, and reasonable definitions that may be specified by the Legislature in general law.

Subject to approval by 60 percent of voters voting during the 2026 general election, the amendment proposed in the joint resolution will take effect on January 1, 2027. The joint resolution is not subject to the governor's veto powers.

### Fiscal or Economic Impact:

The Revenue Estimating Conference estimates that this joint resolution, if approved by the voters, will have no impact on state revenues and will have a recurring impact on local government revenues of at least \$28.7 million..

### Extraordinary Vote Required for Passage:

The joint resolution requires a three-fifths vote of the membership of both houses of the Legislature for final passage.

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## ANALYSIS

### EFFECT OF THE BILL:

CS/HJR 1215 proposes an amendment to the Florida Constitution to exempt tangible personal property from [ad valorem taxes](#) when the [tangible personal property](#) is habitually located or typically present on [agricultural land](#), used in the production of agricultural products or for [agritourism](#) activities, and owned by the landowner or leaseholder of the agricultural land. The exemption created by the joint resolution is subject to conditions, limitations, and reasonable definitions that may be specified by the Legislature in general law.

A joint resolution proposing an amendment to the Florida Constitution must be passed by three-fifths of the membership of each house of the Legislature.

Subject to approval by 60 percent of voters during the 2026 general election, the amendment proposed in the joint resolution will take effect on January 1, 2027. The joint resolution is not subject to the Governor's veto powers.

**STORAGE NAME:** h1215e.SAC

**DATE:** 4/22/2025

## FISCAL OR ECONOMIC IMPACT:

### LOCAL GOVERNMENT:

The Revenue Estimating Conference (REC) estimates the joint resolution will have no impact on local government revenues if the proposed amendment fails to pass. If the proposed amendment is approved by the voters, the REC estimates a recurring annual impact of at least \$28.7 million on local government revenues starting in 2025-26 fiscal year.<sup>1</sup>

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

#### General Overview of Ad Valorem Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of property as of January 1 of each year.<sup>2</sup> The property appraiser annually determines the “just value”<sup>3</sup> of property within the taxing jurisdiction and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”<sup>4</sup> Property tax bills are mailed in November of each year based on the previous January 1 valuation, and payment is due by March 31 of the following year.<sup>5</sup>

The Florida Constitution prohibits the state from levying ad valorem taxes on real and tangible personal property<sup>6</sup> and limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.<sup>7</sup>

#### Ad Valorem Taxation of Tangible Personal Property

The Florida Constitution grants exclusive authority to local governments to levy ad valorem taxes on tangible personal property.<sup>8</sup> Tangible personal property consists of all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.<sup>9</sup> Common examples include furniture, tools, machinery, appliances, signs, and equipment.<sup>10</sup>

The following types of tangible personal property are exempt, or may be made exempted, from taxation:

- Motor vehicles, boats, airplanes, trailers, trailer coaches, and mobile homes.<sup>11</sup>
- Household goods and personal effects are granted an exemption of at least \$1,000.<sup>12</sup>
- Tangible personal property owned by new or expanding businesses, if a local government has chosen to adopt such an exemption as approved by the electors of that local government.<sup>13</sup>
- \$25,000 of the assessed value of any tangible personal property.<sup>14</sup>

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<sup>1</sup> Revenue Estimating Conference, [04/18/2025 Revenue Impact Results](#) (last visited Apr. 22, 2025).

<sup>2</sup> Both real property and tangible personal property are subject to ad valorem taxation. [Art. VII, s. 1\(a\), Fla. Const.](#)

<sup>3</sup> Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. [Art. VII, s. 4, Fla. Const.](#) Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. *See, e.g., Walter v. Schuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *S. Bell Tel. & Tel. Co. v. Dade Cnty.*, 275 So. 2d 4 (Fla. 1973).

<sup>4</sup> *See ss. 192.001(2), F.S. and 192.001(16), F.S.*

<sup>5</sup> *Ss. 197.162 and 197.322, F.S.*; *see also* Fla. Dept. of Revenue, [Florida Property Tax Calendar \(Dec. 2016\)](#) (last visited Apr. 18, 2025).

<sup>6</sup> [Art. VII, s. 1\(a\), Fla. Const.](#)

<sup>7</sup> [Art. VII, s. 4, Fla. Const.](#)

<sup>8</sup> *See Art. VII, ss. 1(a) and (9)(a), Fla. Const.* (providing the state from levying ad valorem taxes on real estate or tangible personal property and authorizing local government to levy ad valorem taxes, respectively).

<sup>9</sup> *S. 192.001(11)(d), F.S.*

<sup>10</sup> Indian River County Property Appraiser, [Tangible Personal Property – Frequently Asked Questions](#) (last visited Apr. 18, 2025).

