



Policy and Budget Council

Meeting Packet

**October 16, 2007
9:00 a.m.
212 Knott Building**



The Florida House of Representatives

Policy & Budget Council

Marco Rubio
Speaker

Ray Sansom
Chair

Meeting Agenda Tuesday, October 16, 2007 212 Knott Building 9:00 a.m.

I. Call to Order

II. Roll Call

III. Consideration of the following bills:

HJR 7001D – Property Tax Exemptions; Limitations on Ad Valorem Tax Increases; Elected Property Appraisers by Government Efficiency & Accountability Council and Representative Attkisson

HB 7003D – Ad Valorem Taxation by Government Efficiency & Accountability Council and Representative Attkisson

HB 7005D – Special Election by Government Efficiency & Accountability Council and Representative Attkisson

IV. Adjournment

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7001D PCB GEAC 07D-01 Property Tax Exemptions; Limitations on Ad Valorem Tax Increases; Elected Property Appraisers
SPONSOR(S): Government Efficiency & Accountability Council and Attkisson
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Government Efficiency & Accountability Council	13 Y, 0 N	Diez-Arguelles/Jacobik	Cooper
1) Policy & Budget Council		Diez-Arguelles/Jacobik <i>30</i>	Hansen <i>MPH</i>
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

This House Joint Resolution (HJR) provides a number of changes to the property tax system in Florida, as follows:

- Increases the homestead exemption by \$25,000 of the value of the home from \$50,000 to \$75,000 for all tax levies except school district tax levies;
- Provides a partial exemption for first-time homebuyers for all tax levies except school district tax levies;
- Exempts homestead property owned by low-income seniors from all property taxes;
- Provides for the transfer of the Save Our Homes accrued benefit for all tax levies except school district tax levies;
- Provides a \$25,000 exemption for tangible personal property;
- Allows affordable housing subject to rent restrictions imposed by a governmental agency to be assessed as provided by general law;
- Allows working waterfronts to be assessed as provided by general law;
- Requires the legislature to limit the authority of local governments, with the exception of school districts, to increase property taxes; and
- Requires that property appraisers be elected, even in charter counties.

The HJR will take effect upon approval by the electorate and will operate retroactively to January 1, 2008, if approved in a special election to be held on January 29, 2008, or if approved in the November 2008 general election will take effect on January 1, 2009.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes: The HJR increases the homestead exemption for all levies except school district levies; creates an additional exemption for first-time Florida homesteaders; allows homeowners who move to transfer their Save Our Homes benefit; creates an additional exemption for low-income seniors; allows the legislature to provide for the assessment of working waterfront and affordable housing properties at less than just value; creates a \$25,000 exemption for tangible personal property; and requires the Legislature to limit local property tax increases.

B. EFFECT OF PROPOSED CHANGES:

CURRENT SITUATION

Article VII of the Florida Constitution grants exclusive authority to local governments to levy ad valorem taxes on real and tangible personal property,¹ and directs the legislature to establish requirements that local governments must follow when levying and administering ad valorem property taxes. The constitution requires that all ad valorem taxation be at a uniform rate within each taxing district² and that property be assessed at just value (fair market value) unless a different assessment standard is provided by the constitution.³

Following is a description of the current situation for the issues addressed in the HJR.

Homestead Exemption

Subsection 6 (a)-(c) of Art. VII of the Florida Constitution provides that every person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, or another legally or naturally dependent upon the owner, shall be exempt from taxation up to the assessed value of \$25,000.

In 2006 there were 4,368,937 homesteads in Florida, and the homestead exemption reduced the 2006 tax roll by \$108.9 billion.

Save Our Homes

In 1992, Florida voters approved an amendment to s. 4, Art. VII of the State Constitution, popularly known as the Save Our Homes amendment. Beginning with the 1994 tax roll, this amendment limited the annual increase in assessments of homestead property to the increase in the Consumer Price Index or 3 percent, whichever is lower. The Save Our Homes limitation first applied to the January 1, 1995 assessment.

The Save Our Homes limitation applies for as long as the property remains the homestead of the owner. After any change in ownership, homestead property must be assessed at just value as of January 1 of the following year. Thereafter, the property is subject to the Save Our Homes assessment limitation. New homestead property must be assessed at just value as of January 1 of the first year the property owner establishes homestead. Thereafter, the property is subject to the Save Our Homes assessment limitation. Changes, additions, reductions, and improvements to homestead property are

¹ Sections 1(a) and 9(a), Art. VII, Fla. Const.

² Section 2, Art. VII, Fla. Const.

³ Section 4, Art. VII, Fla. Const.

assessed at full value, but after its initial assessment this property is also subject to the Save Our Homes assessment limitation. If homestead status is terminated the property is assessed at just value.

In *Smith v. Welton*,⁴ the First District Court of Appeal described the purpose of the Save Our Homes Amendment as follow::

The purpose of the amendment is to encourage the preservation of homestead property in face of ever increasing opportunities for real estate development, and rising property values and assessments. The amendment supports the public policy of this state favoring preservation of homesteads. Similar policy considerations are the basis for the constitutional provisions relating to homestead tax exemption, exemption from forced sale, and the inheritance and alienation of homestead.

In the twelve years since Save Our Homes first limited the assessment of homestead property, its impact on the assessed value of this property has far exceeded the original expectations of such impact. In 1997, the second year of assessment limitations, Save Our Homes reduced the statewide assessed value of homestead property by 3 percent. In 2006, Save Our Homes reduced homestead just value by more than 38 percent. The \$405 billion reduction from Save Our Homes in 2006 equals approximately 25 percent of total taxable value.

Tangible Personal Property

Tangible personal property is singled out for special treatment in the Constitution. Motor vehicles, boats, airplanes, trailers, trailer coaches and mobile homes are excluded from ad valorem taxation.⁵ Household goods up to \$1,000 in value are exempt.⁶ Renewable energy source devices may be exempted by general law for 10 years after installation.⁷ Tangible personal property held for sale as stock in trade and livestock may be valued for taxation at a specified percentage of its value, classified for tax purposes, or exempted by general law.⁸ Tangible personal property not specifically exempt from taxation is subject to ad valorem taxation.

Section 193.152, F.S., requires that tax returns be filed for tangible personal property in the county where the property is located. The Department of Revenue is directed to promulgate rules to ensure that all railroad and utility property is properly returned in the appropriate county. However, the evaluation and assessment of utility property in each county is the duty of the property appraiser. Department of Revenue form DR-405 requires that a separate return must be filed by a taxpayer for each location in the county, except for owners of vending machines, propane tanks and similar free-standing property at many locations, who may submit a single return.

In 2006, 1,293,043 tangible personal property tax returns were filed, with a total taxable value of \$103.7 billion. The 997,109 returns with taxable amounts less than \$25,000 accounted for only \$4.5 billion of the total taxable value.

Affordable Housing

The cost of housing has risen much faster in recent years than household income. From 2003 through 2005 the affordability of housing fell throughout the state.⁹ In 2003, the median household had sufficient income to purchase a single-family home selling at the median price in 52 counties; by 2005 this was true in only 18 counties. In 2005, 5 counties – Miami-Dade, Collier, Franklin, Walton, and Monroe – had

⁴ 710 So. 2d 135, 137 (Fla. App. 1998)

⁵ Art. VII, sec. 1(b), Fla. Const.

⁶ Art. VII, sec. 3(b), Fla. Const.

⁷ Art. VII, sec. 3(d); Fla. Const.

⁸ Art. VII, sec. 4(b), Fla. Const.

⁹ The State of Florida's Housing 2006, Shimberg Center for Affordable Housing, 2007.

a median household income less than half of what was needed to buy a median-priced single-family home. Florida has more than 1 million households that qualify as extremely-low-income households.¹⁰

Documentary stamp tax revenue supports several state-funded programs through the Florida Housing Finance Corporation. The Florida Housing Finance Corporation is also responsible for allocation and distribution of federal low-income housing tax credits. Community Land Trusts are charitable organizations that build homes on land they own and then sell the improvements to a limited-income person or persons, subject to a 99-year ground lease.

The Florida Constitution provides no exception to the just value standard for assessment of property in Affordable Housing programs. Current law, provides that in assessing property in the Low-Income Housing Tax Credit Program, neither the tax credits nor the financing generated by the tax credits, shall be considered income to the property, and the actual rental income from rent-restricted units shall be recognized by the property appraiser.¹¹ Current law also provides a property tax exemption for property used to provide affordable housing for eligible individuals if the property is owned entirely by a charitable nonprofit entity meeting certain federal criteria.¹² HB 1375, enacted in the 2007 legislative session, authorizes a county or municipality to adopt an ordinance to allow for the deferral of property taxes and non-ad valorem assessments if the owners of the property are operating, rehabilitating, or renovating affordable rental housing property. The use of the property as affordable housing must be maintained over the deferral period or the total amount of deferred assessments, taxes and interest becomes due and payable on November 1 of the year in which the use of the property was changed.

Working Waterfronts

Current law provides a definition of "Recreational and commercial working waterfront" to mean a parcel or parcels of real property that provide access for water-dependent commercial activities, including hotels and motels as defined in s. 509.242(1), or provide access for the public to the navigable waters of the state. Recreational and commercial working waterfronts require direct access to or a location on, over, or adjacent to a navigable body of water. The term includes water-dependent facilities that are open to the public and offer public access by vessels to the waters of the state or that are support facilities for recreational, commercial, research, or governmental vessels. These facilities include public lodging establishments, docks, wharfs, lifts, wet and dry marinas, boat ramps, boat hauling and repair facilities, commercial fishing facilities, boat construction facilities, and other support structures over the water. Seaports are excluded from the definition.¹³

Counties and cities may allow tax deferral of the taxes imposed by working waterfronts¹⁴. Only the taxes levied by the city or county granting the deferral can be deferred. The city or county can determine the:

- Percentage of taxes to be deferred,
- Type of working waterfront property that can defer taxes, and
- The location of the property that may defer taxes.

