

House Joint Resolution

A joint resolution proposing amendments to Sections 3, 6, and 9 of Article VII and the creation of Section 19 of Article VII and Section 27 of Article XII of the State Constitution to provide for a twenty-five thousand dollar ad valorem tax exemption for tangible personal property, clarify that ad valorem tax relief to renters may be provided in the form of tax relief to the owner of the property, authorize counties and school districts to grant a homestead property exemption and impose a discretionary sales surtax upon approval by referendum, authorize qualified electors to petition for a grant of the homestead exemption and imposition of the surtax, provide a methodology for limiting increases in ad valorem taxes, increase the state sales and use tax to replace school district revenues lost from not imposing a required local effort on homestead property, and provide applicability, nonseverability, and an effective date.

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

That the following amendments to Sections 3, 6, and 9 of Article VII and the creation of Section 19 of Article VII and Section 27 of Article XII of the State Constitution are agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE VII
FINANCE AND TAXATION

30 SECTION 3. Taxes; exemptions.--

31 (a) All property owned by a municipality and used
 32 exclusively by it for municipal or public purposes shall be
 33 exempt from taxation. A municipality, owning property outside the
 34 municipality, may be required by general law to make payment to
 35 the taxing unit in which the property is located. Such portions
 36 of property as are used predominantly for educational, literary,
 37 scientific, religious or charitable purposes may be exempted by
 38 general law from taxation.

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

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

59 business and tangible personal property related to the expansion
 60 of an existing business. The amount or limits of the amount of
 61 such exemption shall be specified by general law. The period of
 62 time for which such exemption may be granted to a new business or
 63 expansion of an existing business shall be determined by general
 64 law. The authority to grant such exemption shall expire ten years
 65 from the date of approval by the electors of the county or
 66 municipality, and may be renewable by referendum as provided by
 67 general law.

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

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

84 (f) By general law and subject to conditions specified
 85 therein, tangible personal property up to a value of twenty-five
 86 thousand dollars shall be exempt from taxation.

87 SECTION 6. Homestead exemptions.--

88 (a) Every person who has the legal or equitable title to
 89 real estate and maintains thereon the permanent residence of the
 90 owner, or another legally or naturally dependent upon the owner,
 91 shall be exempt from taxation thereon, except assessments for
 92 special benefits, up to the assessed valuation of five thousand
 93 dollars, upon establishment of right thereto in the manner
 94 prescribed by law. The real estate may be held by legal or
 95 equitable title, by the entirety, jointly, in common, as a
 96 condominium, or indirectly by stock ownership or membership
 97 representing the owner's or member's proprietary interest in a
 98 corporation owning a fee or a leasehold initially in excess of
 99 ninety-eight years.

100 (b) Not more than one exemption shall be allowed any
 101 individual or family unit or with respect to any residential
 102 unit. No exemption shall exceed the value of the real estate
 103 assessable to the owner or, in case of ownership through stock or
 104 membership in a corporation, the value of the proportion which
 105 the interest in the corporation bears to the assessed value of
 106 the property.

107 (c) By general law and subject to conditions specified
 108 therein, the exemption shall be increased to a total of twenty-
 109 five thousand dollars of the assessed value of the real estate
 110 for each school district levy. By general law and subject to
 111 conditions specified therein, the exemption for all other levies
 112 may be increased up to an amount not exceeding ten thousand
 113 dollars of the assessed value of the real estate if the owner has
 114 attained age sixty-five or is totally and permanently disabled
 115 and if the owner is not entitled to the exemption provided in
 116 subsection (d).

117 (d) By general law and subject to conditions specified
 118 therein, the exemption shall be increased to a total of the
 119 following amounts of assessed value of real estate for each levy
 120 other than those of school districts: fifteen thousand dollars
 121 with respect to 1980 assessments; twenty thousand dollars with
 122 respect to 1981 assessments; twenty-five thousand dollars with
 123 respect to assessments for 1982 and each year thereafter.
 124 However, such increase shall not apply with respect to any
 125 assessment roll until such roll is first determined to be in
 126 compliance with the provisions of section 4 by a state agency
 127 designated by general law. This subsection shall stand repealed
 128 on the effective date of any amendment to section 4 which
 129 provides for the assessment of homestead property at a specified
 130 percentage of its just value.

131 (e) By general law and subject to conditions specified
 132 therein, the Legislature may provide to renters, who are
 133 permanent residents, ad valorem tax relief on all ad valorem tax
 134 levies. Such ad valorem tax relief shall be in the form and
 135 amount established by general law and may be provided in the form
 136 of tax relief to the owner of the property.

