

1 Resolution of the Taxation and Budget Reform Commission
2 A resolution proposing amendments to Sections 3, 4, and 6
3 and 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 tangible
6 personal property, to provide an exemption for
7 nonhomestead improved residential property, to provide an
8 additional homestead exemption, to limit annual assessment
9 increases for nonhomestead real property, to provide for
10 an increase in the sales tax rate, and to provide an
11 effective date if such amendments are adopted.

12
13 Be It Resolved by the Legislature of the State of Florida:

14
15 That the following amendments to Sections 3, 4, and 6 and
16 the creation of Section 19 of Article VII and the creation of
17 Section 27 of Article XII of the State Constitution are agreed
18 to and shall be submitted to the electors of this state for
19 approval or rejection at the next general election or at an
20 earlier special election specifically authorized by law for that
21 purpose:

22 ARTICLE VII

23 FINANCE AND TAXATION

24 SECTION 3. Taxes; exemptions.--

25 (a) All property owned by a municipality and used
26 exclusively by it for municipal or public purposes shall be
27 exempt from taxation. A municipality, owning property outside
28 the municipality, may be required by general law to make payment
29 to the taxing unit in which the property is located. Such

30 portions of property as are used predominantly for educational,
31 literary, scientific, religious or charitable purposes may be
32 exempted by general law from taxation.

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

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

59 exemption shall expire ten years from the date of approval by
60 the electors of the county or municipality, and may be renewable
61 by referendum as provided by general law.

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

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

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

83 (g) By general law and subject to conditions specified
84 therein, improved residential real property, the owner of which
85 is not receiving the exemption set forth in Section 6, shall be
86 entitled to an exemption for 2009 equal to twenty-five percent
87 (25%) of the just value of such property. For 2010 and

88 thereafter, the exemption shall equal to fifty percent (50%) of
 89 the just value of the property. However, in any year, the
 90 property shall receive only the exemption provided in this
 91 subsection or the application of the cumulative assessment
 92 limitation calculated pursuant to subsection (f) of Section 4,
 93 whichever provides the lowest taxable value.

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

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

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

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

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

113 a. Three percent (3%) of the assessment for the prior
 114 year.

115 b. The percent change in the Consumer Price Index for all
 116 urban consumers, U.S. City Average, all items 1967=100, or

117 successor reports for the preceding calendar year as initially
118 reported by the United States Department of Labor, Bureau of
119 Labor Statistics.

120 (2) No assessment shall exceed just value.

121 (3) After any change of ownership, as provided by general
122 law, homestead property shall be assessed at just value as of
123 January 1 of the following year. Thereafter, the homestead shall
124 be assessed as provided herein.

125 (4) New homestead property shall be assessed at just value
126 as of January 1st of the year following the establishment of the
127 homestead. That assessment shall only change as provided herein.

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

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

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

140 (d) The legislature may, by general law, for assessment
141 purposes and subject to the provisions of this subsection, allow
142 counties and municipalities to authorize by ordinance that
143 historic property may be assessed solely on the basis of
144 character or use. Such character or use assessment shall apply
145 only to the jurisdiction adopting the ordinance. The

146 requirements for eligible properties must be specified by
147 general law.

148 (e) A county may, in the manner prescribed by general law,
149 provide for a reduction in the assessed value of homestead
150 property to the extent of any increase in the assessed value of
151 that property which results from the construction or
152 reconstruction of the property for the purpose of providing
153 living quarters for one or more natural or adoptive grandparents
154 or parents of the owner of the property or of the owner's spouse
155 if at least one of the grandparents or parents for whom the
156 living quarters are provided is 62 years of age or older. Such a
157 reduction may not exceed the lesser of the following:

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

160 (2) Twenty percent of the total assessed value of the
161 property as improved.

162 (f) Assessments of real property that are not subject to
163 the assessment limitations set forth in subsections (a) and (c)
164 shall change only as provided in this subsection.

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

169 (2) No assessment shall exceed just value.