Tax deferrals and other liens may not exceed 85% of assessed value and the primary mortgage may not exceed 70% of assessed value. The deferred tax and interest (variable up to 9.5%) are due when:

- the property is sold,
- the required property insurance is not maintained, or
- the property ceases to be used as working waterfront.

¹⁰ *See id.*

¹¹ S. 193.017, F.S.

¹² S. 196.1978, F.S.

¹³ S. 342.07, F.S.

¹⁴ S. 197.303, F.S.

For coastal counties, the future land use element of comprehensive planning must include, without limitation, regulatory incentives and criteria that encourage the preservation of recreational and commercial working waterfronts as defined in s. 342.07, F.S.¹⁵

Public access to navigable water is diminishing. Commercial working waterfronts face increasing expenses, including taxes and insurance. Establishing new working waterfronts with public access may not be financially feasible.

Low-Income Seniors

Any county or city may allow an additional homestead exemption of up to \$50,000 for any person 65 or older whose household income¹⁶ does not exceed \$24,214 (in 2007). The income limit is increased each year by the percentage change in the Consumer Price Index. The exemption only applies to taxes levied by the county or city enacting the exemption.¹⁷ In 2006, 53 counties and 178 municipalities had implemented the exemption. Prior to a constitutional amendment that became effective on January 1, 2007, the exemption was limited to \$25,000.

There were 1.2 million homesteads in Florida owned by persons 65 or older in 2006. Based on U.S. Census data, 42% of the total population 65 and older has household income below \$25,000. There are 211,000 homesteads benefiting from the current exemption.

In addition, homeowners 65 and older, with household income less than \$24,214 in the prior year, may defer all ad valorem taxes and non-ad valorem assessments¹⁸. All senior homesteaders may defer the portion of their tax levy that exceeds 3% of household income. Tax deferrals and other liens may not exceed 85% of assessed value and the primary mortgage may not exceed 70%. Deferred tax and interest (up to 7%) are due when the property is sold, property insurance is not maintained, or the property ceases to qualify for homestead exemption.

The household income definition used for the exemption does not capture all income. Household income is measured by "adjusted gross income" as reported to the Internal Revenue Service on the federal income tax return. This income measure excludes income from a number of sources, including income from tax-free bonds, most social security income, and some types of retirement income.

Limitations on Ad Valorem Tax Increases

The Florida Constitution reserves ad valorem taxation to local governments and prohibits the state from levying ad valorem taxes on real and tangible personal property.¹⁹ Local governments may levy ad valorem taxes subject to the following limitations:

- 10 mills for county purposes,
- 10 mills for municipal purposes,
- 10 mills for school purposes,
- 1 mill for water management purposes, except in Northwest Florida where the limit is .05 mill,
- Millage fixed by law for a county furnishing municipal services, and
- Millage authorized by law and approved by voters for special districts.²⁰

Taxes levied for the payment of bonds and taxes levied for periods not longer than two years, when authorized by a vote of the electors, are not subject to millage limitations.²¹

Election of Property Appraisers

¹⁵ S. 163.3177, F.S.

¹⁶ As defined in s. 62 of the United States Internal Revenue Code.

¹⁷ Art. VII, sec. 6(f), Fla. Const., and s. 196.075, F.S.

¹⁸ Sec. 197.243, F.S.

¹⁹ Art. VII, sec. 1(a), Fla. Const.

²⁰ Art. VII, sec. 9, Fla. Const. A mill is equal to \$1 per \$1,000 of value, or .001. A tax rate of 10 mills is equal to 1%.

²¹ Art. VII, sec 9(b), Fla. Const.

Section 1(d) of Art. VIII of the Florida Constitution provides that every county shall have a sheriff, a tax collector, a property appraiser, a supervisor of elections, and a clerk of the circuit court. These county officers are elected for terms of four years, unless provided otherwise by a county charter or special law approved by the voters, in which case they may be chosen as specified by the charter or special law. Presently, the Miami-Dade County has the only non-elected property appraiser in the state.

PROPOSED CHANGES

Tangible Personal Property

The HJR provides an exemption from ad valorem taxes to tangible personal property (TPP) of \$25,000.

Portability of Save Our Homes Benefit

The HJR provides that homestead property owners will be able to transfer their Save Our Homes benefit to a new homestead within two years of giving up their previous homestead. If the new homestead is more valuable than the old one the entire benefit can be transferred; if the new homestead is less valuable the transferable benefit will be proportional to the value of the new homestead. In either case, the benefit that may be transferred is limited to \$1 million. (For those persons who gave up their homestead in 2007, the benefit may be transferred if they apply for a new homestead January 1, 2008 or January 1, 2009.)

The transferred benefit does not apply to school taxes.

Affordable Housing

The HJR allows real property used to provide affordable housing subject to rent restrictions imposed by a government agency to be assessed as provided by general law.

The limited assessments will not apply to school district tax levies.

Working Waterfronts

The HJR allows land that is used exclusively for commercial fishing purposes or that is open to the public and used predominantly for commercial water-dependent activities or for public access to waters that are navigable to be assessed as provided by general law. "Water-dependent activity" is defined as an activity that can be conducted only on, in, over, or adjacent to waters that are navigable and that require direct access to water and involve the use of water as an integral part of the activity.

The limited assessments will not apply to school district tax levies.

Double Homestead Exemption

The HJR provides an additional \$25,000 homestead exemption that applies to a property's value between \$50,000 and \$75,000.

This exemption does not apply to school district tax levies.

First-time Homebuyers

First-time homebuyers in Florida that qualify for a homestead exemption will be eligible for an additional exemption equal to 25 percent of the value of their new home, with a maximum exemption equal to 25 percent of the county median home value. The amount of the exemption will decrease each year by the amount of the Save Our Homes benefit received by the property. For the first year, this exemption is available to 2007 first-time homebuyers who qualify for a homestead exemption January 1, 2008.

This exemption does not apply to school district tax levies.

Low-Income Senior Exemption

Every person 65 or older whose household income, as defined by the legislature, is less than \$23,604 (adjusted annually for inflation) will be totally exempt from ad valorem taxes on their homestead property.

This provision applies to all tax levies, including school district levies.

Local Government Property Tax Limitation

The HJR requires that the legislature limit the authority of local governments, with the exception of school districts, to increase property taxes.

Election of Property Appraisers

The HJR requires that all property appraisers to be elected.

Effective Date

The HJR will take effect upon approval by the electorate and will operate retroactively to January 1, 2008, if approved in a special election on January 29, 2008, or if approved in the November 2008 general election will take effect on January 1, 2009.

C. SECTION DIRECTORY:

Not applicable to a joint resolution.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments, below.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

If the changes to the State Constitution in the House Joint Resolution are approved by the voters, the ad valorem tax base will be reduced. The Revenue Estimating Conference has not considered these issues.

At current millage rates, staff estimates that this reduction in the tax base will result in reduced tax revenues to local governments in the amounts shown in the table below.

Property Tax Relief/Reform Plan (Millions of \$)

Property Tax Revenue Impacts by Government Type					
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>4-Yr Total</u>
Counties	(1,026)	(1,313)	(1,544)	(1,765)	(5,648)
Schools	(442)	(492)	(543)	(597)	(2,074)
<i>RLE</i>	(279)	(310)	(343)	(377)	(1,309)
<i>Discretionary</i>	(163)	(181)	(200)	(220)	(765)
Cities	(365)	(472)	(558)	(639)	(2,035)
Special Districts	(230)	(294)	(344)	(392)	(1,260)
Total Impact	(2,064)	(2,571)	(2,989)	(3,393)	(11,018)
Chng from Current Law	-6.4%	-7.4%	-8.0%	-8.4%	-7.6%

These estimates consider the interaction between the different components. Estimates for each component were it being implemented alone may be different.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Taxpayers will experience lower taxes as shown on the following table. (Impacts in millions of dollars).

Property Tax Revenue Impacts by Property Classification					
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>4-Yr Total</u>
Homestead	(1,755)	(2,126)	(2,445)	(2,746)	(9,071)
Non-Homestead Residential	(45)	(46)	(47)	(48)	(186)
Commercial/Industrial	0	(44)	(46)	(49)	(138)
TPP	(177)	(179)	(181)	(182)	(719)
Presumption of Correctness (1)	(87)	(177)	(271)	(369)	(904)
Total Property Tax Impact	(2,064)	(2,571)	(2,989)	(3,393)	(11,018)

(1) Impacts will be on Non-Homestead Residential and Commercial/Industrial properties.

D. FISCAL COMMENTS:

Some provisions of the HJR reduce the taxable value base for all taxing authorities, including school districts. The Legislature annually determines the level of overall education funding as part of its budget development process. The portion of this funding that comes from local property taxes is known as the Required Local Effort (RLE). This is the amount that each county must produce in order to participate in the FEFP. While the General Appropriations Act only establishes the total required funding level, there is necessarily an implied statewide millage rate that generates that amount. If taxable values are reduced for school districts, then for a given required funding level, local millage rates required to raise this level of revenue must increase. However, a reduced tax base does not necessarily result in decreased funding for schools or in an increase in school millage rates, since the Legislature establishes school funding in the General Appropriations Act each year and determines what local levies are required.

If this HJR is passed by the voters and ad valorem taxes paid to school districts are reduced, taxpayers will save an estimated \$442 million (3.3% of school taxes) in FY 2008-09, at current millage rates. If the Legislature chooses to offset this revenue loss to school districts, it could do so either by reducing other state expenditures or enhancing revenues.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The mandates provision does not apply to joint resolutions.

2. Other:

In 2006, the Office of Economic and Demographic Research (EDR) contracted with Walter Hellerstein, W. Scott Wright and Charles C. Kearns of Sutherland Asbill & Brennan LLP for a legal analysis of the most commonly referenced legislative proposals regarding property taxes. The report focused primarily on the federal constitutional issues raised by the proposed alternatives to the Save Our Homes amendment, which limits property tax assessment increases on homestead property. The study did not examine specifically the portability proposal included in this House Joint Resolution.

