

By the Committee on Finance and Tax; and Senator Avila

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Senate Joint Resolution

A joint resolution proposing amendments to Sections 3 and 4 of Article VII and the creation of a new section in Article XII of the State Constitution to authorize the Legislature to provide two \$25,000 exemptions and an assessment limitation to certain real property subject to a long-term lease and to provide an effective date.

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

That the following amendments to Section 3 and 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 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 to the taxing unit in which the property is located. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes may be exempted by general law from taxation.

(b) There shall be exempt from taxation, cumulatively, to

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every head of a family residing in this state, household goods and personal effects to the value fixed by general law, not less than one thousand dollars, and to every widow or widower or person who is blind or totally and permanently disabled, property to the value fixed by general law not less than five hundred dollars.

(c) Any county or municipality may, for the purpose of its respective tax levy and subject to the provisions of this subsection and general law, grant community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses, as defined by general law. Such an exemption may be granted only by ordinance of the county or municipality, and only after the electors of the county or municipality voting on such question in a referendum authorize the county or municipality to adopt such ordinances. An exemption so granted shall apply to improvements to real property made by or for the use of a new business and improvements to real property related to the expansion of an existing business and shall also apply to tangible personal property of such new business and tangible personal property related to the expansion of an existing business. The amount or limits of the amount of such exemption shall be specified by general law. The period of time for which such exemption may be granted to a new business or expansion of an existing business shall be determined by general law. The authority to grant such exemption shall expire ten years from the date of approval by the electors of the county or municipality, and may be renewable by referendum as provided by general law.

(d) Any county or municipality may, for the purpose of its

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59 respective tax levy and subject to the provisions of this
60 subsection and general law, grant historic preservation ad
61 valorem tax exemptions to owners of historic properties. This
62 exemption may be granted only by ordinance of the county or
63 municipality. The amount or limits of the amount of this
64 exemption and the requirements for eligible properties must be
65 specified by general law. The period of time for which this
66 exemption may be granted to a property owner shall be determined
67 by general law.

68 (e) By general law and subject to conditions specified
69 therein:

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

73 (2) The assessed value of solar devices or renewable energy
74 source devices subject to tangible personal property tax may be
75 exempt from ad valorem taxation, subject to limitations provided
76 by general law.

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

82 (g) By general law and subject to the conditions specified
83 therein, each person who receives a homestead exemption as
84 provided in section 6 of this article; who was a member of the
85 United States military or military reserves, the United States
86 Coast Guard or its reserves, or the Florida National Guard; and
87 who was deployed during the preceding calendar year on active

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88 duty outside the continental United States, Alaska, or Hawaii in
89 support of military operations designated by the legislature
90 shall receive an additional exemption equal to a percentage of
91 the taxable value of his or her homestead property. The
92 applicable percentage shall be calculated as the number of days
93 during the preceding calendar year the person was deployed on
94 active duty outside the continental United States, Alaska, or
95 Hawaii in support of military operations designated by the
96 legislature divided by the number of days in that year.

97 (h) By general law and subject to conditions and provisions
98 specified therein, the legislature may provide that every person
99 who holds the legal or equitable title to real estate that is
100 currently receiving the benefits available for homestead
101 properties under subsection (a) of Section 6 of this Article,
102 and holds the legal or equitable title to a separate parcel of
103 real estate and maintains thereon the residence of a lessee
104 under a single written lease of six months or more, if such
105 lease is in effect on January 1 of the taxable year, and if such
106 parcel could qualify for the benefits afforded homestead
107 properties under subsection (a) of Section 6 of this Article, if
108 the owner maintained that property as his or her permanent
109 residence, shall be exempt from taxation on such leased property
110 up to the assessed valuation of twenty-five thousand dollars;
111 and, for all levies other than school district levies, on the
112 assessed valuation greater than fifty thousand dollars and up to
113 seventy-five thousand dollars. A person is entitled to the
114 exemption provided by this subsection on one separate parcel of
115 real estate. Real estate subject to an assessment limitation
116 under subsection (h) of Section 4 of Article VII is not entitled

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117 to this exemption and, by general law, the legislature may
118 establish additional criteria for eligible property.

119 SECTION 4. Taxation; assessments.—

120 By general law regulations shall be prescribed which shall
121 secure a just valuation of all property for ad valorem taxation,
122 provided:

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

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

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

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

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

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

144 b. The percent change in the Consumer Price Index for all
145 urban consumers, U.S. City Average, all items 1967=100, or

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146 successor reports for the preceding calendar year as initially
147 reported by the United States Department of Labor, Bureau of
148 Labor Statistics.

149 (2) No assessment shall exceed just value.

150 (3) After any change of ownership, as provided by general
151 law, homestead property shall be assessed at just value as of
152 January 1 of the following year, unless the provisions of
153 paragraph (8) apply. Thereafter, the homestead shall be assessed
154 as provided in this subsection.

