

By Senator Lynn

7-00567-09

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Senate Joint Resolution

A joint resolution proposing amendments to Sections 4 and 6 of Article VII of the State Constitution to provide for a limitation on increases in assessments of commercial or residential rental property and to provide an additional homestead exemption for first-time homestead property owners.

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

That the following amendments to Sections 4 and 6 of Article VII 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.

(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

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30 for sale as stock in trade and livestock may be valued for  
31 taxation at a specified percentage of its value, may be  
32 classified for tax purposes, or may be exempted from taxation.

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

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

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

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

47 (2) No assessment shall exceed just value.

48 (3) After any change of ownership, as provided by general  
49 law, homestead property shall be assessed at just value as of  
50 January 1 of the following year, unless the provisions of  
51 paragraph (8) apply. Thereafter, the homestead shall be assessed  
52 as provided in this subsection.

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

57 (5) Changes, additions, reductions, or improvements to  
58 homestead property shall be assessed as provided for by general

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59 law; provided, however, after the adjustment for any change,  
60 addition, reduction, or improvement, the property shall be  
61 assessed as provided in this subsection.

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

64 (7) The provisions of this amendment are severable. If any  
65 of the provisions of this amendment shall be held  
66 unconstitutional by any court of competent jurisdiction, the  
67 decision of such court shall not affect or impair any remaining  
68 provisions of this amendment.

69 (8)a. A person who establishes a new homestead as of  
70 January 1, 2009, or January 1 of any subsequent year and who has  
71 received a homestead exemption pursuant to Section 6 of this  
72 Article as of January 1 of either of the two years immediately  
73 preceding the establishment of the new homestead is entitled to  
74 have the new homestead assessed at less than just value. If this  
75 revision is approved in January of 2008, a person who  
76 establishes a new homestead as of January 1, 2008, is entitled  
77 to have the new homestead assessed at less than just value only  
78 if that person received a homestead exemption on January 1,  
79 2007. The assessed value of the newly established homestead  
80 shall be determined as follows:

81 1. If the just value of the new homestead is greater than  
82 or equal to the just value of the prior homestead as of January  
83 1 of the year in which the prior homestead was abandoned, the  
84 assessed value of the new homestead shall be the just value of  
85 the new homestead minus an amount equal to the lesser of  
86 \$500,000 or the difference between the just value and the  
87 assessed value of the prior homestead as of January 1 of the

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88 year in which the prior homestead was abandoned. Thereafter, the  
89 homestead shall be assessed as provided in this subsection.

90 2. If the just value of the new homestead is less than the  
91 just value of the prior homestead as of January 1 of the year in  
92 which the prior homestead was abandoned, the assessed value of  
93 the new homestead shall be equal to the just value of the new  
94 homestead divided by the just value of the prior homestead and  
95 multiplied by the assessed value of the prior homestead.

96 However, if the difference between the just value of the new  
97 homestead and the assessed value of the new homestead calculated  
98 pursuant to this sub-subparagraph is greater than \$500,000, the  
99 assessed value of the new homestead shall be increased so that  
100 the difference between the just value and the assessed value  
101 equals \$500,000. Thereafter, the homestead shall be assessed as  
102 provided in this subsection.

103 b. By general law and subject to conditions specified  
104 therein, the Legislature shall provide for application of this  
105 paragraph to property owned by more than one person.

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

114 (f) A county may, in the manner prescribed by general law,  
115 provide for a reduction in the assessed value of homestead  
116 property to the extent of any increase in the assessed value of

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117 that property which results from the construction or  
118 reconstruction of the property for the purpose of providing  
119 living quarters for one or more natural or adoptive grandparents  
120 or parents of the owner of the property or of the owner's spouse  
121 if at least one of the grandparents or parents for whom the  
122 living quarters are provided is 62 years of age or older. Such a  
123 reduction may not exceed the lesser of the following:

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

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

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

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

137 (2) No assessment shall exceed just value.

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

143 (4) Changes, additions, reductions, or improvements to such  
144 property shall be assessed as provided for by general law;  
145 however, after the adjustment for any change, addition,

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146 reduction, or improvement, the property shall be assessed as  
147 provided in this subsection.

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

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

156 (2) No assessment shall exceed just value.

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

162 (4) The legislature may provide that such property shall be  
163 assessed at just value as of the next assessment date after a  
164 change of ownership or control, as defined by general law,  
165 including any change of ownership of the legal entity that owns  
166 the property. Thereafter, such property shall be assessed as  
167 provided in this subsection.

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

173 (i) The legislature, by general law and subject to  
174 conditions specified therein, may prohibit the consideration of

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175 the following in the determination of the assessed value of real  
176 property used for residential purposes:

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

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

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

182 a. Land used predominantly for commercial fishing purposes.

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

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

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

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

192 (k) Pursuant to general law and subject to conditions  
193 specified therein, increases in assessments of real property  
194 used for commercial or residential rental purposes may be  
195 limited to the greater of five percent or the average annual  
196 percentage growth in revenues derived from the property over the  
197 preceding three years if ownership of the property has not  
198 changed.