The key findings of the report were that portability may provide opportunities for legal challenge based on the Commerce Clause, the "Interstate" Privileges and Immunities Clause, and the Right to Travel. If portability is adopted and later held to be unconstitutional, the discrimination or burden it created would have to be eliminated on a prospective basis and remedied through meaningful backward-looking relief on a retrospective basis which could entail either a refund or any other remedy that cures the discrimination, e.g., taxing the previously favored class on a retroactive basis.

The first-time Florida homeowner exemption and additional \$25,000 homestead exemption created by this House Joint Resolution may mitigate some or all of the issues identified in the legal analysis of portability.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

None.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On October 15, 2007, the House Government Efficiency & Accountability Council adopted 7 amendments to the proposed PCB. The amendments may be summarized as follows:

Amendment 1. Clarified the language limiting portability to persons who transferred a homestead after January 1, 2007.

Amendment 2. Clarified that the \$1 million limitation applies to the amount of Save Our Homes benefit that may be transferred.

Amendment 3. Clarified that the lower assessment for working waterfront and affordable housing property will not apply to school property taxes.

Amendment 4. Provided for the repeal of the homestead exemption if a constitutional amendment is adopted that allows assessment of property at less than just value. The constitution provides that the homestead exemption is repealed if an amendment to the constitution provides for homesteads to be assessed at a percentage of just value.

Amendment 5. Clarified that a person who previously owned a Florida homestead does not qualify for the new first-time Florida homeowners exemption.

Amendment 6. Corrected the description of the Joint Resolution in the effective date section.

Amendment 7. Title amendment.

This analysis reflects the changes made by the amendments.

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House Joint Resolution

A joint resolution proposing amendments to Sections 3, 4, 6, and 9 of Article VII and Section 1 of Article VIII and the creation of Sections 27 and 28 of Article XII of the State Constitution, to require an exemption from ad valorem taxation for tangible personal property, to provide for the transfer of the accrued benefit from the limitation on the assessed value of homestead property, to provide for assessing rent-restricted affordable housing and commercial and public-access waterfront property by general law, to increase the homestead exemption, to create an additional homestead exemption for first-time homestead property owners, to provide a complete homestead exemption for low-income seniors, to require the Legislature to limit county, municipality, and special district authority to increase ad valorem taxes, to require each county to have an elected property appraiser, and to provide an effective date if such amendments are adopted.

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

That the following amendments to Sections 3, 4, 6, and 9 of Article VII and Section 1 of Article VIII and the creation of Sections 27 and 28 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

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29 | purpose:

30 | ARTICLE VII

31 | FINANCE AND TAXATION

32 | SECTION 3. Taxes; exemptions.--

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

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

48 | (c) Any county or municipality may, for the purpose of its
 49 | respective tax levy and subject to the provisions of this
 50 | subsection and general law, grant community and economic
 51 | development ad valorem tax exemptions to new businesses and
 52 | expansions of existing businesses, as defined by general law.
 53 | Such an exemption may be granted only by ordinance of the county
 54 | or municipality, and only after the electors of the county or
 55 | municipality voting on such question in a referendum authorize
 56 | the county or municipality to adopt such ordinances. An

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

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

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

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85 exemption may be granted to a property owner shall be determined
 86 by general law.

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

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

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

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

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

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

110 a. Three percent (3%) of the assessment for the prior
 111 year.

112 b. The percent change in the Consumer Price Index for all

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113 | urban consumers, U.S. City Average, all items 1967=100, or
 114 | successor reports for the preceding calendar year as initially
 115 | reported by the United States Department of Labor, Bureau of
 116 | Labor Statistics.

117 | (2) No assessment shall exceed just value.

118 | (3) After any change of ownership, as provided by general
 119 | law, homestead property shall be assessed at just value as of
 120 | January 1 of the following year, unless the provisions of
 121 | paragraph (8) apply. Thereafter, the homestead shall be assessed
 122 | as provided herein.

123 | (4) New homestead property shall be assessed at just value
 124 | as of January 1st of the year following the establishment of the
 125 | homestead, unless the provisions of paragraph (8) apply. That
 126 | assessment shall only change as provided herein.

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

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

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

139 | (8)a. For all levies other than school district levies, a
 140 | person who establishes a new homestead as of January 1, 2009, or

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141 January 1 of any subsequent year and who has received a
 142 homestead exemption pursuant to Section 6 of this Article as of
 143 January 1 of either of the two years immediately preceding the
 144 establishment of the new homestead is entitled to have the new
 145 homestead assessed at less than just value. A person who
 146 establishes a new homestead as of January 1, 2008, is entitled
 147 to have the new homestead assessed at less than just value only
 148 if that person received a homestead exemption on January 1,
 149 2007. The assessed value of the newly established homestead
 150 shall be determined as follows:

151 1. If the just value of the new homestead is greater than
 152 or equal to the just value of the prior homestead of the person
 153 establishing the new homestead as of January 1 of the year in
 154 which the prior homestead was abandoned, the assessed value of
 155 the new homestead shall be the just value of the new homestead
 156 minus an amount equal to the lesser of \$1 million or the
 157 difference between the just value and the assessed value of the
 158 prior homestead as of January 1 of the year in which the prior
 159 homestead was abandoned. Thereafter, the homestead shall be
 160 assessed as provided herein.

161 2. If the just value of the new homestead is less than the
 162 just value of the prior homestead of the person establishing the
 163 new homestead as of January 1 of the year in which the prior
 164 homestead was abandoned, the assessed value of the new homestead
 165 shall be equal to the just value of the new homestead divided by
 166 the just value of the prior homestead and multiplied by the
 167 assessed value of the prior homestead. However, if the
 168 difference between the just value of the new homestead and the

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169 assessed value of the new homestead calculated pursuant to this
 170 sub-subparagraph is greater than \$1 million, the assessed value
 171 of the new homestead shall be increased so that the difference
 172 between the just value and the assessed value equals \$1 million.
 173 Thereafter, the homestead shall be assessed as provided herein.

174 b. By general law and subject to conditions specified
 175 therein, the legislature shall provide for application of this
 176 paragraph to property owned by more than one person.

177 (d) The legislature may, by general law, for assessment
 178 purposes and subject to the provisions of this subsection, allow
 179 counties and municipalities to authorize by ordinance that
 180 historic property may be assessed solely on the basis of
 181 character or use. Such character or use assessment shall apply
 182 only to the jurisdiction adopting the ordinance. The
 183 requirements for eligible properties must be specified by
 184 general law.

185 (e) A county may, in the manner prescribed by general law,
 186 provide for a reduction in the assessed value of homestead
 187 property to the extent of any increase in the assessed value of
 188 that property which results from the construction or
 189 reconstruction of the property for the purpose of providing
 190 living quarters for one or more natural or adoptive grandparents
 191 or parents of the owner of the property or of the owner's spouse
 192 if at least one of the grandparents or parents for whom the
 193 living quarters are provided is 62 years of age or older. Such a
 194 reduction may not exceed the lesser of the following:

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

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

199 (f) As defined by general law, real property that is used
 200 to provide affordable housing and is subject to rent
 201 restrictions imposed by a governmental agency may be assessed as
 202 provided by general law, subject to conditions or limitations
 203 specified therein. This subsection shall apply to all levies
 204 other than school district levies.

205 (g) As defined by general law, land that is used
 206 exclusively for commercial fishing purposes or that is open to
 207 the public and used predominantly for commercial water-dependent
 208 activities or for public access to waters that are navigable may
 209 be assessed as provided by general law, subject to conditions or
 210 limitations specified therein. For purposes of this paragraph,
 211 the term "water-dependent activity" means any activity that can
 212 be conducted only on, in, over, or adjacent to waters that are
 213 navigable and that requires direct access to water and involves
 214 the use of water as an integral part of such activity. This
 215 subsection shall apply to all levies other than school district
 216 levies.

217 SECTION 6. Homestead exemptions.--

218 (a) Every person who has the legal or equitable title to
 219 real estate and maintains thereon the permanent residence of the
 220 owner, or another legally or naturally dependent upon the owner,
 221 shall be exempt from taxation thereon, except assessments for
 222 special benefits, up to the assessed valuation of twenty-five
 223 ~~five~~ thousand dollars and, for all levies other than school
 224 district levies, on the assessed valuation greater than fifty

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225 thousand dollars and up to seventy-five thousand dollars, upon
 226 establishment of right thereto in the manner prescribed by law.
 227 The real estate may be held by legal or equitable title, by the
 228 entires, jointly, in common, as a condominium, or indirectly
 229 by stock ownership or membership representing the owner's or
 230 member's proprietary interest in a corporation owning a fee or a
 231 leasehold initially in excess of ninety-eight years. The
 232 exemption shall not apply with respect to any assessment roll
 233 until such roll is first determined to be in compliance with the
 234 provisions of Section 4 of this Article by a state agency
 235 designated by general law. This exemption is repealed on the
 236 effective date of any amendment to Section 4 of this Article
 237 that provides for the assessment of homestead property at less
 238 than just value.

239 (b) Not more than one exemption shall be allowed any
 240 individual or family unit or with respect to any residential
 241 unit. No exemption shall exceed the value of the real estate
 242 assessable to the owner or, in case of ownership through stock
 243 or membership in a corporation, the value of the proportion
 244 which the interest in the corporation bears to the assessed
 245 value of the property.

246 (c) As provided by general law and subject to conditions
 247 specified therein, each person who establishes the right to
 248 receive the homestead exemption provided in subsection (a)
 249 within one year after purchasing the homestead property and who
 250 had not previously owned property receiving the homestead
 251 exemption provided in subsection (a) is entitled to an
 252 additional homestead exemption in an amount equal to twenty-five

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253 percent of the homestead property's just value on January 1 of
 254 the year the homestead exemption is established, not to exceed
 255 twenty-five percent of the median just value of homesteads in
 256 the county in which the homestead is located in the year prior
 257 to establishing the new homestead. This exemption is not
 258 available if any owner of the property has previously owned
 259 property that received the homestead exemption provided in
 260 subsection (a). The additional homestead exemption shall be
 261 reduced each year by the difference between the homestead's just
 262 value and assessed value as determined under subsection (c) of
 263 Section 4 of this Article until the value of the exemption is
 264 reduced to zero. The exemption provided under this subsection
 265 shall apply to all levies other than school district levies.

