

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

---

Prepared By: The Professional Staff of the Finance and Tax Committee

---

BILL: CS/SJR 1302

INTRODUCER: Finance and Tax Committee and Senator Gardiner and others

SUBJECT: Property Tax Credit/Deployed Military Personnel

DATE: April 1, 2009

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Molloy	Yeatman	CA	<b>Favorable</b>
2.	Pardue	Skelton	MS	<b>Favorable</b>
3.	Fournier	McKee	FT	<b>Fav/CS</b>
4.				
5.				
6.				

**I. Summary:**

Committee substitute for Senate Joint Resolution 1302 proposes an amendment to the Florida Constitution providing a partial ad valorem tax exemption on homestead property for Florida military personnel who are deployed outside the United States.

This joint resolution, if approved by the electorate, creates Article VII, Section 3 (g) of the Florida Constitution.

**II. Present Situation:**

**Constitutional Amendment Process**

Article XI of the Florida Constitution sets forth various methods for proposing amendments to the constitution along with the methods for approval or rejection of proposals. One method by which constitutional amendments may be proposed is by joint resolution agreed to by three-fifths of the membership of each house of the Legislature.<sup>1</sup> Any such proposal must be submitted to the electors, either at the next general election held more than 90 days after the joint resolution is filed with the Secretary of State, or, if pursuant to law enacted by the affirmative vote of three-fourths of the membership of each house of the Legislature and limited to a single amendment or revision, at an earlier special election held more than 90 days after such filing.<sup>2</sup> If the proposed amendment is approved by a vote of at least 60 percent of the electors voting on the measure it becomes effective as an amendment to the Florida Constitution on the first Tuesday after the first

---

<sup>1</sup> FLA. CONST. art. XI, s. 1.

<sup>2</sup> FLA. CONST. art. XI, s. 5(a).

Monday in January following the election, or on such other date as may be specified in the amendment.

**Property Taxes in Florida**

The ad valorem tax or “property tax” is an annual tax levied by local governments based on the value of real and tangible personal property as of January 1 each year. The taxable value of real and tangible personal property is the fair market value of the property adjusted for differentials, exclusions, or exemptions. Tax bills are mailed in November of each year based on the previous January 1st valuation, and payment is due by the following March 31. The Department of Revenue reports that just over \$31 billion was levied in 2007.<sup>3</sup>

The Florida Constitution provides for property tax relief in the form of valuation differentials,<sup>4</sup> assessment limitations,<sup>5</sup> and exemptions.<sup>6</sup> However, no special tax relief is provided to military personnel deployed on active duty for military operations outside the United States, Alaska, and Hawaii.

**Deployed Military Personnel<sup>7</sup>**

The number of deployed military personnel is in constant flux. According to data provided by the Florida Department of Military Affairs, approximately 25,525 military personnel who claim Florida as their home of record were deployed overseas on active duty in support of Operation Iraqi Freedom and Operation Enduring Freedom in 2008:

Florida National Guard	301	Army	12,587
Army Reserve	765	Air Force	3,333
Coast Guard Reserve	0	Marine Corps	2,235
Air Force Reserve	85	Navy	5,957
Marine Corps Reserve	135	Coast Guard	0
Navy Reserve	124		
<b>TOTAL</b>		<b>25,522</b>	

Claiming Florida as a home of record is not an indicator of the number of service members who actually own homestead property in Florida. In addition, data are not available to determine the total number of military personnel who are deployed outside the continental United States, Alaska, or Hawaii.

<sup>3</sup> See “2007 Florida Property Valuations & Tax Data, Part III - Comparative Statement of Millage Rates, Taxes Levied and Tax, Collections by County”, pg. 9, June 2008, Department of Revenue, available at <http://dor.myflorida.com/dor/property/07FLpropdata.pdf> (last visited March 6, 2009)

<sup>4</sup> Art. VII, s. 4 of the State Constitution, provides for valuation differentials as classified by general law and assessed based on use.

<sup>5</sup> Art. VII, s. 4(c) of the State Constitution, provides for the “Save Our Homes” assessment limitation and for the transfer of the benefit accruing from the limitation to a new homestead.

<sup>6</sup> Art. VII, ss. 3 and 6 of the State Constitution, provide tax exemptions, including the homestead exemption for Florida residents.

<sup>7</sup> See “House of Representatives Staff Analysis for CS/HJR 7003,” March 2008.

### **III. Effect of Proposed Changes:**

Senate Joint Resolution 1302 proposes an amendment to the State Constitution to provide an additional ad valorem tax exemption for homestead property owned by a person who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard deployed outside of the continental United States, Alaska, or Hawaii in support of military operations designated by the Legislature in the previous year. The exemption is based on the number of days in a calendar year that the person was deployed. Implementation of the exemption is by general law and subject to conditions specified therein.

The proposed amendment will be submitted to the electors at the general election in 2010 or at an earlier special election specifically authorized by law for that purpose. This joint resolution provides no effective date for the constitutional amendment. In accordance with Article XI, Section 5 of the Florida Constitution, it would take effect on the first Tuesday after the first Monday in January following the election at which it was approved by the electorate.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

The mandate provisions of Art. VII, section 18 of the Florida Constitution, do not apply to joint resolutions.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

#### **D. Other Constitutional Issues:**

Art. X, section 1 of the State Constitution, authorizes the Legislature to propose amendments to the State Constitution by joint resolution approved by three-fifths vote of the membership of each house. The amendment must be placed before the electorate at the next general election held after the proposal has been filed with the Secretary of State's office or at a special election held for the purpose.

Art. XI, section (5)(e) of the State Constitution, requires 60 percent voter approval for a constitutional amendment to take effect. If approved by 60 percent of the electors voting on the measure in the next general election, the amendment will take effect in January 2011.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

This bill will provide a property tax exemption on homestead property owned by military personnel deployed for designated military operations outside of the continental United States, Alaska, or Hawaii in the previous year, based on the number of days they were deployed outside the country.

**B. Private Sector Impact:**

Military personnel eligible for the exemption will see a reduction in property taxes beginning the year after the amendment is approved by the voters.

**C. Government Sector Impact:**

The Revenue Estimating Conference analyzed a similar measure in February 2008, and determined that if the amendment had been approved and the Legislature had enacted implementing legislation, it would have had a negative statewide impact of -\$14.9 million in 2010-2011 on cities, counties, school districts, Water Management Districts, and special districts.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Finance and Tax Committee on April 1, 2009:**

The committee substitute provides a property tax exemption for military personnel deployed outside the United States in support of a designated military operation instead of a credit against their taxes.

**B. Amendments:**

None.