

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.

11  
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 are 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

property to the extent of any increase in the assessed value of that property which results from the construction or reconstruction of the property for the purpose of providing living quarters for one or more natural or adoptive grandparents or parents of the owner of the property or of the owner's spouse if at least one of the grandparents or parents for whom the living quarters are provided is 62 years of age or older. Such a reduction may not exceed the lesser of the following:

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

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

(f) For all levies other than school district levies, assessments of residential real property, as defined by general law, which contains nine units or fewer and which is not subject to the assessment limitations set forth in subsections (a) through (c) 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) After a change of ownership or control, as defined by general law, including any change of ownership of a legal entity that owns the property, such property shall be assessed at just value as of the next assessment date. Thereafter, such property shall be assessed as provided in this subsection.

(4) Changes, additions, reductions, or improvements to 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  
151 assessment limitations set forth in subsections (a) through (c)  
152 and (f) shall change only as provided in this subsection.

153 (1) Assessments subject to this subsection shall be  
154 changed annually on the date of assessment provided by law; but  
155 those changes in assessments shall not exceed five ~~ten~~ percent  
156 (5%) ~~(10%)~~ of the assessment for the prior year.

157 (2) No assessment shall exceed just value.

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

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

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

174 SECTION 9. Local taxes.--

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

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

246 ARTICLE XII

247 SCHEDULE

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

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

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

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

263 CONSTITUTIONAL AMENDMENT

264 ARTICLE VII, SECTIONS 4, 9, AND 19

265 ARTICLE XII, SECTION 28

266 ELIMINATING STATE REQUIRED SCHOOL PROPERTY TAX AND  
267 REPLACING WITH EQUIVALENT STATE REVENUES TO FUND EDUCATION.--  
268 Replacing state required school property taxes with state  
269 revenues generating an equivalent hold harmless amount for  
270 schools through one or more of the following options: repealing  
271 sales tax exemptions not specifically excluded; increasing sales  
272 tax rate up to one percentage point; spending reductions; other  
273 revenue options created by the legislature. Limiting subject  
274 matter of laws granting future exemptions. Limiting annual  
275 increases in assessment of non-homestead real property. Lowering  
276 property tax millage rate for schools.