

1 Resolution of the Taxation and Budget Reform Commission
2 A resolution proposing an amendment to Sections 3 and 4 of
3 Article VII and the creation of a new section in Article
4 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 to 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.

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

38 (c) Any county or municipality may, for the purpose of its
39 respective tax levy and subject to the provisions of this
40 subsection and general law, grant community and economic
41 development ad valorem tax exemptions to new businesses and
42 expansions of existing businesses, as defined by general law.
43 Such an exemption may be granted only by ordinance of the county
44 or municipality, and only after the electors of the county or
45 municipality voting on such question in a referendum authorize
46 the county or municipality to adopt such ordinances. An
47 exemption so granted shall apply to improvements to real
48 property made by or for the use of a new business and
49 improvements to real property related to the expansion of an
50 existing business and shall also apply to tangible personal
51 property of such new business and tangible personal property
52 related to the expansion of an existing business. The amount or
53 limits of the amount of such exemption shall be specified by
54 general law. The period of time for which such exemption may be
55 granted to a new business or expansion of an existing business
56 shall be determined by general law. The authority to grant such
57 exemption shall expire ten years from the date of approval by
58 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 therein, there may be granted an ad valorem tax exemption to a renewable energy source device and to real property on which such device is installed and operated, to the value fixed by general law not to exceed the original cost of the device, and for the period of time fixed by general law not to exceed ten years.~~

(d)~~(e)~~ 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 historic preservation ad valorem tax exemptions to owners of historic properties. This exemption may be granted only by ordinance of the county or municipality. The amount or limits of the amount of this exemption and the requirements for eligible properties must be specified by general law. The period of time for which this exemption may be granted to a property owner shall be determined by general law.

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

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

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

(b) Pursuant to general law tangible personal property held for sale as stock in trade and livestock may be valued for 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 law; provided, however, after the adjustment for any change, addition, reduction, or improvement, the property shall be assessed as provided in this subsection ~~herein~~.

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

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

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

1. If the just value of the new homestead is greater than or equal to the just value of the prior homestead as of January 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
151 homestead shall be assessed as provided in this subsection
152 ~~herein~~.

153 2. If the just value of the new homestead is less than the
154 just value of the prior homestead as of January 1 of the year in
155 which the prior homestead was abandoned, the assessed value of
156 the new homestead shall be equal to the just value of the new
157 homestead divided by the just value of the prior homestead and
158 multiplied by the assessed value of the prior homestead.
159 However, if the difference between the just value of the new
160 homestead and the assessed value of the new homestead calculated
161 pursuant to this sub-subparagraph is greater than \$500,000, the
162 assessed value of the new homestead shall be increased so that
163 the difference between the just value and the assessed value
164 equals \$500,000. Thereafter, the homestead shall be assessed as
165 provided in this subsection ~~herein~~.

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

169 (d) The legislature may, by general law, for assessment
170 purposes and subject to the provisions of this subsection, allow
171 counties and municipalities to authorize by ordinance that
172 historic property may be assessed solely on the basis of
173 character or use. Such character or use assessment shall apply
174 only to the jurisdiction adopting the ordinance. The

175 requirements for eligible properties must be specified by
176 general law.

177 (e) A county may, in the manner prescribed by general law,
178 provide for a reduction in the assessed value of homestead
179 property to the extent of any increase in the assessed value of
180 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 subsections (a)
195 through (c) shall change only as provided in this subsection.

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

200 (2) No assessment shall exceed just value.

201 (3) After a change of ownership or control, as defined by
202 general law, including any change of ownership of a legal entity
203 that owns the property, such property shall be assessed at just

204 value as of the next assessment date. Thereafter, such property
205 shall be assessed as provided in this subsection.

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

211 (g) For all levies other than school district levies,
212 assessments of real property that is not subject to the
213 assessment limitations set forth in subsections (a) through (c)
214 and (f) shall change only as provided in this subsection.

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

219 (2) No assessment shall exceed just value.

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

225 (4) The legislature may provide that such property shall
226 be assessed at just value as of the next assessment date after a
227 change of ownership or control, as defined by general law,
228 including any change of ownership of the legal entity that owns
229 the property. Thereafter, such property shall be assessed as
230 provided in this subsection.

231 (5) Changes, additions, reductions, or improvements to
232 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.

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

263 CONSTITUTIONAL AMENDMENT

264 ARTICLE VII, SECTIONS 3 AND 4

265 ARTICLE XII, NEW SECTION

266 CHANGES AND IMPROVEMENTS NOT AFFECTING THE ASSESSED VALUE
267 OF RESIDENTIAL REAL PROPERTY.--Authorizes the Legislature, by
268 general law, to prohibit consideration of changes or
269 improvements to residential real property which increase
270 resistance to wind damage and installation of renewable energy
271 source devices as factors in assessing the property's value for
272 ad valorem taxation purposes. Effective upon adoption, repeals
273 the existing renewable energy source device exemption no longer
274 in effect.