266 ~~(c) By general law and subject to conditions specified~~
 267 ~~therein, the exemption shall be increased to a total of twenty-~~
 268 ~~five thousand dollars of the assessed value of the real estate~~
 269 ~~for each school district levy. By general law and subject to~~
 270 ~~conditions specified therein, the exemption for all other levies~~
 271 ~~may be increased up to an amount not exceeding ten thousand~~
 272 ~~dollars of the assessed value of the real estate if the owner~~
 273 ~~has attained age sixty five or is totally and permanently~~
 274 ~~disabled and if the owner is not entitled to the exemption~~
 275 ~~provided in subsection (d).~~

276 ~~(d) By general law and subject to conditions specified~~
 277 ~~therein, the exemption shall be increased to a total of the~~
 278 ~~following amounts of assessed value of real estate for each levy~~
 279 ~~other than those of school districts: fifteen thousand dollars~~
 280 ~~with respect to 1980 assessments; twenty thousand dollars with~~

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281 ~~respect to 1981 assessments; twenty five thousand dollars with~~
 282 ~~respect to assessments for 1982 and each year thereafter.~~
 283 ~~However, such increase shall not apply with respect to any~~
 284 ~~assessment roll until such roll is first determined to be in~~
 285 ~~compliance with the provisions of section 4 by a state agency~~
 286 ~~designated by general law. This subsection shall stand repealed~~
 287 ~~on the effective date of any amendment to section 4 which~~
 288 ~~provides for the assessment of homestead property at a specified~~
 289 ~~percentage of its just value.~~

290 (d)~~(e)~~ By general law and subject to conditions specified
 291 therein, the Legislature may provide to renters, who are
 292 permanent residents, ad valorem tax relief on all ad valorem tax
 293 levies. Such ad valorem tax relief shall be in the form and
 294 amount established by general law.

295 (e)~~(f)~~ The legislature may, by general law, allow counties
 296 or municipalities, for the purpose of their respective tax
 297 levies and subject to the provisions of general law, to grant an
 298 additional homestead tax exemption not exceeding fifty thousand
 299 dollars to any person who has the legal or equitable title to
 300 real estate and maintains thereon the permanent residence of the
 301 owner and who has attained age sixty-five and whose household
 302 income, as defined by general law, does not exceed twenty
 303 thousand dollars. The general law must allow counties and
 304 municipalities to grant this additional exemption, within the
 305 limits prescribed in this subsection, by ordinance adopted in
 306 the manner prescribed by general law, and must provide for the
 307 periodic adjustment of the income limitation prescribed in this
 308 subsection for changes in the cost of living.

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309 ~~(f)~~ (g) Each veteran who is age 65 or older who is
 310 partially or totally permanently disabled shall receive a
 311 discount from the amount of the ad valorem tax otherwise owed on
 312 homestead property the veteran owns and resides in if the
 313 disability was combat related, the veteran was a resident of
 314 this state at the time of entering the military service of the
 315 United States, and the veteran was honorably discharged upon
 316 separation from military service. The discount shall be in a
 317 percentage equal to the percentage of the veteran's permanent,
 318 service-connected disability as determined by the United States
 319 Department of Veterans Affairs. To qualify for the discount
 320 granted by this subsection, an applicant must submit to the
 321 county property appraiser, by March 1, proof of residency at the
 322 time of entering military service, an official letter from the
 323 United States Department of Veterans Affairs stating the
 324 percentage of the veteran's service-connected disability and
 325 such evidence that reasonably identifies the disability as
 326 combat related, and a copy of the veteran's honorable discharge.
 327 If the property appraiser denies the request for a discount, the
 328 appraiser must notify the applicant in writing of the reasons
 329 for the denial, and the veteran may reapply. The Legislature
 330 may, by general law, waive the annual application requirement in
 331 subsequent years. This subsection shall take effect December 7,
 332 2006, is self-executing, and does not require implementing
 333 legislation.

334 (g) Real property owned and used as a homestead by a
 335 person who has attained age sixty-five and whose household
 336 income, as defined by general law, does not exceed \$23,604 is

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337 exempt from ad valorem taxation. The legislature shall provide
 338 for an annual adjustment of the income limitation prescribed in
 339 this subsection for changes in the cost of living and may
 340 provide additional financial eligibility requirements or other
 341 eligibility requirements.

342 SECTION 9. Local taxes.--

343 (a) Counties, school districts, and municipalities shall,
 344 and special districts may, be authorized by law to levy ad
 345 valorem taxes and may be authorized by general law to levy other
 346 taxes, for their respective purposes, except ad valorem taxes on
 347 intangible personal property and taxes prohibited by this
 348 constitution.

349 (b) Ad valorem taxes, exclusive of taxes levied for the
 350 payment of bonds and taxes levied for periods not longer than
 351 two years when authorized by vote of the electors who are the
 352 owners of freeholds therein not wholly exempt from taxation,
 353 shall not be levied in excess of the following millages upon the
 354 assessed value of real estate and tangible personal property:
 355 for all county purposes, ten mills; for all municipal purposes,
 356 ten mills; for all school purposes, ten mills; for water
 357 management purposes for the northwest portion of the state lying
 358 west of the line between ranges two and three east, 0.05 mill;
 359 for water management purposes for the remaining portions of the
 360 state, 1.0 mill; and for all other special districts a millage
 361 authorized by law approved by vote of the electors who are
 362 owners of freeholds therein not wholly exempt from taxation. A
 363 county furnishing municipal services may, to the extent
 364 authorized by law, levy additional taxes within the limits fixed

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365 for municipal purposes.

366 (c) By general law, the legislature shall limit the
 367 authority of counties, municipalities, and special districts to
 368 increase ad valorem taxes.

369 ARTICLE VIII

370 LOCAL GOVERNMENT

371 SECTION 1. Counties.--

372 (a) POLITICAL SUBDIVISIONS. The state shall be divided by
 373 law into political subdivisions called counties. Counties may be
 374 created, abolished or changed by law, with provision for payment
 375 or apportionment of the public debt.

376 (b) COUNTY FUNDS. The care, custody and method of
 377 disbursing county funds shall be provided by general law.

378 (c) GOVERNMENT. Pursuant to general or special law, a
 379 county government may be established by charter which shall be
 380 adopted, amended or repealed only upon vote of the electors of
 381 the county in a special election called for that purpose.

382 (d) COUNTY OFFICERS. There shall be elected by the
 383 electors of each county, for terms of four years, a sheriff, a
 384 tax collector, a property appraiser, a supervisor of elections,
 385 and a clerk of the circuit court; except, when provided by
 386 county charter or special law approved by vote of the electors
 387 of the county, any county officer other than a property
 388 appraiser may be chosen in another manner therein specified, or
 389 any county office other than the office of property appraiser
 390 may be abolished when all the duties of the office prescribed by
 391 general law are transferred to another office. When not
 392 otherwise provided by county charter or special law approved by

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393 | vote of the electors, the clerk of the circuit court shall be ex
 394 | officio clerk of the board of county commissioners, auditor,
 395 | recorder and custodian of all county funds.

396 | (e) COMMISSIONERS. Except when otherwise provided by
 397 | county charter, the governing body of each county shall be a
 398 | board of county commissioners composed of five or seven members
 399 | serving staggered terms of four years. After each decennial
 400 | census the board of county commissioners shall divide the county
 401 | into districts of contiguous territory as nearly equal in
 402 | population as practicable. One commissioner residing in each
 403 | district shall be elected as provided by law.

404 | (f) NON-CHARTER GOVERNMENT. Counties not operating under
 405 | county charters shall have such power of self-government as is
 406 | provided by general or special law. The board of county
 407 | commissioners of a county not operating under a charter may
 408 | enact, in a manner prescribed by general law, county ordinances
 409 | not inconsistent with general or special law, but an ordinance
 410 | in conflict with a municipal ordinance shall not be effective
 411 | within the municipality to the extent of such conflict.

412 | (g) CHARTER GOVERNMENT. Counties operating under county
 413 | charters shall have all powers of local self-government not
 414 | inconsistent with general law, or with special law approved by
 415 | vote of the electors. The governing body of a county operating
 416 | under a charter may enact county ordinances not inconsistent
 417 | with general law. The charter shall provide which shall prevail
 418 | in the event of conflict between county and municipal
 419 | ordinances.

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420 (h) TAXES; LIMITATION. Property situate within
 421 municipalities shall not be subject to taxation for services
 422 rendered by the county exclusively for the benefit of the
 423 property or residents in unincorporated areas.

424 (i) COUNTY ORDINANCES. Each county ordinance shall be
 425 filed with the custodian of state records and shall become
 426 effective at such time thereafter as is provided by general law.

427 (j) VIOLATION OF ORDINANCES. Persons violating county
 428 ordinances shall be prosecuted and punished as provided by law.

429 (k) COUNTY SEAT. In every county there shall be a county
 430 seat at which shall be located the principal offices and
 431 permanent records of all county officers. The county seat may
 432 not be moved except as provided by general law. Branch offices
 433 for the conduct of county business may be established elsewhere
 434 in the county by resolution of the governing body of the county
 435 in the manner prescribed by law. No instrument shall be deemed
 436 recorded until filed at the county seat, or a branch office
 437 designated by the governing body of the county for the recording
 438 of instruments, according to law.