137 (f) The legislature may, by general law, allow counties or
 138 municipalities, for the purpose of their respective tax levies
 139 and subject to the provisions of general law, to grant an
 140 additional homestead tax exemption not exceeding fifty thousand
 141 dollars to any person who has the legal or equitable title to
 142 real estate and maintains thereon the permanent residence of the
 143 owner and who has attained age sixty-five and whose household
 144 income, as defined by general law, does not exceed twenty
 145 thousand dollars. The general law must allow counties and

146 municipalities to grant this additional exemption, within the
 147 limits prescribed in this subsection, by ordinance adopted in the
 148 manner prescribed by general law, and must provide for the
 149 periodic adjustment of the income limitation prescribed in this
 150 subsection for changes in the cost of living.

151 (g) Each veteran who is age 65 or older who is partially or
 152 totally permanently disabled shall receive a discount from the
 153 amount of the ad valorem tax otherwise owed on homestead property
 154 the veteran owns and resides in if the disability was combat
 155 related, the veteran was a resident of this state at the time of
 156 entering the military service of the United States, and the
 157 veteran was honorably discharged upon separation from military
 158 service. The discount shall be in a percentage equal to the
 159 percentage of the veteran's permanent, service-connected
 160 disability as determined by the United States Department of
 161 Veterans Affairs. To qualify for the discount granted by this
 162 subsection, an applicant must submit to the county property
 163 appraiser, by March 1, proof of residency at the time of entering
 164 military service, an official letter from the United States
 165 Department of Veterans Affairs stating the percentage of the
 166 veteran's service-connected disability and such evidence that
 167 reasonably identifies the disability as combat related, and a
 168 copy of the veteran's honorable discharge. If the property
 169 appraiser denies the request for a discount, the appraiser must
 170 notify the applicant in writing of the reasons for the denial,
 171 and the veteran may reapply. The Legislature may, by general law,
 172 waive the annual application requirement in subsequent years.
 173 This subsection shall take effect December 7, 2006, is self-
 174 executing, and does not require implementing legislation.

175 (h) A county may provide to every person who qualifies for
 176 an exemption under this section an exemption from all ad valorem
 177 tax levies imposed by all taxing authorities within the county
 178 other than school districts and, at the same time, levy a
 179 discretionary sales surtax of up to 1 percent on any transaction
 180 or use currently or hereafter subject to tax pursuant to the
 181 provisions of chapter 212, Florida Statutes. Exemptions from the
 182 tax imposed pursuant to chapter 212, Florida Statutes, adopted by
 183 general law, shall apply to the surtax. The exemption and the
 184 imposition of the surtax shall be by ordinance and shall not take
 185 effect unless the ordinance is approved by the majority of the
 186 electors of the county voting in a referendum. Upon submission of
 187 a petition to the county commission signed by at least 15 percent
 188 of the qualified electors of the county requesting that a
 189 referendum be held on an ordinance providing for the exemption
 190 and imposition of the surtax as provided in this subsection, the
 191 county commission shall adopt such an ordinance and schedule such
 192 referendum within 90 days. Proceeds from the surtax shall be
 193 distributed to the taxing authorities within the county, other
 194 than the school district, based upon a formula developed by the
 195 county. Proceeds from the surtax received by a county,
 196 municipality, or special district shall be used, prior to any
 197 other purpose, to the extent necessary for payments relating to
 198 bonds or any similar financial obligations, paid from or secured
 199 by ad valorem tax revenues, that are outstanding on the effective
 200 date of this amendment, including any subsequent refunding of
 201 such bonds or other similar financial obligations. If a
 202 referendum has not been held pursuant to this subsection before
 203 October 31, 2010, a referendum shall be held in November of 2010.

204 After an ordinance adopted under this subsection has been
 205 approved by referendum, the exemption granted and surtax imposed
 206 shall be permanent and may not be repealed or rescinded.

