

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 and Section
4 28 of Article XII of the State Constitution to limit the
5 growth of assessments of certain real property for the
6 purposes of ad valorem taxation, to mandate the
7 elimination of property taxes set as required local
8 effort, to reduce the maximum millage for school purposes,
9 and to replace the revenues from property taxes set as
10 required local effort with other funds.
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12 Be It Resolved by the Taxation and Budget Reform Commission:
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14 That the following amendment to Sections 4 and 9 and the
15 creation of Section 19 of Article VII and Section 28 of Article
16 XII of the State Constitution is agreed to and shall be
17 submitted to the electors of this state for approval or
18 rejection at the next general election or at an earlier special
19 election specifically authorized by law 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

assessment limitations set forth in subsections (a) through (c) and (f) shall change only as provided in this subsection.

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

(2) No assessment shall exceed just value.

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

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

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

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.

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 required by
199 the legislature with other funds for education.--

200 (a) Commencing in the 2010-2011 fiscal year, the
201 legislature shall be prohibited from requiring school districts
202 to levy an ad valorem tax as a required local effort for
203 participation in the Florida Education Finance Program or a
204 successor program.

205 (b)(1) The legislature shall replace the revenue impact of
206 the elimination of the required local effort as provided in
207 subsection (a) through an exercise of the following options:

208 a. the repeal of sales tax exemptions, which are
209 determined not to advance or serve a public purpose, except for
210 the current exemptions for: food; prescription drugs; health

211 services; charitable organizations; religious organizations;
212 residential rent, electricity and heating fuel; sales of
213 tangible personal property purchased for resale or imported,
214 produced, or manufactured in this state for export; sales of
215 real property; and sales of intangible personal property;

216 b. an increase of up to one percentage point to the sales
217 and use tax rate in existence on January 6, 2009;

218 c. spending reductions for other components of the state
219 budget and revenue increases resulting from economic growth
220 attributable to lower property taxes; or

221 d. other revenues identified or created by the
222 legislature.

223 (2) In implementing this section, the amount appropriated
224 and set in the General Appropriations Act in the 2010-2011
225 fiscal year shall not be less than the amount appropriated and
226 set in the 2008-2009 fiscal year for the funding of public
227 schools under the Florida Education Finance Program, as
228 increased by the average historical growth for such amounts
229 during state fiscal years 2006-2007 and 2007-2008, which
230 appropriated and set amount shall be referred to as the
231 "education hold harmless amount."

232 (3) Nothing contained herein shall be construed to replace
233 or eliminate: the ad valorem tax millage dedicated to capital
234 outlay, school renovation and repair, or for the payment of
235 lease purchase obligations authorized by general law; voter-
236 approved millage authorized in the constitution; or
237 discretionary ad valorem millage for school districts authorized
238 by law.

239 (c) Each law creating a sales tax exemption shall contain
240 the single subject of a single exemption and a legislative

finding that the exemption advances or serves the public purpose
of: encouraging economic development and competitiveness;
supporting educational, governmental, literary, scientific,
religious, or charitable initiatives or organizations; or
securing tax fairness.

ARTICLE XII

SCHEDULE

SECTION 28. Implementation of school property tax
reform.--

(a) The amendments to Section 4 of Article VII, reducing
the maximum annual change in assessments for non-homestead
properties to five percent (5%) from ten percent (10%) shall
take effect January 1, 2009.

(b) The amendment to Section 9 of Article VII, reducing to
five mills from ten mills the authorized ad valorem millage for
school purposes shall take effect January 1, 2010.

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

CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTIONS 4, 9, AND 19

ARTICLE XII, SECTION 28

ELIMINATING REQUIRED SCHOOL PROPERTY TAX AND REPLACING WITH
LEGISLATIVE OPTIONS GENERATING EQUIVALENT AMOUNT FOR
EDUCATION.--Replacing legislatively required school property
taxes with state revenues generated through exercise of
legislative options of: repealing certain sales tax exemptions;
increasing sales tax rate up to one cent; spending reductions;
or other legislative sources. Limiting subject matter of laws
granting future exemptions. Limiting annual increases in

271 assessment of non-homestead real property. Lowering property tax
272 millage rate for schools. Holding harmless public school funding
273 amount.

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275 Alternative Ballot Summary

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277 Replacing legislatively required school property taxes with
278 state revenues generating an equivalent hold harmless amount for
279 schools through exercise of the following legislative options:
280 repealing sales tax exemptions not specifically excluded;
281 increasing sales tax rate up to one cent; spending reductions;
282 or other revenue options created by the legislature. Limiting
283 subject matter of laws granting future exemptions. Limiting
284 annual increases in assessment of non-homestead real property.
285 Lowering property tax millage rate for schools.