

Senate Joint Resolution No. 4-B

A joint resolution proposing amendments to Sections 3, 4, 6, and 9 of Article VII and the creation of Section 27 of Article XII of the State Constitution to authorize an exemption from ad valorem taxation for tangible personal property, revise the limitation in the difference between the just value and the assessed value for homestead property, provide for assessing rent-restricted affordable housing and commercial and public-access waterfront property by general law, increase the homestead exemption, require the Legislature to limit county, municipality, and special district authority to increase ad valorem taxes, provide for transitional assessments of homestead property, and provide an effective date.

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

That the following amendments to Sections 3, 4, 6, and 9 of Article VII and the creation of Section 27 of 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 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) By general law and subject to conditions specified therein, there may be granted an ad valorem tax exemption to a renewable energy source device and to real property on which such device is installed and operated, to the value fixed by general law not to exceed the original cost of the device, and for the period of time fixed by general law not to exceed ten years.

(e) 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 historic preservation ad valorem tax exemptions to owners of historic properties. This exemption may be granted only by ordinance of the county or municipality. The amount or limits of the amount of this exemption and the requirements for eligible properties must be specified by general law. The period of time for which this exemption may be granted to a property owner shall be determined by general law.

(f) By general law and subject to conditions specified therein, not less than twenty-five thousand dollars of the assessed value of property subject to tangible personal property tax may be exempt from ad valorem 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) Pursuant to general law tangible personal property held for sale as stock in trade and livestock may be valued for taxation at a specified percentage of its value, may be classified for tax purposes, or may be exempted from taxation.

(c) All persons entitled to a homestead exemption under Section 6 of this Article who are entitled to have their homestead assessed under this subsection pursuant to Section 27 of Article XII shall have their homestead assessed at just value as of January 1 of the year following the effective date of this amendment. ~~This assessment shall change only as provided herein.~~

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

- a. Three percent (3%) of the assessment for the prior year.
- b. 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, homestead property shall be assessed at just value as of January 1 of the following year. ~~Thereafter, the homestead shall be assessed as provided herein.~~

~~(4) New homestead property shall be assessed at just value as of January 1st of the year following the establishment of the homestead. That assessment shall only change as provided herein.~~

~~(4)(5)~~ Changes, additions, reductions, or improvements to homestead 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 herein.

~~(5)(6)~~ In the event of a termination of homestead status, the property shall be assessed at just value as of January 1 of the following year as provided by general law.

~~(6)(7)~~ The provisions of this amendment are severable. If any of the provisions of this amendment shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any remaining provisions of this amendment.

(d) 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.

(e) 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.

(f) As defined by general law, real property that is used to provide affordable housing and is subject to rent restrictions imposed by a governmental agency may be assessed as provided by general law, subject to conditions or limitations specified therein.

(g) As defined by general law, land that is used exclusively for commercial fishing purposes or that is open to the public and used predominantly for commercial water-dependent activities or for public access to waters that are navigable may be assessed as provided by general law, subject to conditions or limitations specified therein. For purposes of this paragraph, the term “water-dependent activity” means any activity that can be conducted only on, in, over, or adjacent to waters that are navigable and that requires direct access to water and involves the use of water as an integral part of such activity.

SECTION 6. Homestead exemptions.—

(a) Every person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, or another legally or naturally dependent upon the owner, shall be exempt from taxation ~~thereon~~, except assessments for special benefits, on seventy-five percent of up to the just assessed valuation of such property up to two hundred of five thousand dollars and on fifteen percent of the just valuation of such property above two hundred thousand dollars up to five hundred thousand dollars, upon establishment of right thereto in the manner prescribed by law. The five hundred thousand dollar threshold shall be adjusted each year by the percentage change in per capita personal income, as defined by general law, for the previous year, and may be increased by general law enacted by an affirmative vote of at least two-thirds of the membership of each house of the legislature. The exemption shall not be less than fifty thousand dollars but, for low-income seniors who meet the eligibility criteria under subsection (d), the exemption shall not be less than one hundred thousand dollars. The real estate may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years. The exemption shall not apply with respect to any assessment roll until such roll is first determined to be in compliance with the provisions of section 4 by a state agency designated by general law. This exemption is repealed on the effective date of any amendment to this Article which provides for the assessment of homestead property at less than just value.

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

~~(c) By general law and subject to conditions specified therein, the exemption shall be increased to a total of twenty-five thousand dollars of the assessed value of the real estate for each school district levy. By general law and subject to conditions specified therein, the exemption for all other levies may be increased up to an amount not exceeding ten thousand dollars of the assessed value of the real estate if the owner has attained age sixty-five or is totally and permanently disabled and if the owner is not entitled to the exemption provided in subsection (d).~~

~~(d)~~ By general law and subject to conditions specified therein, the exemption shall be increased to a total of the following amounts of assessed value of real estate for each levy other than those of school districts: fifteen thousand dollars with respect to 1980 assessments; twenty thousand dollars with respect to 1981 assessments; twenty-five thousand dollars with respect to assessments for 1982 and each year thereafter. However, such increase shall not apply with respect to any assessment roll until such roll is first determined to be in compliance with the provisions of section 4 by a state agency designated by general law. This subsection shall stand repealed on the effective date of any amendment to section 4 which provides for the assessment of homestead property at a specified percentage of its just value.

