

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 the growth of assessments of certain
5 real property for the purposes of ad valorem taxation, to
6 mandate the elimination of property taxes set as required
7 local effort, to reduce the maximum millage for school
8 purposes, and to replace the revenues from property taxes
9 set as required local effort with other funds.

10
11 Be It Resolved by the Taxation and Budget Reform Commission:

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

19 ARTICLE VII

20 FINANCE AND TAXATION

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

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

28 (b) Pursuant to general law tangible personal property
29 held for sale as stock in trade and livestock may be valued for
30 taxation at a specified percentage of its value, may be

31 classified for tax purposes, or may be exempted from taxation.

32 (c) All persons entitled to a homestead exemption under
33 Section 6 of this Article shall have their homestead assessed at
34 just value as of January 1 of the year following the effective
35 date of this amendment. This assessment shall change only as
36 provided herein.

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

40 a. Three percent (3%) of the assessment for the prior
41 year.

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

47 (2) No assessment shall exceed just value.

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

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

57 (5) Changes, additions, reductions, or improvements to
58 homestead property shall be assessed as provided for by general
59 law; provided, however, after the adjustment for any change,
60 addition, reduction, or improvement, the property shall be

61 assessed as provided herein.

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

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

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

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

90 2. If the just value of the new homestead is less than the

91 just value of the prior homestead as of January 1 of the year in
92 which the prior homestead was abandoned, the assessed value of
93 the new homestead shall be equal to the just value of the new
94 homestead divided by the just value of the prior homestead and
95 multiplied by the assessed value of the prior homestead.
96 However, if the difference between the just value of the new
97 homestead and the assessed value of the new homestead calculated
98 pursuant to this sub-subparagraph is greater than \$500,000, the
99 assessed value of the new homestead shall be increased so that
100 the difference between the just value and the assessed value
101 equals \$500,000. Thereafter, the homestead shall be assessed as
102 provided herein.

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

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

114 (e) A county may, in the manner prescribed by general law,
115 provide for a reduction in the assessed value of homestead
116 property to the extent of any increase in the assessed value of
117 that property which results from the construction or
118 reconstruction of the property for the purpose of providing
119 living quarters for one or more natural or adoptive grandparents
120 or parents of the owner of the property or of the owner's spouse

121 if at least one of the grandparents or parents for whom the
122 living quarters are provided is 62 years of age or older. Such a
123 reduction may not exceed the lesser of the following:

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

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

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

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

137 (2) No assessment shall exceed just value.

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

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

148 (g) For all levies other than school district levies,
149 assessments of real property that is not subject to the
150 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.

(b) Ad valorem taxes, exclusive of taxes levied for the

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

197 SECTION 19. Replacement of the ad valorem property taxes
198 set by the legislature under the Florida Education Finance
199 Program.--

200 (a) The legislature shall eliminate the ad valorem
201 property tax applicable to assessments beginning January 1,
202 2011, set as the required local effort for all school districts
203 under the Florida Education Finance Program, or its successor in
204 function. Thereafter, the full revenue impact of the elimination
205 of the required local effort shall be offset by:

206 (1) the repeal of sales tax exemptions determined not to
207 advance or serve a public purpose, except for the current
208 exemptions for: food; prescription drugs; health services;
209 charitable and religious institutions; and residential rent,
210 electricity and heating fuel, which exemptions advance tax

211 fairness;

212 (2) a sales tax increase of up to one cent in the sales
213 tax rate in existence on January 6, 2009; and

214 (3) spending reductions for other components of the state
215 budget and revenue increases resulting from economic growth
216 attributable to lower property taxes; and

217 (4) other revenues identified or created by the
218 legislature.

219
220 In implementing and adopting the legislative actions enumerated
221 in this section, the amount appropriated in the General
222 Appropriations Act in the 2010-2011 fiscal year shall be not
223 less than the amount appropriated in the 2008-2009 fiscal year
224 for the funding of public schools under the Florida Education
225 Finance Program, as increased by the average historical growth
226 for such amounts during the prior two state fiscal years, which
227 appropriated amounts shall be referred to as the "education hold
228 harmless amount."

229 (b) Each law creating a sales tax exemption shall contain
230 the single subject-matter of a single exemption and a
231 legislative finding that the exemption advances or serves the
232 public purpose of: encouraging economic development and
233 competitiveness; supporting educational, governmental, literary,
234 scientific, religious, or charitable initiatives or
235 institutions; or securing tax fairness.

236 (c) Commencing in the 2011-2012 fiscal year and each
237 fiscal year thereafter, the legislature shall be prohibited from
238 requiring the levy of an ad valorem property tax as a required
239 local effort for participation by school districts in the
240 Florida Education Finance Program, or successor in function.

241 Nothing contained in this section replaces or eliminates: the
242 ad valorem tax millage dedicated to capital outlay, school
243 renovation and repair, or for the payment of lease purchase
244 obligations authorized by general law; voter-approved millage
245 authorized in the constitution; or discretionary ad valorem
246 millage for school districts authorized by law.

247 (d) The term "required local effort" means the ad valorem
248 property taxes set by the legislature pursuant to section
249 1011.62(4), Florida Statutes. Such term does not include the
250 voter-approved millage currently authorized in section 1011.73,
251 Florida Statutes, or the discretionary ad valorem tax millage
252 authorized in section 1011.62(5) and 1011.71(1), Florida
253 Statutes.

254
255 BE IT FURTHER RESOLVED that the following statement be
256 placed on the ballot:

257 CONSTITUTIONAL AMENDMENT

258 ARTICLE VII, SECTIONS 4, 9, AND 19

259 REPLACEMENT OF SCHOOL PROPERTY TAXES AS REQUIRED LOCAL
260 EFFORT SET BY LEGISLATURE.--Directing Legislature to replace
261 school property taxes required by the Legislature by repealing
262 sales tax exemptions, a one cent increase in the sales tax rate
263 and other legislative spending reductions or revenue
264 initiatives. Excluded from repeal are exemptions for food;
265 prescription drugs; health services; and residential rent,
266 electricity and heating fuel. Limiting subject matter of laws
267 granting future exemptions. Limiting annual increases in
268 assessment of non-homestead real property. Reducing the
269 authorized millage for school purposes.

