

1 Resolution of the Taxation and Budget Reform Commission
2 A resolution proposing amendments to Sections 3, 4, and 6;
3 the creation of Section 19 of Article VII; and the
4 creation of Section 27 of Article XII of the State
5 Constitution, to provide an exemption for nonhomestead
6 improved residential property, to provide an additional
7 homestead exemption, to limit annual assessment increases
8 for nonhomestead real property, to provide for a temporary
9 increase in the state sales tax rate, and to provide an
10 effective date if such amendments are adopted.
11

12 Be It Resolved by the Taxation and Budget Reform Commission:
13

14 That the following amendments to Sections 3, 4, and 6 and
15 the creation of Section 19 of Article VII and the creation of
16 Section 27 of Article XII of the State Constitution are agreed
17 to and shall be submitted to the electors of this state for
18 approval or rejection at the next general election:
19

20 ARTICLE VII

21 FINANCE AND TAXATION

22 SECTION 3. Taxes; exemptions.--

23 (a) All property owned by a municipality and used
24 exclusively by it for municipal or public purposes shall be
25 exempt from taxation. A municipality, owning property outside
26 the municipality, may be required by general law to make payment
27 to the taxing unit in which the property is located. Such
28 portions of property as are used predominantly for educational,
29 literary, scientific, religious or charitable purposes may be
exempted by general law from taxation.

30 (b) There shall be exempt from taxation, cumulatively, to
31 every head of a family residing in this state, household goods
32 and personal effects to the value fixed by general law, not less
33 than one thousand dollars, and to every widow or widower or
34 person who is blind or totally and permanently disabled,
35 property to the value fixed by general law not less than five
36 hundred dollars.

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

59 (d) By general law and subject to conditions specified
60 therein, there may be granted an ad valorem tax exemption to a
61 renewable energy source device and to real property on which
62 such device is installed and operated, to the value fixed by
63 general law not to exceed the original cost of the device, and
64 for the period of time fixed by general law not to exceed ten
65 years.

66 (e) Any county or municipality may, for the purpose of its
67 respective tax levy and subject to the provisions of this
68 subsection and general law, grant historic preservation ad
69 valorem tax exemptions to owners of historic properties. This
70 exemption may be granted only by ordinance of the county or
71 municipality. The amount or limits of the amount of this
72 exemption and the requirements for eligible properties must be
73 specified by general law. The period of time for which this
74 exemption may be granted to a property owner shall be determined
75 by general law.

76 (f) By general law and subject to conditions specified
77 therein, twenty-five thousand dollars of the assessed value of
78 property subject to tangible personal property tax shall be
79 exempt from ad valorem taxation.

80 (g) By general law and subject to conditions specified
81 therein, improved residential real property the owner of which
82 is not receiving the exemption set forth in Section 6 shall be
83 entitled to an exemption for 2009 equal to 12.5 percent of the
84 just value of such property and for 2010 and thereafter equal to
85 25 percent of the just value of such property. However, in any
86 year such property shall receive only the exemption provided in
87 this subsection or the application of the cumulative assessment

88 limitation calculated pursuant to subsection (f) of Section 4,
89 whichever provides the lower taxable value.

90 SECTION 4. Taxation; assessments.--By general law
91 regulations shall be prescribed which shall secure a just
92 valuation of all property for ad valorem taxation, provided:

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

97 (b) Pursuant to general law tangible personal property
98 held for sale as stock in trade and livestock may be valued for
99 taxation at a specified percentage of its value, may be
100 classified for tax purposes, or may be exempted from taxation.

101 (c) All persons entitled to a homestead exemption under
102 Section 6 of this Article shall have their homestead assessed at
103 just value as of January 1 of the year following the effective
104 date of this amendment. This assessment shall change only as
105 provided herein.

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

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

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

116 (2) No assessment shall exceed just value.

117 (3) After any change of ownership, as provided by
118 general law, homestead property shall be assessed at just
119 value as of January 1 of the following year, unless the
120 provisions of paragraph (8) apply. Thereafter, the homestead
121 shall be assessed as provided herein.

122 (4) New homestead property shall be assessed at just
123 value as of January 1st of the year following the
124 establishment of the homestead, unless the provisions of
125 paragraph (8) apply. That assessment shall only change as
126 provided herein.

127 (5) Changes, additions, reductions, or improvements to
128 homestead property shall be assessed as provided for by general
129 law; provided, however, after the adjustment for any change,
130 addition, reduction, or improvement, the property shall be
131 assessed as provided herein.