170 (3) Property shall be assessed at just value as of the
171 next assessment date after a qualifying improvement, as defined
172 by general law, is made to such property or after a change in
173 ownership or control, as defined by general law, including any
174 change of ownership of the legal entity that owns the property.

175 The legislature may provide for specified classes of property to
176 be assessed at just value only after a change in ownership of
177 such property or only after a qualifying improvement is made to
178 such property. Thereafter, such property shall be assessed as
179 provided in this subsection.

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

185 SECTION 6. Homestead exemptions.--

186 (a) Every person who has the legal or equitable title to
187 real estate and maintains thereon the permanent residence of the
188 owner, or another legally or naturally dependent upon the owner,
189 shall be exempt from taxation thereon, except assessments for
190 special benefits, up to the assessed valuation of twenty-five
191 ~~five~~ thousand dollars, upon establishment of right thereto in
192 the manner prescribed by law. The real estate may be held by
193 legal or equitable title, by the entirety, jointly, in common,
194 as a condominium, or indirectly by stock ownership or membership
195 representing the owner's or member's proprietary interest in a
196 corporation owning a fee or a leasehold initially in excess of
197 ninety-eight years.

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

203 which the interest in the corporation bears to the assessed
204 value of the property.

205 (c) By general law and subject to conditions specified
206 therein, each person who is entitled to receive the homestead
207 exemption provided in subsection (a) is also entitled to an
208 additional homestead exemption for 2009 in an amount equal to
209 twenty-five percent (25%) of the just value of the homestead;
210 and for 2010 and each year thereafter, in an amount equal to
211 fifty percent (50%) of the just value of the homestead. The
212 additional exemption shall apply only after the first fifty
213 thousand dollars of just value of the homestead property.
214 However, in any year, such person shall receive only the
215 exemption provided in this subsection or the application of the
216 cumulative assessment limitation calculated pursuant to
217 subsection (c) of Section 4, whichever provides the lowest
218 taxable value. The exemption shall not apply with respect to any
219 assessment roll until such roll is first determined to be in
220 compliance with the provisions of section 4 by a state agency
221 designated by general law. This exemption is repealed on the
222 effective date of any future amendment to this constitution
223 which provides for the assessment of homestead property at less
224 than just value the exemption shall be increased to a total of
225 twenty-five thousand dollars of the assessed value of the real
226 estate for each school district levy. By general law and subject
227 to conditions specified therein, the exemption for all other
228 levies may be increased up to an amount not exceeding ten
229 thousand dollars of the assessed value of the real estate if the
230 owner has attained age sixty-five or is totally and permanently

231 ~~disabled and if the owner is not entitled to the exemption~~
 232 ~~provided in subsection (d).~~

233 ~~(d) By general law and subject to conditions specified~~
 234 ~~therein, the exemption shall be increased to a total of the~~
 235 ~~following amounts of assessed value of real estate for each levy~~
 236 ~~other than those of school districts: fifteen thousand dollars~~
 237 ~~with respect to 1980 assessments; twenty thousand dollars with~~
 238 ~~respect to 1981 assessments; twenty five thousand dollars with~~
 239 ~~respect to assessments for 1982 and each year thereafter.~~
 240 ~~However, such increase shall not apply with respect to any~~
 241 ~~assessment roll until such roll is first determined to be in~~
 242 ~~compliance with the provisions of section 4 by a state agency~~
 243 ~~designated by general law. This subsection shall stand repealed~~
 244 ~~on the effective date of any amendment to section 4 which~~
 245 ~~provides for the assessment of homestead property at a specified~~
 246 ~~percentage of its just value.~~

247 (d)(e) By general law and subject to conditions specified
 248 therein, the Legislature may provide to renters, who are
 249 permanent residents, ad valorem tax relief on all ad valorem tax
 250 levies. Such ad valorem tax relief shall be in the form and
 251 amount established by general law.

