

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:  
 12

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)

151 and (f) shall change only as provided in this subsection.

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

156 (2) No assessment shall exceed just value.

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

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

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

173 SECTION 9. Local taxes.--

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

180 (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.