439 ARTICLE XII

440 SCHEDULE

441 SECTION 27. Elected property appraisers; application.--The
 442 requirement in Section 1(d) of Article VIII for a property
 443 appraiser to be elected by the electors of the county shall
 444 apply in each county, including each charter county, regardless
 445 of whether the charter was adopted pursuant to Section 1(g) of
 446 Article VIII or pursuant to Section 9, Section 10, Section 11,
 447 or Section 24 of Article VIII of the Constitution of 1885, as

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448 amended and incorporated by reference in Section 6(e) of Article
 449 VIII. Any county that does not have an elected property
 450 appraiser on the effective date of the amendment to Section 1 of
 451 Article VIII of this constitution shall provide for electing a
 452 property appraiser at the next general election as provided by
 453 general law.

454 SECTION 28. Property tax exemptions and ad valorem tax
 455 limitations.--The amendments to Sections 3, 4, 6, and 9 of
 456 Article VII, providing a \$25,000 exemption from ad valorem
 457 taxation for tangible personal property, providing an additional
 458 \$25,000 homestead exemption, authorizing the transfer of the
 459 accrued benefit from the limitation on the assessment of
 460 homestead property, providing an additional homestead exemption
 461 for first-time homestead property owners, providing a complete
 462 homestead exemption for low-income seniors, providing for
 463 assessing rent-restricted affordable housing and commercial and
 464 public-access waterfront property pursuant to general law, and
 465 requiring the legislature to limit the authority of counties,
 466 municipalities, and special districts to increase ad valorem
 467 taxes; the amendment to Section 1 of Article VIII, requiring
 468 property appraisers to be elected; and the creation of Section
 469 27 of this Article, providing for election of county property
 470 appraisers, and this section, if submitted to the electors of
 471 this state for approval or rejection at a special election
 472 authorized by law to be held on January 29, 2008, shall take
 473 effect upon approval by the electors and shall operate
 474 retroactively to January 1, 2008, or, if submitted to the
 475 electors of this state for approval or rejection at the next

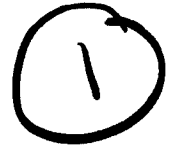
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476 | general election, shall take effect January 1 of the year
477 | following such general election.

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____



1 Council/Committee hearing bill: Policy and Budget Council
2 Representative Seiler offered the following:

4 **Amendment (with ballot statement and title amendments)**

5 Remove line(s) 342 through 368 and insert:

6 Strike all of said lines

8 ===== R E S O L V I N G C L A U S E A M E N D M E N T =====

9 Remove line 23 and insert:

10 The following amendments to Sections 3, 4 and 6 of

12 ===== E F F E C T I V E D A T E A M E N D M E N T =====

13 Remove line 455 and insert:

14 limitations. The amendments to Section 3, 4 and 6 of

16 ===== T I T L E A M E N D M E N T =====

17 Remove line(s) 14 through 16 and insert:

18 exemption for low-income seniors, to

20 Remove lines 2 and 3 and insert:

21 A joint resolution proposing amendments to Sections 3, 4 and 6
22 of Article VII and Section 1 of Article VIII and

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

2

1 Council/Committee hearing bill: Policy & Budget Council
2 Representative Grant offered the following:

3
4 **Amendment (with title amendment)**

5 Between lines 216 and 217, insert:

6 (h) Property owners who undertake eligible structural
7 mitigation to harden any single or multi-family structure or any
8 commercial or industrial building against damage from storms,
9 providing the mitigation meets or exceeds current building code
10 requirements, shall receive a dollar-for-dollar exemption from
11 the taxable value of such property equal to the costs incurred
12 for such mitigation upon presentation to the appropriate county
13 officer of paid receipts and copies of passed inspections.
14 Eligibility shall be determined under the My Safe Florida Home
15 criteria as provided by general law. This exemption shall
16 continue each year until the property is sold or transferred to
17 a new owner.

18
19 ===== T I T L E A M E N D M E N T =====

20 Remove line 11 and insert:

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

21 general law, to provide an additional property tax exemption for
22 costs of structural mitigation undertaken to harden a structure
23 against storm damage, to increase the homestead exemption, to

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7003D PCB GEAC 07D-02 Ad Valorem Taxation
SPONSOR(S): Government Efficiency & Accountability Council and Attkisson
TIED BILLS: _____
IDEN./SIM. BILLS: _____

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Government Efficiency & Accountability Council	13 Y, 0 N	Diez- Arguelles/Jacobik	Cooper
1) Policy & Budget Council	_____	Diez- Arguelles/Jacobik	Hansen MPH
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

The bill implements provisions of HJR 7001D, a constitutional amendment, if it is approved by the voters in 2008. The bill provides a number of changes to the property tax system in Florida, as follows:

- Increases the homestead exemption by \$25,000 to be applied to the value of the home from \$50,000 to \$75,000 for all tax levies except school district tax levies;
- Provides a partial exemption for first-time homebuyers for all tax levies except school district tax levies;
- Exempts homestead property owned by low-income seniors from all property taxes;
- Provides for the transfer of the Save Our Homes accrued benefit for all tax levies except school district tax levies;
- Provides a \$25,000 exemption for tangible personal property;
- Allows affordable housing subject to rent restrictions imposed by a governmental agency to be assessed as provided by general law;
- Requires the legislature to limit the authority of local governments, with the exception of school districts, to increase property taxes; and
- Requires that property appraisers be elected, even in charter counties.

In addition to implementing the proposed constitutional amendment, the bill provides millage rate restrictions for local governments to prevent millage rate increases that would offset reductions in the tax roll from the provisions of the constitutional amendment. The bill removes the presumption of correctness for property appraisers on parcels that increase at greater than the average increase in value for the same class of properties in the same county. The bill limits assessment of improvements for community land trusts and provides an exemption to property used for affordable housing and owned by a limited partnership whose sole general partner is a not-for-profit corporation.

If the changes to the constitution in the House Joint Resolution are approved by the voters, the ad valorem tax base will be reduced. In addition other provisions of the bill will reduce the tax base. At current millage rates, staff estimates that these reductions in the tax base will result in estimated reduced tax revenues to local governments of \$2.1 billion in 2008-09 (See table in fiscal section of analysis). The Revenue Estimating Conference has not addressed the provisions of this bill.

By reducing the authority that cities and counties have to raise revenue, pursuant to Article VII, section 18, of the Florida Constitution, the bill may be a mandate requiring a 2/3ds vote of the membership of each house for passage.

The bill has an effective date of January 1, 2008, except as otherwise provided in the bill.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes: the bill:

- Increases the homestead exemption;
- Establishes a property tax exemption for tangible personal property of up to \$25,000 in value;
- Reduces the taxable value of affordable housing;
- Increases the homestead exemption for low-income seniors;
- Allows transfer of accumulated assessed value reductions from just value; and
- Creates an additional homestead exemption for first-time homebuyers.

B. EFFECT OF PROPOSED CHANGES:

CURRENT SITUATION

Article VII of the Florida Constitution grants exclusive authority to local governments to levy ad valorem taxes on real and tangible personal property,¹ and directs the legislature to establish requirements that local governments must follow when levying and administering ad valorem property taxes. The constitution requires that all ad valorem taxation be at a uniform rate within each taxing district² and that property be assessed at just value (fair market value) unless a different assessment standard is provided by the constitution.³

Following is a description of the current situation for the issues addressed in the bill.

Homestead Exemption

Subsection 6 (a)-(c) of Art. VII of the Florida Constitution provides that every person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, or another legally or naturally dependent upon the owner, shall be exempt from taxation up to the assessed value of \$25,000.

In 2006 there were 4,368,937 homesteads in Florida, and the homestead exemption reduced the 2006 tax roll by \$108.9 billion.

Save Our Homes

In 1992, Florida voters approved an amendment to s. 4, Art. VII of the State Constitution popularly known as the Save Our Homes amendment. Beginning with the 1994 tax roll, this amendment limited the annual increase in assessments of homestead property to the increase in the Consumer Price Index or 3 percent, whichever is lower. The Save Our Homes limitation first applied to the January 1, 1995 assessment.

After any change in ownership, as provided by general law, homestead property must be assessed at just value as of January 1 of the following year. Thereafter the property is subject to the Save Our Homes assessment limitation. New homestead property must be assessed at just value as of January 1 of the first year the property owner establishes homestead. Thereafter the property is subject to the Save Our Homes assessment limitation. Changes, additions, reductions, and improvements to homestead property are assessed as provided by general law, but after its initial assessment this property is subject to the Save Our Homes assessment limitation. If homestead status is terminated the property is assessed at just value.

¹ Sections 1(a) and 9(a), Art. VII, Fla. Const.

² Section 2, Art. VII, Fla. Const.

³ Section 4, Art. VII, Fla. Const.

In *Smith v. Welton*,⁴ the First District Court of Appeal described the purpose of the Save Our Homes Amendment as follows:

The purpose of the amendment is to encourage the preservation of homestead property in face of ever increasing opportunities for real estate development, and rising property values and assessments. The amendment supports the public policy of this state favoring preservation of homesteads. Similar policy considerations are the basis for the constitutional provisions relating to homestead tax exemption, exemption from forced sale, and the inheritance and alienation of homestead.

In the twelve years since Save Our Homes first limited the assessment of homestead property, its impact on the assessed value of this property has far exceeded the original expectations of such impact. In 1997, the second year of assessment limitations, Save Our Homes reduced the statewide assessed value of homestead property by 3 percent. In 2006, Save Our Homes reduced homestead just value by more than 38 percent. The \$405 billion reduction from Save Our Homes in 2006 equals approximately 25 percent of total taxable value.

Low-Income Seniors

Any county or city may allow an additional homestead exemption of up to \$50,000 for any person 65 or older whose household income⁵ does not exceed \$24,214 (in 2007). The income limit is increased each year by the percentage change in the Consumer Price Index. The exemption only applies to taxes levied by the county or city enacting the exemption.⁶ In 2006, 53 counties and 178 municipalities had implemented the exemption. Prior to the Constitutional amendment effective January 1, 2007, the exemption limit was \$25,000.

There were 1.2 million homesteads in Florida owned by persons 65 or older in 2006. Based on U.S. Census data, 42% of the total population 65 and older has household income below \$25,000. There are 211,000 homesteads benefiting from the current local option low-income senior exemption.