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

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

139 (8)a. A person who establishes a new homestead as of
140 January 1, 2009, or January 1 of any subsequent year and who has
141 received a homestead exemption pursuant to Section 6 of this
142 Article as of January 1 of either of the two years immediately
143 preceding the establishment of the new homestead is entitled to
144 have the new homestead assessed at less than just value. If this
145 revision is approved in January of 2008, a person who

146 establishes a new homestead as of January 1, 2008, is entitled
147 to have the new homestead assessed at less than just value only
148 if that person received a homestead exemption on January 1,
149 2007. The assessed value of the newly established homestead
150 shall be determined as follows:

151 1. If the just value of the new homestead is greater than
152 or equal to the just value of the prior homestead as of January
153 1 of the year in which the prior homestead was abandoned, the
154 assessed value of the new homestead shall be the just value of
155 the new homestead minus an amount equal to the lesser of
156 \$500,000 or the difference between the just value and the
157 assessed value of the prior homestead as of abandoned.
158 Thereafter, the homestead shall be assessed as provided herein.

159 2. If the just value of the new homestead is less than the
160 just value of the prior homestead as of January 1 of the year in
161 which the prior homestead was abandoned, the assessed value of
162 the new homestead shall be equal to the just value of the new
163 homestead divided by the just value of the prior homestead and
164 multiplied by the assessed value of the prior homestead.
165 However, if the difference between the just value of the new
166 homestead and the assessed value of the new homestead calculated
167 pursuant to this sub-subparagraph is greater than \$500,000, the
168 assessed value of the new homestead shall be increased so that
169 the difference between the just value and the assessed value
170 equals \$500,000. Thereafter, the homestead shall be assessed as
171 provided herein.

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

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

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

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

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

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

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

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

206 ~~(2) No assessment shall exceed just value.~~

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

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

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

221 ~~(1) Assessments subject to this subsection shall be~~
 222 ~~8 changed annually on the date of assessment provided by law;~~
 223 ~~but those changes in assessments shall not exceed ten percent~~
 224 ~~(10%) of the assessment for the prior year.~~

225 ~~(2) No assessment shall exceed just value.~~

226 ~~(3) The legislature must provide that such property~~
 227 ~~13 shall be assessed at just value as of the next assessment~~
 228 ~~date after a qualifying improvement, as defined by general law,~~
 229 ~~is made to such property. Thereafter, such property shall be~~
 230 ~~assessed as provided in this subsection.~~

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

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

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

242 (f) Assessments of real property not subject to the
 243 assessment limitations set forth in subsections (a) and (c)
 244 shall change only as provided in this subsection.

245 (1) Assessments subject to this subsection shall be
 246 changed annually on the date of assessment provided by law, but
 247 those changes in assessments shall not exceed five percent (5%)
 248 of the assessment for the prior year.

249 (2) No assessment shall exceed just value.

250 (3) Such property shall be assessed at just value as of
 251 the next assessment date after a qualifying improvement, as
 252 defined by general law, is made to such property or after a
 253 change in ownership or control, as defined by general law,
 254 including any change of ownership of the legal entity that owns
 255 the property. The legislature may provide for specified classes
 256 of property to be assessed at just value only after a change in
 257 ownership of such property or after a qualifying improvement is
 258 made to such property. Thereafter, such property shall be
 259 assessed as provided in this subsection.

260 (4) Changes, additions, reductions, or improvements to
 261 such property shall be assessed as provided for by general law;

262 however, after the adjustment for any change, addition,
263 reduction, or improvement, the property shall be assessed as
264 provided in this subsection.

265 SECTION 6. Homestead exemptions.--

266 (a) Every person who has the legal or equitable title to
267 real estate and maintains thereon the permanent residence of the
268 owner, or another legally or naturally dependent upon the owner,
269 shall be exempt from taxation thereon, except assessments for
270 special benefits, up to the assessed valuation of twenty-five
271 thousand dollars ~~and, for all levies other than school district~~
272 ~~levies, on the assessed valuation greater than fifty thousand~~
273 ~~dollars and up to seventy five thousand dollars,~~ upon
274 establishment of right thereto in the manner prescribed by law.
275 The real estate may be held by legal or equitable title, by the
276 entireties, jointly, in common, as a condominium, or indirectly
277 by stock ownership or membership representing the owner's or
278 member's proprietary interest in a corporation owning a fee or a
279 leasehold initially in excess of ninety-eight years. ~~The~~
280 ~~exemption shall not apply with respect to any assessment roll~~
281 ~~until such roll is first determined to be in compliance with the~~
282 ~~provisions of section 4 by a state agency designated by general~~
283 ~~law. This exemption is repealed on the effective date of any~~
284 ~~amendment to this Article which provides for the assessment of~~
285 ~~homestead property at less than just value.~~

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

291 | which the interest in the corporation bears to the assessed
292 | value of the property.