207 (i) A school district may provide to every person who
 208 qualifies for an exemption under this section an exemption from
 209 all ad valorem tax levies imposed by the school district and, at
 210 the same time, levy a discretionary sales surtax of up to 0.5
 211 percent on any transaction or use currently or hereafter subject
 212 to tax pursuant to the provisions of chapter 212, Florida
 213 Statutes. Exemptions from the tax imposed pursuant to chapter
 214 212, Florida Statutes, adopted by general law, shall apply to the
 215 surtax. The exemption and the imposition of the surtax shall be
 216 by resolution adopted by the district school board and shall not
 217 take effect unless the resolution is approved by a majority of
 218 the electors of the school district voting in a referendum. Upon
 219 submission of a petition to the district school board signed by
 220 at least 15 percent of the qualified electors of the school
 221 district requesting that a referendum be held on a resolution
 222 providing for the exemption and imposition of the surtax as
 223 provided in this subsection, the district school board shall
 224 adopt such a resolution and schedule such referendum within 90
 225 days. Proceeds from the surtax shall be distributed to the school
 226 district. Proceeds from the surtax received by the school
 227 district shall be used, prior to any other purpose, to the extent
 228 necessary for payments relating to bonds or any similar financial
 229 obligations, paid from or secured by ad valorem tax revenues,
 230 that are outstanding on the effective date of this amendment,
 231 including any subsequent refunding of such bonds or other similar
 232 financial obligations. If a referendum has not been held pursuant

233 to this subsection before October 31, 2010, a referendum shall be
 234 held in November of 2010. After an ordinance adopted under this
 235 subsection has been approved by referendum, the exemption granted
 236 and surtax imposed shall be permanent and may not be repealed or
 237 rescinded.

238 SECTION 9. Local taxes.--

239 (a) Counties, school districts, and municipalities shall,
 240 and special districts may, be authorized by law to levy ad
 241 valorem taxes and may be authorized by general law to levy other
 242 taxes, for their respective purposes, except ad valorem taxes on
 243 intangible personal property and taxes prohibited by this
 244 constitution.

245 (b) Ad valorem taxes, exclusive of taxes levied for the
 246 payment of bonds and taxes levied for periods not longer than two
 247 years when authorized by vote of the electors who are the owners
 248 of freeholds therein not wholly exempt from taxation, shall not
 249 be levied in excess of the following millages upon the assessed
 250 value of real estate and tangible personal property: for all
 251 county purposes, ten mills; for all municipal purposes, ten
 252 mills; for all school purposes, ten mills; for water management
 253 purposes for the northwest portion of the state lying west of the
 254 line between ranges two and three east, 0.05 mill; for water
 255 management purposes for the remaining portions of the state, 1.0
 256 mill; and for all other special districts a millage authorized by
 257 law approved by vote of the electors who are owners of freeholds
 258 therein not wholly exempt from taxation. A county furnishing
 259 municipal services may, to the extent authorized by law, levy
 260 additional taxes within the limits fixed for municipal purposes.

261 (c) Subject to the limitations provided for in subsection

262 (b) :
 263 (1) a. Ad valorem taxes may not be levied in excess of a
 264 millage rate equal to the rolled-back rate adjusted by the
 265 percentage change in the Consumer Price Index for all urban
 266 consumers, U.S. City Average, all items 1982-84 = 100, or
 267 successor reports for the 12-month period through June prior to
 268 the beginning of the fiscal year as initially reported by the
 269 United States Department of Labor, Bureau of Labor Statistics.
 270 For purposes of this paragraph, the term "rolled-back rate" means
 271 a millage rate that, exclusive of new construction, additions to
 272 structures, deletions, increases in the value of improvements
 273 that have undergone a substantial rehabilitation that increased
 274 the assessed value of such improvements by at least 100 percent,
 275 and property added due to geographic boundary changes, will
 276 provide the same ad valorem tax revenue for each taxing authority
 277 as was levied during the prior year.

278 b. This paragraph does not apply to taxing authorities that
 279 have levied ad valorem taxes for less than five years.

280 (2) a. For the fiscal year beginning October 1, 2008, ad
 281 valorem taxes may not be levied in excess of the maximum millage
 282 rate that would have resulted from the application of paragraph
 283 (1) if paragraph (1) had been in effect beginning on January 1,
 284 2004, and had been applied each year up to and including the
 285 fiscal year beginning October 1, 2007.

286 b. A taxing authority that begins levying taxes after
 287 January 1, 1999, may not levy ad valorem taxes in excess of the
 288 maximum millage rate that would have resulted from the
 289 application of paragraph (1) if paragraph (1) had been in effect
 290 in the fifth full fiscal year in which the authority levied ad

291 valorem taxes and had been applied up to and including the fiscal
 292 year beginning October 1, 2007.