In addition, homeowners 65 and older, with household income less than \$24,214 in the prior year, may defer all ad valorem taxes and non-ad valorem assessments⁷. All senior homesteaders may defer the portion of their tax levy that exceeds 3% of household income. Tax deferrals and other liens may not exceed 85% of assessed value and the primary mortgage may not exceed 70%. Deferred tax and interest (up to 7%) are due when the property is sold, property insurance is not maintained, or the property ceases to qualify for homestead exemption.

The household income limitation does not capture all income. Household income is measured by "adjusted gross income" as reported to the IRS. This income measure excludes income from a number of sources, including income from tax-free bonds, some social security income, and some types of retirement income.

Affordable Housing

The cost of housing has risen much faster in recent years than household income. From 2003 through 2005 the affordability of housing fell throughout the state.⁸ In 2003, the median household had sufficient income to purchase a single-family home selling at the median price in 52 counties; by 2005 this was true in only 18 counties. In 2005, 5 counties – Miami-Dade, Collier, Franklin, Walton, and Monroe – had

⁴ 710 So. 2d 135, 137 (Fla. App. 1998)

⁵ As defined in s. 62 of the United States Internal Revenue Code.

⁶ Art. VII, sec. 6(f), Fla. Const., and s. 196.075, F.S.

⁷ S. 197.243

⁸ The State of Florida's Housing 2006, Shimberg Center for Affordable Housing, 2007.

a median household income less than half of what was needed to buy a median-priced single-family home. Florida has more than 1 million households that qualify as extremely-low-income households.⁹

Documentary stamp tax revenue supports several state-funded programs through the Florida Housing Finance Corporation. The Florida Housing Finance Corporation is also responsible for allocation and distribution of federal low-income housing tax credits. Community Land Trusts are charitable organizations that build homes on land they own and then sell the improvements to a limited-income person or persons, subject to a 99-year ground lease.

The Florida Constitution provides no exception to the just value standard for assessment of property in Affordable Housing programs. In assessing property in the Low-Income Housing Tax Credit Program, neither the tax credits nor the financing generated by the tax credits, shall be considered income to the property, and the actual rental income from rent-restricted units shall be recognized by the property appraiser.¹⁰ Current law provides a property tax exemption for property used to provide affordable housing for eligible individuals if the property is owned entirely by a charitable nonprofit entity meeting certain federal criteria.¹¹ HB 1375, enacted in the 2007 legislative session, authorizes a county or municipality to adopt an ordinance to allow for the deferral of property taxes and non-ad valorem assessments if the owners of the property are operating, rehabilitating, or renovating affordable rental housing property. The use of the property as affordable housing must be maintained over the deferral period or the total amount of deferred assessments, taxes and interest becomes due and payable on November 1 of the year in which the use of the property was changed.

Tangible Personal Property

Tangible personal property is singled out for special treatment in the Constitution. Motor vehicles, boats, airplanes, trailers, trailer coaches and mobile homes are excluded from ad valorem taxation.¹² Household goods up to \$1,000 in value are exempt.¹³ Renewable energy source devices may be exempted by general law for 10 years after installation.¹⁴ Tangible personal property held for sale as stock in trade and livestock may be valued for taxation at a specified percentage of its value, classified for tax purposes, or exempted by general law.¹⁵ Tangible personal property not specifically exempt from taxation is subject to ad valorem taxation.

Section 193.152, F.S., requires that tax returns be filed for tangible personal property in the county where the property is located. The Department of Revenue is directed to promulgate rules to ensure that all railroad and utility property is properly returned in the appropriate county. However, the evaluation and assessment of utility property in each county is the duty of the property appraiser. Department of Revenue form DR-405 requires that a separate return must be filed by a taxpayer for each location in the county, except for owners of vending machines, propane tanks and similar free-standing property at many locations, who may submit a single return.

In 2006, 1,293,043 tangible personal property tax returns were filed, with a total taxable value of \$103.7 billion. The 997,109 returns with taxable amounts less than \$25,000 accounted for only \$4.5 billion of the total taxable value.

Revenue/Tax Rate Cap

Chapter Law 2007-321 (2007B Session) required reductions in property tax levies for counties, cities, and special districts based on the past behavior of the taxing jurisdiction. Counties, cities, and special districts may override these maximum millage rates under specified circumstances.

⁹ *See id.*

¹⁰ S. 193.017, F.S.

¹¹ S. 196.1978, F.S.

¹² Art. VII, sec. 1(b), Fla. Const.

¹³ Art. VII, sec. 3(b), Fla. Const.

¹⁴ Art. VII, sec. 3(d), Fla. Const.

¹⁵ Art. VII, sec. 4(b), Fla. Const.

2007-2008

For fiscal year 2007-08, property tax levies must be reduced to the FY 2006-07 level minus a specified percentage factor. This is the same outcome as reducing the rolled-back rate by the specified percentage. Revenues will still be allowed to increase due to the addition of new construction.

Cities and counties are separately grouped according to how rapidly their per capita property taxes have grown from 2001-2006. Per capita values are used to neutralize the calculations for population growth rates. Special consideration was given to fiscally limited jurisdictions. The table below summarizes these percentage reduction factors.

Reduction Factor	Compound annual growth rate	
	Counties	Cities
0%	Less than 5%	Less than 6%
3%	5% to 7%	6% to 7.5%
5%	7% to 9%	7.5% to 10.5%
7%	9% to 11%	10.5% to 12.4%
9%	11% or more	12.4% or more

Fiscally limited cities are placed in the 0% cut bracket. Fiscally limited counties are counties currently defined in statute as "fiscally constrained" and for which the revenue value of one mill per capita is less than \$100. The revenue value limitation has the effect of removing Gulf and Franklin Counties. Fiscally limited cities are cities that are either in a fiscally limited county or cities that have been in a state of financial emergency at any time since July 1, 2001. This was amended in special session 2007-C to change the cutoff date for cities of special fiscal concern.

All independent special districts are treated uniformly with a 3% reduction factor. Jurisdictions that have not levied property taxes for at least five years are exempt from the reduction. The reductions do not apply to voted levies to repay bonds issued pursuant to Article VII, section 12 of the Florida Constitution and voted levies for less than two years pursuant to Article VII, section 9(b) of the Florida Constitution.

An override of the millage limitation is allowed. To exceed the reduced tax level up to the rolled-back rate requires a 2/3 vote of the governing board. To exceed the reduced tax level up to the prior year non-voted millage rate requires a unanimous vote of the governing board. Above this level requires voter approval. If a county or city exceeds the required millage limitation without the required extraordinary vote, that county or city will not receive its half-cent sales tax distribution.

2008-2009

There will be a further tax cut and cap adjustment in FY 2008-09. The millage limitation is the rolled-back rate plus growth in per capita Florida personal income, except that the prior year revenues used in the calculation of the limitation must be reduced by the amount collected from a millage rate approved by a super majority vote in excess of the maximum rate. To exceed the millage limitation by 10%, a 2/3 vote of the governing board is required. For a larger increase, a unanimous vote or a referendum is required.

2009-2010 and thereafter

Following the two transition years, property taxes for cities, counties and school districts may grow by the taxes levied on new construction and the growth of per capita Florida personal income. Override may be achieved up to 10% over the cap by a 2/3 vote of the governing board. Overrides above this require a unanimous vote of the governing board or a referendum.

The tax growth cap will allow property taxes to increase with the state economy, while preventing dramatic growth in property taxes such as those experienced during the last four years.

Presumption of Correctness

Section 194.301, F.S., provides a presumption of correctness to the assessed value determined by the property appraiser. The presumption of correctness is lost if the taxpayer can show by a preponderance of the evidence that the appraiser failed to properly consider the 8 criteria in s. 193.011, F.S., or if the appraiser's assessment is arbitrary.

EFFECT OF PROPOSED CHANGES

Double Homestead Exemption

The bill implements the provision in the constitutional amendment that doubles the homestead exemption. It provides an additional \$25,000 homestead exemption to be applied after the first \$50,000 in value (i.e., the second \$25,000 in value remains subject to tax). This exemption does not apply to school taxes.

Low-Income Senior Exemption

The bill implements the provision in the constitutional amendment that creates a statewide exemption for low-income seniors. Anyone 65 or older whose household income is less than \$23,604 (adjusted annually for inflation) will be totally exempt from taxes on their homestead property. The definition of household income includes all income of the household and is more restrictive than for the current local option additional exemption for low income seniors. This provision applies to all taxes.

First-time Homebuyers Exemption

The bill implements the provision in the constitutional amendment that creates an additional homestead exemption for first-time homebuyers. First-time homebuyers in Florida that qualify for the homestead exemption will be eligible for an additional exemption equal to 25 percent of the value of their new home, with a maximum exemption equal to 25 percent of the county median home value. In the first year, this exemption will decrease as the home accumulates a Save Our Homes benefit. For the January 1, 2008 tax roll this exemption is available to 2007 first-time homebuyers who qualify for a homestead exemption January 1, 2008. This exemption does not apply to school taxes.

Portability

The bill implements the provision in the constitutional amendment that allows the transfer of the accumulated benefits of assessment limitations to a new homestead. Homestead property owners will be allowed to transfer the Save Our Homes benefit to a new homestead within two years of giving up their previous homestead. If the new homestead is more valuable than the old one the entire benefit can be transferred; if the new homestead is less valuable the transferable benefit will be the same proportion of the just value of the new homestead as for the previous homestead to the value of the new homestead. (For those who gave up their homestead in 2007, the benefit may be transferred if they apply for a new homestead January 1, 2008 or January 1, 2009.) The transferred differential does not apply to school taxes.

Affordable Housing

The bill implements the provision in the constitutional amendment that allows the assessment of affordable housing property at less than just value. It provides that property used for rent-restricted affordable housing will be assessed on the basis of its use as workforce rental housing or affordable rental housing. The restricted assessments will not apply to school taxes.

The bill also limits the assessment of improvements to real property owned by a community land trust used for affordable housing and provides a tax exemption to property owned by a limited partnership and used to provide affordable housing, if the sole general partner is a not-for-profit corporation. This provision applies to all taxes.