199 SECTION 6. Homestead exemptions.-

200 (a) Every person who has the legal or equitable title to  
201 real estate and maintains thereon the permanent residence of the  
202 owner, or another legally or naturally dependent upon the owner,  
203 shall be exempt from taxation thereon, except assessments for

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204 special benefits, up to the assessed valuation of twenty-five  
205 thousand dollars and, for all levies other than school district  
206 levies, on the assessed valuation greater than fifty thousand  
207 dollars and up to seventy-five thousand dollars, upon  
208 establishment of right thereto in the manner prescribed by law.  
209 The real estate may be held by legal or equitable title, by the  
210 entirety, jointly, in common, as a condominium, or indirectly  
211 by stock ownership or membership representing the owner's or  
212 member's proprietary interest in a corporation owning a fee or a  
213 leasehold initially in excess of ninety-eight years. The  
214 exemption shall not apply with respect to any assessment roll  
215 until such roll is first determined to be in compliance with the  
216 provisions of section 4 by a state agency designated by general  
217 law. This exemption is repealed on the effective date of any  
218 amendment to this Article which provides for the assessment of  
219 homestead property at less than just value.

220 (b) Not more than one exemption shall be allowed any  
221 individual or family unit or with respect to any residential  
222 unit. No exemption shall exceed the value of the real estate  
223 assessable to the owner or, in case of ownership through stock  
224 or membership in a corporation, the value of the proportion  
225 which the interest in the corporation bears to the assessed  
226 value of the property.

227 (c) As provided by general law and subject to conditions  
228 specified therein, every person who establishes the right to  
229 receive the homestead exemption provided in subsection (a)  
230 within one year after purchasing the homestead property and who  
231 has not previously owned property to which the homestead  
232 exemption provided in subsection (a) applied is entitled to an

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233 additional homestead exemption in an amount equal to fifty  
234 percent of the homestead property's just value on January 1 of  
235 the year the homestead is established. The amount of the initial  
236 additional exemption shall be reduced by twenty percent on  
237 January 1 of each year after the additional exemption is  
238 granted. The additional exemption is not available if any owner  
239 of the property has previously owned property to which the  
240 homestead exemption provided in subsection (a) applied.

241 (d)~~(e)~~ By general law and subject to conditions specified  
242 therein, the Legislature may provide to renters, who are  
243 permanent residents, ad valorem tax relief on all ad valorem tax  
244 levies. Such ad valorem tax relief shall be in the form and  
245 amount established by general law.

246 (e)~~(d)~~ The legislature may, by general law, allow counties  
247 or municipalities, for the purpose of their respective tax  
248 levies and subject to the provisions of general law, to grant an  
249 additional homestead tax exemption not exceeding fifty thousand  
250 dollars to any person who has the legal or equitable title to  
251 real estate and maintains thereon the permanent residence of the  
252 owner and who has attained age sixty-five and whose household  
253 income, as defined by general law, does not exceed twenty  
254 thousand dollars. The general law must allow counties and  
255 municipalities to grant this additional exemption, within the  
256 limits prescribed in this subsection, by ordinance adopted in  
257 the manner prescribed by general law, and must provide for the  
258 periodic adjustment of the income limitation prescribed in this  
259 subsection for changes in the cost of living.

260 (f)~~(e)~~ Each veteran who is age 65 or older who is partially  
261 or totally permanently disabled shall receive a discount from

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262 the amount of the ad valorem tax otherwise owed on homestead  
 263 property the veteran owns and resides in if the disability was  
 264 combat related, the veteran was a resident of this state at the  
 265 time of entering the military service of the United States, and  
 266 the veteran was honorably discharged upon separation from  
 267 military service. The discount shall be in a percentage equal to  
 268 the percentage of the veteran's permanent, service-connected  
 269 disability as determined by the United States Department of  
 270 Veterans Affairs. To qualify for the discount granted by this  
 271 subsection, an applicant must submit to the county property  
 272 appraiser, by March 1, proof of residency at the time of  
 273 entering military service, an official letter from the United  
 274 States Department of Veterans Affairs stating the percentage of  
 275 the veteran's service-connected disability and such evidence  
 276 that reasonably identifies the disability as combat related, and  
 277 a copy of the veteran's honorable discharge. If the property  
 278 appraiser denies the request for a discount, the appraiser must  
 279 notify the applicant in writing of the reasons for the denial,  
 280 and the veteran may reapply. The Legislature may, by general  
 281 law, waive the annual application requirement in subsequent  
 282 years. This subsection shall take effect December 7, 2006, is  
 283 self-executing, and does not require implementing legislation.

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

286 CONSTITUTIONAL AMENDMENT

287 ARTICLE VII, SECTIONS 4 AND 6

288 COMMERCIAL AND RESIDENTIAL RENTAL PROPERTY ASSESSMENT  
 289 LIMITATION; ADDITIONAL HOMESTEAD EXEMPTION FOR FIRST-TIME  
 290 HOMESTEAD PROPERTY OWNERS.—Proposing amendments to the State

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291 Constitution to limit increases in assessments of real property  
292 used for commercial or residential rental purposes to the  
293 greater of 5 percent or the average annual percentage growth in  
294 revenues derived from the property over the preceding 3 years if  
295 ownership of the property has not changed and to provide first-  
296 time homestead property owners with an additional homestead  
297 exemption equal to 50 percent of the property's just value in  
298 the first year and the amount of the additional exemption to be  
299 reduced by 20 percent in each succeeding year.