

1 Resolution of the Taxation and Budget Reform Commission  
 2 A resolution proposing an amendment to Sections 4 and 9  
 3 and the creation of Section 19 of Article VII of the State  
 4 Constitution to limit increases in the assessment of  
 5 certain properties, to reduce the maximum millage rate for  
 6 ad valorem taxation for school purposes, to limit the  
 7 ability of the Legislature to levy an ad valorem tax as  
 8 required local effort as a condition for eligibility for  
 9 state funds, and to require the replacement of required  
 10 local effort with other funds.

11  
 12 Be It Resolved by the Taxation and Budget Reform Commission:

13  
 14 That the following amendment to Sections 4 and 9 and the  
 15 creation of Section 19 of Article VII of the State Constitution  
 16 is agreed to and shall be submitted to the electors of this  
 17 state for approval or rejection at the next general election or  
 18 at an earlier special election specifically authorized by law  
 19 for that purpose:

20 ARTICLE VII

21 FINANCE AND TAXATION

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

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

29 (b) Pursuant to general law tangible personal property

30 held 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 (c) 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 herein.

38 (1) Assessments subject to this provision 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  
42 year.

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

48 (2) No assessment shall exceed just value.

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

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

58 (5) Changes, additions, reductions, or improvements to

59 | homestead property shall be assessed as provided for by general  
60 | law; provided, however, after the adjustment for any change,  
61 | addition, reduction, or improvement, the property shall be  
62 | assessed as provided herein.

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

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

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

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

88 assessed value of the prior homestead as of January 1 of the  
89 year in which the prior homestead was abandoned. Thereafter, the  
90 homestead shall be assessed as provided herein.

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

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

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

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

115 (e) A county may, in the manner prescribed by general law,  
116 provide for a reduction in the assessed value of homestead

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

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

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

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

134 (1) Assessments subject to this subsection shall be  
135 changed annually on the date of assessment provided by law; but  
136 those changes in assessments shall not exceed five ~~ten~~ percent  
137 (5%) ~~(10%)~~ of the assessment for the prior year.

138 (2) No assessment shall exceed just value.

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

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

146 | however, after the adjustment for any change, addition,  
147 | reduction, or improvement, the property shall be assessed as  
148 | provided in this subsection.

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

153 |       (1) Assessments subject to this subsection shall be  
154 | changed annually on the date of assessment provided by law; but  
155 | those changes in assessments shall not exceed five ~~ten~~ percent  
156 | (5%) ~~(10%)~~ of the assessment for the prior year.

157 |       (2) No assessment shall exceed just value.

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

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

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

174 |       SECTION 9. Local taxes.--

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

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

198 SECTION 19. Replacement of ad valorem taxes set by the  
 199 legislature with other funds for education.--

200 (a) Commencing in the 2010-2011 fiscal year, the  
 201 legislature may not require school districts to levy an ad  
 202 valorem tax as a required local effort for participation in the  
 203 Florida Education Finance Program or a successor program.

204        (b) The legislature shall replace the revenue impact of  
205 the elimination of required local effort as provided in  
206 subsection (a) in an amount not less than the amount  
207 appropriated in the General Appropriations Act in the 2008-2009  
208 fiscal year through a combination of the following actions:

209        (1) the repeal of sales tax exemptions, except for the  
210 current exemptions for: food; prescription drugs; health  
211 services; residential rent, electricity and heating fuel, which  
212 exemptions advance tax fairness; sales of tangible personal  
213 property purchased for resale or imported, produced, or  
214 manufactured in this state for export; sales of real property;  
215 or sales of intangible personal property;

216        (2) an increase of up to one percentage point to the sales  
217 and use tax rate imposed by chapter 212, Florida Statutes;

218        (3) spending reductions within the state budget;

219        (4) revenue increases resulting from economic growth  
220 attributable to lower property taxes; and

221        (5) other revenues identified or created by the  
222 legislature.

223  
224 Nothing contained herein shall be construed to replace or  
225 eliminate: the ad valorem tax millage dedicated to capital  
226 outlay, school renovation and repair, or for the payment of  
227 lease purchase obligations authorized by general law; voter-  
228 approved millage authorized in the constitution; or  
229 discretionary ad valorem millage for school districts authorized  
230 by law.  
231



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

234 CONSTITUTIONAL AMENDMENT

235 ARTICLE VII, SECTIONS 9 AND 19

236 STATE EDUCATION FUNDING.--Directing the Legislature to  
237 eliminate property taxes required for education and replace said  
238 funds with a combination of revenues generated from the repeal  
239 of sales tax exemptions, up to a one cent increase in the sales  
240 tax, spending reductions, revenues resulting from the economic  
241 growth created by lower property taxes, and other revenues  
242 identified or created by the legislature. Lowering the millage  
243 rate on property taxes levied for school purposes from 10 to 5  
244 mills.