Tangible Personal Property Exemption

The bill implements the provision in the constitutional amendment providing an exemption for tangible personal property. It provides a \$25,000 exemption for each tangible personal property return. This provision applies to all taxes.

Millage Rate Restrictions

Local (non-school) government property tax revenues are limited in fiscal year 2008-09 to prevent millage rate increases that would offset reductions in the tax roll that result from the additional exemptions. This does not restrict school district taxes.

Presumption of Correctness

The bill removes the property appraiser's presumption of correctness in an administrative or judicial action in which a taxpayer challenges an assessment of value of non-homestead property. If the value of a parcel increased more than the average per parcel increase in value for its class of property, the property appraiser will lose the presumption of correctness and the taxpayer will have to prove by a preponderance of the evidence that the assessment exceeds just value. If the appraiser retains the presumption, the taxpayer must prove by clear and convincing evidence that the assessment exceeds just value. This provision applies to all taxes.

C. SECTION DIRECTORY:

Section 1 amends s. 194.301, F.S., presumption of correctness.

Section 2 provides an effective date for section 1 of upon becoming law.

Section 3 amends s. 193.017, F.S., assessment of structural improvements on land owned by a community land trust and used to provide affordable housing.

Section 4 amends s. 196.1978, F.S., affordable housing property exemption.

Section 5 authorized the Department of Revenue to adopt emergency rules for purposes of implementing sections 3 and 4.

Section 6 amends s. 196.002, F.S., legislative intent.

Section 7 amends s. 193.155(3), F.S., redesignates ss. 193.155(8) and (9), F.S., and creates a new s. 193.155(8), F.S., homestead assessments.

Section 8 amends s. 196.031, F.S., exemption of homesteads.

Section 9 creates s. 196.078, F.S., additional homestead exemption for first-time Florida homebuyers.

Section 10 creates s. 196.098, F.S., exemption for low-income seniors.

Section 11 amends s. 197.252, F.S., homestead tax deferral.

Section 12 creates s. 196.183, F.S., exemption for tangible personal property.

Section 13 creates s. 193.803, F.S., assessment of eligible rental property used for workforce and affordable housing; classification.

Section 14 amends s. 192.0105, F.S., taxpayer rights.

Section 15 amends s. 193.052, F.S., preparation and serving of returns.

Section 16 amends s. 194.011, F.S., assessment notice; objections to assessments.

Section 17 amends s. 195.073, F.S., classification of property.

Section 18 amends s. 195.096, F.S., review of assessment rolls.

Section 19 creates s. 200.186, F.S., maximum millage rates for the 2008-2009 fiscal year.

Section 20 directs the Department of Revenue to report the results of the implementation of chapter 2007-321, Laws of Florida by March 1, 2008.

Section 21 provides an effective date of January 1, 2008 for sections 3-5 and 20; and retroactively to January 1, 2008 for sections 6-19, upon approval of the joint resolution by the voters at the January 29, 2008 special election or shall apply to the 2009 tax rolls if approved by the voters at the November 2008 general election.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

If the changes to the State Constitution in the House Joint Resolution are approved by the voters, the ad valorem tax base will be reduced. In addition other provisions of the bill will reduce the tax base. At current millage rates, these reductions in the tax base will result in estimated reduced tax revenues to local governments in the amounts shown in the table below. The Revenue Estimating Conference has not addressed the provisions of this bill.

Property Tax Relief/Reform Plan (Millions of \$)

Property Tax Revenue Impacts by Government Type					
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>4-Yr Total</u>
Counties	(1,026)	(1,313)	(1,544)	(1,765)	(5,648)
Schools	(442)	(492)	(543)	(597)	(2,074)
<i>RLE</i>	(279)	(310)	(343)	(377)	(1,309)
<i>Discretionary</i>	(163)	(181)	(200)	(220)	(765)
Cities	(365)	(472)	(558)	(639)	(2,035)
Special Districts	(230)	(294)	(344)	(392)	(1,260)
Total Impact	(2,064)	(2,571)	(2,989)	(3,393)	(11,018)
Chng from Current Law	-6.4%	-7.4%	-8.0%	-8.4%	-7.6%

These estimates consider the interaction between the different components. Estimates for each component were it being implemented alone may be different.

2. Expenditures:

Counties are likely to experience higher expenditures from changes made to the Value Adjustment Board process.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

A significant number of properties will experience a decrease in assessed value, due to the provisions of the bill, leading to reduced property tax payments by their owners as follows. (Impacts in millions of dollars).

Property Tax Revenue Impacts by Property Classification					
	2008-09	2009-10	2010-11	2011-12	4-Yr Total
Homestead	(1,755)	(2,126)	(2,445)	(2,746)	(9,071)
Non-Homestead Residential	(45)	(46)	(47)	(48)	(186)
Commercial/Industrial	0	(44)	(46)	(49)	(138)
TPP	(177)	(179)	(181)	(182)	(719)
Presumption of Correctness (1)	(87)	(177)	(271)	(369)	(904)
Total Property Tax Impact	(2,064)	(2,571)	(2,989)	(3,393)	(11,018)

(1) Impacts will be on Non-Homestead Residential and Commercial/Industrial properties.

D. FISCAL COMMENTS:

Some provisions of the bill reduce the taxable value base for all taxing authorities, including school districts. The Legislature annually determines the level of overall education funding as part of its budget development process. The portion of this funding that comes from local property taxes is known as the Required Local Effort (RLE). This is the amount that each county must produce in order to participate in the FEFP. While the General Appropriations Act only establishes the total required funding level, there is necessarily an implied statewide millage rate that generates that amount. If taxable values are reduced for school districts, then for a given required funding level, local millage rates required to raise this level of revenue must increase. However, a reduced tax base does not necessarily result in decreased funding for schools or in an increase in school millage rates, since the Legislature establishes school funding in the General Appropriations Act each year and determines what local levies are required.

If HJR 7001D is passed by the voters and ad valorem taxes paid to school districts are reduced, taxpayers will save an estimated \$442 million (3.3% of school taxes) in FY 2008-09, at current millage rates. If the Legislature chooses to offset this revenue loss to school districts, it could do so either by reducing other state expenditures or enhancing revenues.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The mandates provision does not apply to a bill implementing a constitutional amendment. However, this bill contains additional provisions. The mandates provision appears to apply to these provisions because by reducing the tax base, they reduce the authority that municipalities or counties have to raise revenues. The bill does not appear to qualify for an exemption or exception. In the absence of an applicable exemption or exception, Article VII, section 18(b) prohibits the legislature from enacting, amending or repealing any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenues in the aggregate, as such authority exists on February 1, 1989.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill authorizes the executive director of the Department of Revenue to adopt emergency rules pursuant to ss. 120.536(1) and 120.54(4), Florida Statutes, for purposes of implementing sections 3 and 4 of this act.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

None.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On October 15, 2007, the House Government Efficiency & Accountability Council adopted 7 amendments to the proposed PCB. The amendments may be summarized as follows:

Amendment 1. Expanded the number of property classes that will be considered to determine when the property appraiser loses the presumption of correctness.

Amendment 2. Clarified language regarding valuation of community land trusts.

Amendment 3. Required that new information needed as a result of this bill be included in the tax rolls.

Amendment 4. Made technical and clarifying changes to language implementing the transferability of Save Our Homes accumulated benefits (Portability).

Substitute Amendment for Amendment 5. Made technical and clarifying changes to language implementing the first-time Florida homebuyer exemption.

Amendment 6. Made technical and clarifying changes to language implementing the low-income seniors exemption.

Amendment 7. Applied the statutory section dealing with penalties for non-residents claiming homestead exemptions to persons claiming portability and the new first-time Florida homebuyer benefit.

1 A bill to be entitled
2 An act relating to ad valorem taxation; amending s.
3 194.301, F.S.; specifying circumstances under which the
4 presumption concerning the correctness of an ad valorem
5 tax assessment is lost; providing for the rate of
6 percentage change of a category of property comprised of
7 comparable property; requiring the property appraiser to
8 make available on a website or upon request the percentage
9 change for each category; specifying the categories of
10 property; providing for the amendments to s. 194.301,
11 F.S., to apply to assessments made on or after a specified
12 date; amending s. 193.017, F.S.; deleting provisions
13 providing for the assessment of property receiving the
14 low-income housing tax credit; providing for the
15 assessment of structural improvements on land owned by a
16 community land trust and used to provide affordable
17 housing; defining the term "community land trust";
18 providing for the conveyance of structural improvements,
19 subject to certain conditions; specifying the criteria to
20 be used in arriving at just valuation of a structural
21 improvement; amending s. 196.1978, F.S., relating to the
22 affordable housing property exemption; conforming
23 provisions to changes made by the act; authorizing the
24 Department of Revenue to adopt emergency rules; providing
25 for application and renewal thereof; amending s. 196.002,
26 F.S.; revising certain reporting requirements for the
27 property appraiser in order to conform to changes made by
28 the act; amending s. 193.114, F.S.; requiring separate

29 listing of school district levies and all other levies on
 30 assessment rolls; amending s. 193.155, F.S.; providing for
 31 the assessment of homestead property following a change in
 32 ownership based on the just value of the prior homestead;
 33 providing for determining the just value of the new
 34 homestead; providing for assessing a homestead established
 35 by two or more persons who held prior homestead property;
 36 providing requirements for applying for such an
 37 assessment; requiring that the Department of Revenue
 38 provide by rule for documenting entitlement to the
 39 assessment; amending s. 196.031, F.S.; increasing the
 40 amount of the exemption provided for homestead property;
 41 providing for an additional exemption for levies other
 42 than school district levies; deleting obsolete provisions;
 43 deleting a requirement that property appraisers compile
 44 information concerning the loss of certain tax revenues
 45 and submit a copy to the Department of Revenue; creating
 46 s. 196.078, F.S.; providing for an additional homestead
 47 exemption for first-time Florida homebuyers; providing a
 48 definition; providing for the amount of the additional
 49 exemption; requiring that a person claiming such exemption
 50 submit a sworn statement attesting that he or she has
 51 never owned property that received the homestead exemption
 52 in this state; providing requirements for forms; providing
 53 penalties for falsely claiming the exemption; creating s.
 54 196.098, F.S.; providing a tax exemption for low-income
 55 seniors; providing for eligibility and a limitation on
 56 income; providing for an annual adjustment in the income