<sup>11</sup> [Art. VII, s. 1\(b\), Fla. Const.](#) These items, however, are subject to a license tax for their operation.

<sup>12</sup> [Art. VII, s. 3\(b\), Fla. Const.](#)

<sup>13</sup> [Art. VII, s. 3\(c\), Fla. Const.](#)

<sup>14</sup> [Art. VII, s. 3\(e\)\(1\), Fla. Const.](#) Section [196.183, F.S.](#), specifies the conditions for the general exemption of \$25,000 of the assessed value of tangible personal property.

- Solar or renewable energy devices.<sup>15</sup>
- Tangible personal property “held for sale as stock in trade.”<sup>16</sup>

The just value of tangible personal property in Florida in 2024 was \$239.3 billion.<sup>17</sup>

### **Agricultural Land Valuation**

Property appraisers annually classify, for assessment purposes, all lands within a county as either agricultural or nonagricultural.<sup>18</sup> Only lands that are used primarily for “bona fide agricultural purposes” may be classified agricultural.<sup>19</sup> In determining whether the use of the land for agricultural purposes is bona fide, the following factors may be taken into consideration:

- The length of time the land has been so used;
- Whether the use has been continuous;
- The purchase price paid;
- Size, as it relates to specific agricultural use, but a minimum acreage may not be required for agricultural assessment;
- Whether an indicated effort has been made to care sufficiently and adequately for the land in accordance with accepted commercial agricultural practices, including, without limitation, fertilizing, liming, tilling, mowing, reforestation, and other accepted agricultural practices;
- Whether the land is under lease and, if so, the effective length, terms, and conditions of the lease; and
- Such other factors as may become applicable.

When the land is classified as agricultural, the property appraiser must consider the following use factors only:

- The quantity and size of the property;
- The condition of the property;
- The present market value of the property as agricultural land;
- The income produced by the property;
- The productivity of land in its present use;
- The economic merchantability of the agricultural product; and
- Such other agricultural factors as may from time to time become applicable, which are reflective of the standard present practices of agricultural use and production.<sup>20</sup>

Agricultural real property accounts for 2.0 percent of the just value of all real property in Florida.<sup>21</sup>

### **Agritourism**

Florida law defines agritourism activity as any agricultural related activity consistent with a bona fide farm, livestock operation, or ranch or in a working forest which allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy activities, including farming, ranching, historical, cultural, civic, ceremonial, training and exhibition, or harvest-your-own activities and attractions.<sup>22</sup> In the 2022 U.S. Census of Agriculture, 784 Florida farms reported revenues of \$39.9 million from agritourism activities.<sup>23</sup>

<sup>15</sup> [Art. VII, s. 3\(e\)\(2\), Fla. Const.](#) Section [196.182, F.S.](#), specifies the conditions for exemption of renewable energy source devices.

<sup>16</sup> [Art. VII, s. 4\(c\), Fla. Const.](#) This exemption for inventory is restated at s. [196.185, F.S.](#), and inventory is defined at s. [192.001\(11\)\(c\), F.S.](#)

<sup>17</sup> Fla. Dept. of Revenue, [2024 Statewide Just, Assessed, Exemption and Taxable Values by Property Tax](#) (last visited Apr. 18, 2025).

<sup>18</sup> S. [193.461\(1\), F.S.](#)

<sup>19</sup> S. [193.461\(3\)\(b\), F.S.](#)

<sup>20</sup> S. [193.461\(6\)\(a\), F.S.](#)

<sup>21</sup> Revenue Estimating Conference, [Ad Valorem Revenue Estimating Conference Results \(March 5, 2025\)](#) (last visited Apr. 18, 2025).

<sup>22</sup> S. [570.86\(1\), F.S.](#)

<sup>23</sup> U.S. Department of Agriculture, National Agriculture Statistics Service, [2022 Census Volume 1, Chapter 1: Florida, Table 7](#), p. 23. (last visited Apr. 18, 2025)

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2024	<a href="#">CS/SJR 1560</a>	Alvarez, D.	Collins	Died in Messages

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<a href="#">Ways &amp; Means Committee</a>	16 Y, 1 N	3/20/2025	Aldridge	Hallaian
<a href="#">Housing, Agriculture &amp; Tourism Subcommittee</a>	15 Y, 0 N	4/1/2025	Curtin	Rodriguez
<a href="#">State Affairs Committee</a>	22 Y, 4 N, As CS	4/22/2025	Williamson	Jones

THE CHANGES ADOPTED BY THE COMMITTEE:	<ul style="list-style-type: none"><li>Makes the joint resolution self-executing, thereby providing an exemption for tangible personal property that meets the requirements of the joint resolution.</li><li>Provides that the exemption created by the joint resolution is subject to conditions, limitations, and reasonable definitions specified by the Legislature in general law.</li></ul>
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THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.