

1 Resolution of the Taxation and Budget Reform Commission  
2 A resolution proposing the amendment of Sections 3 and 4  
3 of Article VII and the creation of a new section in  
4 Article XII of the State Constitution, to prohibit the  
5 consideration of wind-damage-resistance improvements and  
6 the installation of renewable energy source devices in the  
7 determination of the assessed value of residential real  
8 property, to delete an existing exemption for renewable  
9 energy source devices to conform, and to provide effective  
10 dates for such provisions if adopted.

11  
12 Be It Resolved by the Taxation and Budget Reform Commission:  
13

14 That the following amendment of Sections 3 and 4 of Article  
15 VII and the creation of a new section in Article XII of the  
16 State Constitution are agreed to and shall be submitted to the  
17 electors of this state for approval or rejection at the next  
18 general election or at an earlier special election specifically  
19 authorized by law for that purpose:

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  
30 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~~

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

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

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

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

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

88       (b) Pursuant to general law tangible personal property  
89 held for sale as stock in trade and livestock may be valued for  
90 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 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 in this subsection ~~herein~~.

(1) Assessments subject to this subsection ~~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, unless the provisions of paragraph (8) apply. Thereafter, the homestead shall be assessed as provided in this subsection ~~herein~~.

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

(5) Changes, additions, reductions, or improvements to homestead property shall be assessed as provided for by general

121 law; provided, however, after the adjustment for any change,  
122 addition, reduction, or improvement, the property shall be  
123 assessed as provided in this subsection ~~herein~~.

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

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

131 (8)a. A person who establishes a new homestead as of  
132 January 1, 2009, or January 1 of any subsequent year and who has  
133 received a homestead exemption pursuant to Section 6 of this  
134 Article as of January 1 of either of the two years immediately  
135 preceding the establishment of the new homestead is entitled to  
136 have the new homestead assessed at less than just value. If this  
137 revision is approved in January of 2008, a person who  
138 establishes a new homestead as of January 1, 2008, is entitled  
139 to have the new homestead assessed at less than just value only  
140 if that person received a homestead exemption on January 1,  
141 2007. The assessed value of the newly established homestead  
142 shall be determined as follows:

143 1. If the just value of the new homestead is greater than  
144 or equal to the just value of the prior homestead as of January  
145 1 of the year in which the prior homestead was abandoned, the  
146 assessed value of the new homestead shall be the just value of  
147 the new homestead minus an amount equal to the lesser of  
148 \$500,000 or the difference between the just value and the  
149 assessed value of the prior homestead as of January 1 of the  
150 year in which the prior homestead was abandoned. Thereafter, the

homestead shall be assessed as provided in this subsection  
~~herein~~.

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

However, if the difference between the just value of the new homestead and the assessed value of the new homestead calculated pursuant to this sub-subparagraph is greater than \$500,000, the assessed value of the new homestead shall be increased so that the difference between the just value and the assessed value equals \$500,000. Thereafter, the homestead shall be assessed as provided in this subsection ~~herein~~.

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

(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

181 reconstruction of the property for the purpose of providing  
182 living quarters for one or more natural or adoptive grandparents  
183 or parents of the owner of the property or of the owner's spouse  
184 if at least one of the grandparents or parents for whom the  
185 living quarters are provided is 62 years of age or older. Such a  
186 reduction may not exceed the lesser of the following:

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

189 (2) Twenty percent of the total assessed value of the  
190 property as improved.

191 (f) For all levies other than school district levies,  
192 assessments of residential real property, as defined by general  
193 law, which contains nine units or fewer and which is not subject  
194 to the assessment limitations set forth in other subsections of  
195 this section ~~(a) through (e)~~ shall change only as provided in  
196 this subsection.

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

201 (2) No assessment shall exceed just value.

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

207 (4) Changes, additions, reductions, or improvements to  
208 such property shall be assessed as provided for by general law;  
209 however, after the adjustment for any change, addition,  
210 reduction, or improvement, the property shall be assessed as

provided in this subsection.

(g) For all levies other than school district levies, assessments of real property that is not subject to the assessment limitations set forth in other subsections of this section ~~(a) through (e) 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 ten percent (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.

(h) The legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the following in the determination of the assessed value of real



property used for residential purposes:

(1) Any change or improvement made for the purpose of improving the property's resistance to wind damage.

(2) The installation of a renewable energy source device.

## ARTICLE XII

### SCHEDULE

Limitation on the assessed value of real property used for residential purposes.--

(a) The repeal of the renewable energy source property tax exemption in Section 3 of Article VII shall take effect upon approval by the voters.

(b) The amendment to Section 4 of Article VII, authorizing the legislature to prohibit an increase in the assessed value of real property used for residential purposes as the result of improving the property's resistance to wind damage or installing a renewable energy source device, shall take effect January 1, 2009.

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

## CONSTITUTIONAL AMENDMENT

### ARTICLE VII, SECTIONS 3 AND 4

### ARTICLE XII, NEW SECTION

CHANGES AND IMPROVEMENTS NOT AFFECTING THE ASSESSED VALUE OF RESIDENTIAL REAL PROPERTY.--Authorizes Legislature, by general law, to prohibit consideration of changes or improvements to residential real property which increase resistance to wind damage and installation of renewable-energy-source devices as factors in assessing property's value for ad valorem taxation purposes. Limits cap on nonhomestead real property assessment increases to property not subject to another

271 constitutional assessment limitation. Effective upon adoption,  
272 repeals existing renewable-energy-source-device exemption no  
273 longer in effect.