252 (e)(f) The legislature may, by general law, allow counties
 253 or municipalities, for the purpose of their respective tax
 254 levies and subject to the provisions of general law, to grant an
 255 additional homestead tax exemption not exceeding fifty thousand
 256 dollars to any person who has the legal or equitable title to
 257 real estate and maintains thereon the permanent residence of the
 258 owner and who has attained age sixty-five and whose household
 259 income, as defined by general law, does not exceed twenty

260 thousand dollars. The general law must allow counties and
261 municipalities to grant this additional exemption, within the
262 limits prescribed in this subsection, by ordinance adopted in
263 the manner prescribed by general law, and must provide for the
264 periodic adjustment of the income limitation prescribed in this
265 subsection for changes in the cost of living.

266 (f)~~(g)~~ Each veteran who is age 65 or older who is
267 partially or totally permanently disabled shall receive a
268 discount from the amount of the ad valorem tax otherwise owed on
269 homestead property the veteran owns and resides in if the
270 disability was combat related, the veteran was a resident of
271 this state at the time of entering the military service of the
272 United States, and the veteran was honorably discharged upon
273 separation from military service. The discount shall be in a
274 percentage equal to the percentage of the veteran's permanent,
275 service-connected disability as determined by the United States
276 Department of Veterans Affairs. To qualify for the discount
277 granted by this subsection, an applicant must submit to the
278 county property appraiser, by March 1, proof of residency at the
279 time of entering military service, an official letter from the
280 United States Department of Veterans Affairs stating the
281 percentage of the veteran's service-connected disability and
282 such evidence that reasonably identifies the disability as
283 combat related, and a copy of the veteran's honorable discharge.
284 If the property appraiser denies the request for a discount, the
285 appraiser must notify the applicant in writing of the reasons
286 for the denial, and the veteran may reapply. The Legislature
287 may, by general law, waive the annual application requirement in
288 subsequent years. This subsection shall take effect December 7,

289 2006, is self-executing, and does not require implementing
290 legislation.

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

292 (a) Beginning July 1, 2009, and terminating at midnight,
293 June 30, 2012, the tax imposed on any transaction or use
294 currently or hereafter subject to taxation pursuant to the
295 provisions of chapter 212, Florida Statutes, is increased by
296 adding one percentage point to the tax rate. Exemptions from
297 such tax adopted by general law shall apply to the tax increase
298 imposed by this section.

299 (b) The proceeds of the tax increase imposed by this
300 section shall be set aside for distribution to school districts
301 and used to replace the annual loss of property tax revenues to
302 school districts resulting from the amendments to Sections 3, 4,
303 and 6 of Article VII of this constitution contained herein. Tax
304 revenues collected in excess of those needed to replace the loss
305 to school districts shall be distributed to other local
306 governments as provided by general law.

307 ARTICLE XII

308 SCHEDULE

309 SECTION 27. Property tax exemptions, property assessment
310 increase limitation, and temporary sales tax increase.--The
311 amendments to Sections 3, 4, and 6 and the creation of Section
312 19 of Article VII providing an exemption for tangible personal
313 property, providing an exemption for nonhomestead residential
314 property, providing an additional homestead exemption, providing
315 a limitation on assessment increases for nonhomestead real
316 properties, providing a temporary sales tax increase, and this
317 section, if submitted to the electors of this state for approval

318 or rejection at the general election held in November of 2008,
319 shall take effect January 1, 2009.

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

322 CONSTITUTIONAL AMENDMENT

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

324 ARTICLE XI, SECTION 27

325 PROPERTY TAX EXEMPTIONS; NONHOMESTEAD PROPERTY ASSESSMENT
326 INCREASE LIMITATION; TEMPORARY SALES TAX INCREASE.--This
327 revision proposes changes to the State Constitution to provide
328 an exemption for tangible personal property, provide an
329 exemption for nonhomestead improved residential property equal
330 to a percentage of the property's just value, provide an
331 additional homestead exemption equal to a percentage of the
332 homestead's just value above \$50,000, limit annual increases in
333 assessments of real property that is not homestead property, and
334 provide for a temporary increase in the state sales and use tax.