293 | (c) By general law and subject to conditions specified
294 | therein, each person who is entitled to receive the homestead
295 | exemption provided in subsection (a) is also entitled to an
296 | additional homestead exemption for 2009 in an amount equal to
297 | 12.5 percent of the just value of the homestead and for 2010 and
298 | each year thereafter in an amount equal to 25 percent of the
299 | just value of the homestead. The additional exemption shall
300 | apply only after the first fifty thousand dollars of just value
301 | of the homestead property. However, in any year, such person
302 | shall receive only the exemption provided in this subsection or
303 | the application of the cumulative assessment limitation
304 | calculated pursuant to subsection (c) of Section 4, whichever
305 | provides the lower taxable value. The exemption shall not apply
306 | with respect to any assessment roll until such roll is first
307 | determined to be in compliance with the provisions of Section 4
308 | by a state agency designated by general law.

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

314 | ~~(e)~~~~(d)~~ The legislature may, by general law, allow counties
315 | or municipalities, for the purpose of their respective tax
316 | levies and subject to the provisions of general law, to grant an
317 | additional homestead tax exemption not exceeding fifty thousand
318 | dollars to any person who has the legal or equitable title to
319 | real estate and maintains thereon the permanent residence of the

320 owner and who has attained age sixty-five and whose household
321 income, as defined by general law, does not exceed twenty
322 thousand dollars. The general law must allow counties and
323 municipalities to grant this additional exemption, within the
324 limits prescribed in this subsection, by ordinance adopted in
325 the manner prescribed by general law, and must provide for the
326 periodic adjustment of the income limitation prescribed in this
327 subsection for changes in the cost of living.

328 (f)~~(e)~~ Each veteran who is age 65 or older who is
329 partially or totally permanently disabled shall receive a
330 discount from the amount of the ad valorem tax otherwise owed on
331 homestead property the veteran owns and resides in if the
332 disability was combat related, the veteran was a resident of
333 this state at the time of entering the military service of the
334 United States, and the veteran was honorably discharged upon
335 separation from military service. The discount shall be in a
336 percentage equal to the percentage of the veteran's permanent,
337 service-connected disability as determined by the United States
338 Department of Veterans Affairs. To qualify for the discount
339 granted by this subsection, an applicant must submit to the
340 county property appraiser, by March 1, proof of residency at the
341 time of entering military service, an official letter from the
342 United States Department of Veterans Affairs stating the
343 percentage of the veteran's service-connected disability and
344 such evidence that reasonably identifies the disability as
345 combat related, and a copy of the veteran's honorable discharge.
346 If the property appraiser denies the request for a discount, the
347 appraiser must notify the applicant in writing of the reasons
348 for the denial, and the veteran may reapply. The Legislature

349 may, by general law, waive the annual application requirement in
350 subsequent years. This subsection shall take effect December 7,
351 2006, is self-executing, and does not require implementing
352 legislation.

353 SECTION 19. Temporary sales and use tax increase.--

354 (a) Beginning July 1, 2009, and terminating at midnight,
355 June 30, 2012, the tax imposed on any transaction or use
356 currently or hereafter subject to taxation pursuant to the
357 provisions of chapter 212, Florida Statutes, is increased by
358 adding one-half percentage point to the tax rate. Exemptions
359 from such tax adopted by general law shall apply to the tax
360 increase imposed by this section.

361 (b) The proceeds of the tax increase imposed by this
362 section shall be set aside for distribution to school districts
363 and used to replace the annual loss of property tax revenues to
364 school districts resulting from the amendments to Sections 3, 4,
365 and 6 of Article VII of this constitution providing an exemption
366 for nonhomestead improved residential property, providing an
367 additional homestead exemption, and limiting annual assessment
368 increases for nonhomestead real property. Tax revenues collected
369 in excess of those needed to replace the loss to school
370 districts shall be distributed to other local governments as
371 provided by general law.

372 ARTICLE XII

373 SCHEDULE

374 SECTION 27. Property tax exemptions, property assessment
375 increase limitation, and temporary sales tax increase.--The
376 amendments to Sections 3, 4, and 6 and the creation of Section
377 19 of Article VII providing an exemption for nonhomestead

378 residential property, providing an additional homestead
 379 exemption, providing a limitation on assessment increases for
 380 nonhomestead real properties, and providing for a temporary
 381 increase in the state sales and use tax, and this section, if
 382 submitted to the electors of this state for approval or
 383 rejection at the general election held in November of 2008,
 384 shall take effect January 1, 2009.
 385

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

388 CONSTITUTIONAL AMENDMENT

389 CONSTITUTIONAL AMENDMENT

390 ARTICLE VII, SECTIONS 3, 4, 6, AND 19

391 ARTICLE XII, SECTION 27

392 PROPERTY TAX EXEMPTIONS; NONHOMESTEAD PROPERTY ASSESSMENT
 393 INCREASE LIMITATION; TEMPORARY SALES TAX INCREASE.--This
 394 revision proposes changes to the State Constitution to provide
 395 an exemption for nonhomestead improved residential property
 396 equal to a percentage of the property's just value, provide an
 397 additional homestead exemption equal to a percentage of the
 398 homestead's just value above \$50,000, limit annual increases in
 399 assessments of real property that is not homestead property, and
 400 provide for a temporary increase in the state sales and use tax.