293 c. This paragraph does not apply to ad valorem taxes levied
 294 by school districts. By general law and subject to conditions
 295 specified therein, the legislature may exempt taxes levied by
 296 hospital and health care districts, children's services
 297 districts, and fiscally constrained counties from the provisions
 298 of this paragraph.

299 (4) The rolled-back rate applicable to the fiscal year
 300 beginning October 1, 2008, shall be calculated by using the ad
 301 valorem tax revenue levied during the prior year reduced by the
 302 taxes levied on homestead property and on tangible personal
 303 property exempt from taxation pursuant to Article VII, Section 3.

304 (5) Ad valorem taxes may be levied in excess of the
 305 limitations provided in this subsection upon approval by a
 306 unanimous vote of the full membership of the governing body
 307 adopting the millage rate.

308 (6) This subsection does not apply to ad valorem taxes
 309 levied for the payment of bonds issued pursuant to Article VII,
 310 Section 12 or levied for periods not longer than two years when
 311 authorized by a vote of the electors.

312 SECTION 19. Increased state sales and use tax.--

313 (a) Beginning July 1, 2008, the tax imposed on any
 314 transaction or use currently or hereafter subject to tax pursuant
 315 to the provisions of chapter 212, Florida Statutes, is increased
 316 by adding 1 percent to the tax rate imposed by chapter 212,
 317 Florida Statutes. Exemptions from the tax imposed pursuant to
 318 chapter 212, Florida Statutes, adopted by general law, shall
 319 apply to the tax increase provided by this section.

320 (b) The proceeds of the tax increase provided by this
321 section shall be set aside for distribution to school districts
322 and shall replace the imposition of the required local effort for
323 all school districts collectively that has historically been
324 raised from ad valorem taxes each year.

325 (c) Proceeds received by a school district shall be used,
326 prior to any other purpose, to the extent necessary for payments
327 relating to bonds or any similar financial obligations, paid from
328 or secured by ad valorem tax revenues, that are outstanding on
329 the effective date of this amendment, including any subsequent
330 refunding of such bonds or other similar financial obligations.

331 ARTICLE XII

332 SCHEDULE

333 SECTION 27. Property tax relief reform; nonseverability.--

334 (a) The amendments to Sections 3, 6, and 9 of Article VII
335 and the creations of Section 19 of Article VII and Section 27 of
336 Article XII of this constitution contained in this revision shall
337 take effect January 1, 2008.

338 (b) The amendments to Sections 3, 6, and 9 of Article VII
339 and the creation of Section 19 of Article VII of this
340 constitution contained in this revision are not severable. If any
341 portion of this revision is held invalid under any provision of
342 this constitution, the effect of such declaration shall be that
343 the amendments to Sections 3, 6, and 9 of Article VII and the
344 creation of Section 19 of Article VII of this constitution
345 contained in this revision shall be null, void, and without
346 effect.

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

349 CONSTITUTIONAL AMENDMENT
 350 ARTICLE VII, SECTIONS 3, 6, 9, 19
 351 ARTICLE XII, SECTION 27
 352 PROPERTY TAX EXEMPTIONS; DISCRETIONARY SALES SURTAXES; AD
 353 VALOREM TAX MILLAGE LIMITATION; INCREASED SALES TAX.--Proposing
 354 amendment of the State Constitution to provide for a \$25,000
 355 exemption from ad valorem taxes for tangible personal property,
 356 to clarify that ad valorem tax relief to renters may be provided
 357 in the form of tax relief to the owner of the property; to
 358 provide that counties may grant homestead property an exemption
 359 from all ad valorem tax levies other than school district levies
 360 together with the imposition of an up to 1 percent discretionary
 361 sales surtax upon approval by referendum and authorize qualified
 362 electors to petition for a referendum providing for the exemption
 363 and imposing the surtax, to provide that school districts may
 364 grant homestead property an exemption from all school district ad
 365 valorem tax levies together with the imposition of an up to 0.5
 366 percent discretionary sales surtax upon approval by referendum
 367 and authorize qualified electors to petition for a referendum
 368 providing for the exemption and imposing the surtax, to provide a
 369 methodology for limiting increases in ad valorem taxes ,
 370 including an override by a unanimous vote of the governing body
 371 levying the millage; to increase the state sales and use tax by 1
 372 percent and dedicate the increased revenues to replacing the
 373 required local effort for all school districts collectively; to
 374 provide for distribution, and application; to require that
 375 provisions of the revision are not severable such that if any are
 376 held invalid, all will be invalid; and to provide an effective
 377 date of January 1, 2008.