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

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

~~(e)~~^(g) Each veteran who is age 65 or older who is partially or totally permanently disabled shall receive a discount from the amount of the ad valorem tax otherwise owed on homestead property the veteran owns and resides in if the disability was combat related, the veteran was a resident of this state at the time of entering the military service of the United States, and the veteran was honorably discharged upon separation from military service. The discount shall be in a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veterans Affairs. To qualify for the discount granted by this subsection, an applicant must submit to the county property appraiser, by March 1, proof of residency at the time of entering military service, an official letter from the United States Department of Veterans Affairs stating the percentage of the veteran's service-connected disability and such evidence that reasonably identifies the disability as combat related, and a copy of the veteran's honorable discharge. If the property appraiser denies the request for a discount, the appraiser must notify the applicant in writing of the reasons for the denial, and the veteran may reapply. The Legislature may, by general law, waive the annual application requirement in subsequent years. This subsection shall take effect December 7, 2006, is self-executing, and does not require implementing legislation.

SECTION 9. Local taxes.—

(a) Counties, school districts, and municipalities shall, and special districts may, be authorized by law to levy ad valorem taxes and may be authorized by general law to levy other taxes, for their respective purposes, except ad valorem taxes on intangible personal property and taxes prohibited by this constitution.

(b) Ad valorem taxes, exclusive of taxes levied for the payment of bonds and taxes levied for periods not longer than two years when authorized by vote of the electors who are the owners of freeholds therein not wholly exempt from taxation, shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, ten mills; for all municipal purposes, ten mills; for all school purposes, ten mills; for water management purposes for the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill; for water management purposes for the remaining portions of the state, 1.0 mill; and for all other special districts a millage authorized by law approved by vote of the electors who are owners of freeholds therein not wholly exempt from taxation. A county furnishing municipal services may, to the extent authorized by law, levy additional taxes within the limits fixed for municipal purposes.

(c) By general law, the legislature shall limit the authority of counties, municipalities, and special districts to increase ad valorem taxes.

ARTICLE XII SCHEDULE

SECTION 27. Transitional assessments of homestead property; effective date.—

(a) Each person entitled to a homestead exemption under Section 6 of Article VII on the effective date of this amendment shall continue to have the person's current homestead assessed under Section 4(c) of Article VII until the person makes an irrevocable election to no longer have the person's homestead assessed under Section 4(c) of Article VII. After the irrevocable election is made, the homestead may not be assessed under Section 4(c) of Article VII. By general law and subject to conditions specified therein, the Legislature shall provide procedures for persons to make the election.

(b) The exemption provided in Section 6(a) of Article VII to each person entitled to have the person's homestead assessed under Section 4(c) of Article VII pursuant to subsection (a) shall be limited to the exemption the person would have been entitled to under Section 6(a)-(d) of Article VII as it existed on the day before the effective date of this amendment.

(c) The amendments to Sections 3, 4, 6, and 9 of Article VII, providing an exemption from ad valorem taxation for tangible personal property, revising provisions limiting an increase in the assessed value of homestead property, providing for assessing rent-restricted affordable housing and commercial and public-access waterfront property pursuant to general law, increasing the homestead exemption by providing a schedule for determining the exemption based on a percentage of the property's just value, and requiring the legislature to limit the authority of counties, municipalities, and special

districts to increase ad valorem taxes, and this section, providing for transitional assessments of homestead property, if submitted to the electors of this state for approval or rejection at a special election authorized by law to be held on January 29, 2008, shall take effect upon approval by the electors and shall operate retroactively to January 1, 2008, or, if submitted to the electors of this state for approval or rejection at the next general election, shall take effect January 1 of the year following such general election.

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

CONSTITUTIONAL AMENDMENT
ARTICLE VII, SECTIONS 3, 4, 6, AND 9;
ARTICLE XII, SECTION 27

AD VALOREM PROPERTY TAXATION: ASSESSMENTS, EXEMPTIONS, LIMITATIONS, AND HOMESTEADS.—Proposing amendments to the State Constitution to increase the homestead exemption from \$25,000 to 75 percent of the just value of the property up to \$200,000 and 15 percent of the just value of the property above \$200,000 up to \$500,000, to subject the \$500,000 threshold to annual adjustments based on the percentage change in per capita personal income, to authorize an increase in the \$500,000 threshold amount by a two-thirds vote of the Legislature, and to specify minimum homestead exemption amounts of \$50,000 for everyone except low-income seniors and \$100,000 for low-income seniors; to provide for transitional assessments of homestead property under the increased homestead exemption that include preserving application of Save-Our-Homes provisions until an irrevocable election is made; to revise Save-Our-Homes provisions to conform to provisions providing for the increased homestead exemption and transitional assessments of homestead property; to require the Legislature to limit the authority of counties, municipalities, and special districts to increase ad valorem taxes; to authorize an exemption from ad valorem taxes of no less than \$25,000 of assessed value of tangible personal property; to provide for assessing rent-restricted affordable housing property and waterfront property used for commercial fishing, commercial water-dependent activities, and public access at less than just value; and to schedule the amendments to take effect upon approval by the voters and operate retroactively to January 1, 2008, if approved in a special election held on January 29, 2008, or shall take effect January 1, 2009, if approved in the general election held in November of 2008.

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