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

159 (5) Changes, additions, reductions, or improvements to
160 homestead property shall be assessed as provided for by general
161 law; provided, however, after the adjustment for any change,
162 addition, reduction, or improvement, the property shall be
163 assessed as provided in this subsection.

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

166 (7) The provisions of this amendment are severable. If any
167 of the provisions of this amendment shall be held
168 unconstitutional by any court of competent jurisdiction, the
169 decision of such court shall not affect or impair any remaining
170 provisions of this amendment.

171 (8)

172 a. A person who establishes a new homestead as of January 1
173 and who has received a homestead exemption pursuant to Section 6
174 of this Article as of January 1 of any of the three years

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175 immediately preceding the establishment of the new homestead is
176 entitled to have the new homestead assessed at less than just
177 value. The assessed value of the newly established homestead
178 shall be determined as follows:

179 1. If the just value of the new homestead is greater than
180 or equal to the just value of the prior homestead as of January
181 1 of the year in which the prior homestead was abandoned, the
182 assessed value of the new homestead shall be the just value of
183 the new homestead minus an amount equal to the lesser of
184 \$500,000 or the difference between the just value and the
185 assessed value of the prior homestead as of January 1 of the
186 year in which the prior homestead was abandoned. Thereafter, the
187 homestead shall be assessed as provided in this subsection.

188 2. If the just value of the new homestead is less than the
189 just value of the prior homestead as of January 1 of the year in
190 which the prior homestead was abandoned, the assessed value of
191 the new homestead shall be equal to the just value of the new
192 homestead divided by the just value of the prior homestead and
193 multiplied by the assessed value of the prior homestead.

194 However, if the difference between the just value of the new
195 homestead and the assessed value of the new homestead calculated
196 pursuant to this sub-subparagraph is greater than \$500,000, the
197 assessed value of the new homestead shall be increased so that
198 the difference between the just value and the assessed value
199 equals \$500,000. Thereafter, the homestead shall be assessed as
200 provided in this subsection.

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

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

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

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

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

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

(1) Assessments subject to this subsection shall be changed annually on the date of assessment provided by law; but those

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changes in assessments shall not exceed ten percent (10%) of the assessment for the prior year.

(2) No assessment shall exceed just value.

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

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

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

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

(2) No assessment shall exceed just value.

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

(4) The legislature may provide that such property shall be assessed at just value as of the next assessment date after a

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change of ownership or control, as defined by general law, including any change of ownership of the legal entity that owns the property. Thereafter, such property shall be assessed as provided in this subsection.

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

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

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

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

(j)

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

a. Land used predominantly for commercial fishing purposes.

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

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

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

(2) The assessment benefit provided by this subsection is

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subject to conditions and limitations and reasonable definitions as specified by the legislature by general law.

(k) All persons entitled to the exemptions on real property under subsection (h) of Section 3 of this Article shall have such property assessed as follows:

(1) Assessments shall be changed annually on January 1 of each year; but those changes in assessments shall not exceed the lower of: three percent (3%) of the assessment for the prior year, or the percent change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

(2) No assessment shall exceed just value.

(3) After any change of ownership, as provided by general law, or termination of homestead pursuant to paragraph (6) of subsection (d) of this section, the property shall be assessed at just value as of January 1 of the following year. Thereafter, the property shall be assessed as provided in this paragraph.

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

(5) The legislature may also provide that if any property receiving the assessment limitation authorized under this subsection subsequently becomes ineligible for the assessment limitation authorized under this subsection for reasons other than a change of ownership or control, as defined by general

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law; or termination of homestead pursuant to paragraph (6) of subsection (d) of this section; such property shall be assessed, without reassessment at just value, pursuant to subsection (g) of this section, unless such property is assessed under subsection (d) of this section for that year.

ARTICLE XII

SCHEDULE

Tax exemptions and an assessment limitation for long-term leased residential property.—This section and the amendments to Sections 3 and 4 of Article VII, which authorize the legislature to provide two \$25,000 exemptions and an assessment limitation to real property that, on January 1, is subject to a written lease of six months or more and is owned by a person who holds legal or equitable title to real estate receiving a homestead exemption, apply beginning with the 2027 tax roll.

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

CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTIONS 3 AND 4

ARTICLE XII

PROPERTY TAX BENEFITS FOR CERTAIN RESIDENTIAL PROPERTIES SUBJECT TO A LONG-TERM LEASE.—Proposing an amendment to the State Constitution to authorize the Legislature to provide two \$25,000 exemptions and an assessment limitation for certain residential real property that is subject to a written lease of 6 months or more and is owned by a person who holds legal or equitable title to property receiving a homestead exemption. This amendment shall take effect January 1, 2027.