57 limitations; requiring the department to provide for
 58 verifying age and income by rule; amending s. 196.161,
 59 F.S.; revising an application reference relating to liens
 60 on property of nonresident persons claiming homestead
 61 exemption; amending s. 197.252, F.S., relating to the
 62 homestead tax deferral; conforming provisions to changes
 63 made by the act; creating s. 196.183, F.S.; exempting each
 64 tangible personal property tax return from a specified
 65 amount of assessed value; limiting a single business
 66 operation within a county to one exemption; providing a
 67 procedure for waiving the requirement to file an annual
 68 tangible personal property tax return if the taxpayer is
 69 entitled to the exemption; providing penalties for failure
 70 to file a return as required or to claim more exemptions
 71 than allowed; providing that the exemption does not apply
 72 to certain mobile homes; creating s. 193.803, F.S.;
 73 providing for the assessment of rental property used for
 74 workforce housing or affordable housing; authorizing a
 75 property owner to appeal a denial of eligibility to the
 76 value adjustment board; requiring that a property owner
 77 file an application for such classification with the
 78 property appraiser or file a petition with the value
 79 adjustment board; providing a fee for filing a petition;
 80 providing for reapplication to be made on a short form
 81 provided by the Department of Revenue; defining the term
 82 "extenuating circumstances" for purposes of granting a
 83 classification for January 1, 2008; specifying the types
 84 of property that are eligible to be classified as

85 workforce rental housing or affordable rental housing;
 86 providing for the assessment of property receiving the
 87 low-income housing tax credit; requiring that property be
 88 removed from such classification if its use or program
 89 eligibility changes; providing the methodologies for
 90 assessing workforce rental housing and affordable rental
 91 housing; requiring that the property owner annually
 92 provide a rent roll and income and expense statement to
 93 the property appraiser for the preceding year; authorizing
 94 the property appraiser to base the assessment on the best
 95 available information if the property owner fails to
 96 provide the rent roll and statement; providing for a tax
 97 lien to be filed against property that is misclassified as
 98 workforce rental housing or affordable rental housing
 99 within a specified period; amending ss. 192.0105, 193.052,
 100 194.011, 195.073, and 195.096, F.S., relating to taxpayer
 101 rights, the preparation and serving of returns,
 102 assessments involving agricultural lands, assessment
 103 notices and objections, the classification of property,
 104 and the review of assessment rolls; conforming provisions
 105 to changes made by the act; creating s. 200.186, F.S.;
 106 specifying a formula for counties, municipalities,
 107 municipal service taxing units, dependent districts, and
 108 independent districts to determine a maximum millage rate
 109 for the 2008-2009 fiscal year; providing that a taxing
 110 authority in violation of such provision forfeits its
 111 local government half-cent sales tax revenues; providing
 112 certain exceptions to the limitations on millage rates;

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113 providing an exception for calculating the rolled-back
 114 rate for certain counties; providing that certain units of
 115 government are recognized as municipalities; requiring the
 116 Department of Revenue to report to the Legislature the
 117 results of implementing ch. 2007-321, Laws of Florida,
 118 relating to ad valorem taxation; requiring that the
 119 department report those governments that are not in
 120 compliance with requirements limiting certain millage
 121 rates; providing legislative intent with respect to the
 122 information reported to the department; requiring the
 123 department to report certain recommendations of the
 124 Revenue Estimating Conference and identify needed
 125 additional resources; providing that certain provisions of
 126 the act apply retroactively; providing effective dates,
 127 one of which is contingent.

128

129 Be It Enacted by the Legislature of the State of Florida:

130

131 Section 1. Section 194.301, Florida Statutes, is amended
 132 to read:

133 194.301 Presumption of correctness.--

134 (1) In any administrative or judicial action in which a
 135 taxpayer challenges an ad valorem tax assessment of value, the
 136 property appraiser's assessment shall be presumed correct. This
 137 presumption of correctness is lost if the taxpayer shows by a
 138 preponderance of the evidence that either the property appraiser
 139 has failed to consider properly the criteria in s. 193.011 or if
 140 the property appraiser's assessment is arbitrarily based on

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141 appraisal practices that ~~which~~ are different from the appraisal
 142 practices generally applied by the property appraiser to
 143 comparable property within the same class and within the same
 144 county. In addition, except for homestead property, the
 145 presumption of correctness is lost if the percentage change,
 146 exclusive of new construction, in just value of the challenged
 147 parcel is greater than the percentage change for the category of
 148 property in which the challenged parcel is included. If the
 149 presumption of correctness is lost, the taxpayer has ~~shall have~~
 150 the burden of proving by a preponderance of the evidence that
 151 the appraiser's assessment is in excess of just value. If the
 152 presumption of correctness is retained, the taxpayer has ~~shall~~
 153 ~~have~~ the burden of proving by clear and convincing evidence that
 154 the appraiser's assessment is in excess of just value. In no
 155 case shall the taxpayer have the burden of proving that the
 156 property appraiser's assessment is not supported by any
 157 reasonable hypothesis of a legal assessment. If the property
 158 appraiser's assessment is determined to be erroneous, the Value
 159 Adjustment Board or the court can establish the assessment if
 160 there exists competent, substantial evidence in the record,
 161 which cumulatively meets the requirements of s. 193.011. If the
 162 record lacks competent, substantial evidence meeting the just
 163 value criteria of s. 193.011, the matter shall be remanded to
 164 the property appraiser with appropriate directions from the
 165 Value Adjustment Board or the court. This section does not
 166 authorize any value adjustment board or court to establish the
 167 value of property except in accordance with the State
 168 Constitution.

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169 (2) The percentage change for a category of property shall
 170 be based on the percentage change in just value from the prior
 171 year to the current year of all parcels within that category in
 172 both years, exclusive of new construction, calculated for each
 173 tax roll by the property appraiser as of the date on which the
 174 current year's proposed tax notices were mailed. The property
 175 appraiser shall make available on the property appraiser's
 176 Internet website or upon request the percentage change for each
 177 category as soon as practicable, but no later than 10 days after
 178 such mailing.

179 (3) For purposes of this section, categories of property
 180 include:

- 181 (a) Nonhomestead single-family residences.
- 182 (b) Nonhomestead condominiums and cooperatives.
- 183 (c) Nonhomestead mobile homes.
- 184 (d) Multifamily and retirement homes.
- 185 (e) Agricultural, high-water recharge, historic property
 186 used for commercial or certain nonprofit purposes, and other
 187 use-valued property.
- 188 (f) Vacant residential lots.
- 189 (g) Nonagricultural acreage and other undeveloped parcels.
- 190 (h) Improved commercial and industrial property.
- 191 (i) Unimproved commercial and industrial property.
- 192 (j) Taxable institutional or governmental, utility,
 193 locally assessed railroad, oil, gas, and mineral land,
 194 subsurface rights, and other real property.

195 Section 2. The amendments made by this act to s. 194.301,
 196 Florida Statutes, apply only to assessments made on or after

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197 January 1, 2008.

198 Section 3. Section 193.017, Florida Statutes, is amended
199 to read:

200 (Substantial rewording of section. See
201 s. 193.017, F.S., for present text.)

202 193.017 Assessment of structural improvements on land
203 owned by a community land trust and used to provide affordable
204 housing.--

205 (1) As used in this section, the term "community land
206 trust" means a nonprofit entity that is qualified as charitable
207 under s. 501(c)(3) of the Internal Revenue Code and has as one
208 of its purposes the acquisition of land to be held in perpetuity
209 for the primary purpose of providing affordable homeownership.

210 (2) A community land trust may convey structural
211 improvements located on specific parcels of such land that are
212 identified by a legal description contained in and subject to a
213 ground lease having a term of at least 99 years to natural
214 persons or families who meet the extremely-low, very-low, low,
215 and moderate income limits, as specified in s. 420.0004, or the
216 income limits for workforce housing, as defined in s.
217 420.5095(3). A community land trust shall retain a preemptive
218 option to purchase any structural improvements on the land at a
219 price determined by a formula specified in the ground lease,
220 which is designed to ensure that the structural improvements
221 remain affordable.

222 (3) In arriving at just valuation under s. 193.011, a
223 structural improvement that provides affordable housing on land
224 owned by a community land trust and subject to a 99-year or

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225 longer ground lease shall be assessed using the following
 226 criteria:

227 (a) The amount a willing purchaser would pay a willing
 228 seller shall not exceed the amount determined by the formula in
 229 the ground lease.

230 (b) If the ground lease and all amendments and supplements
 231 thereto, or a memorandum documenting how such lease and
 232 amendments or supplements restrict the price at which the
 233 improvements may be sold, is recorded in the official public
 234 records of the county in which the leased land is located, the
 235 recorded lease and any amendments and supplements, or the
 236 recorded memorandum, shall be deemed a land use regulation
 237 during the term of the lease as amended or supplemented.

238 Section 4. Section 196.1978, Florida Statutes, is amended
 239 to read:

240 196.1978 Affordable housing property exemption.--Property
 241 used to provide affordable housing serving eligible persons as
 242 defined by s. 159.603(7) and natural persons or families meeting
 243 the extremely-low, very-low, low, or moderate ~~persons meeting~~
 244 income limits specified in s. 420.0004 ~~s. 420.0004(8), (10),~~
 245 ~~(11), and (15)~~, which property is owned entirely by a nonprofit
 246 entity that ~~which~~ is a corporation not for profit, which is
 247 qualified as charitable under s. 501(c)(3) of the Internal
 248 Revenue Code, and which complies with Rev. Proc. 96-32, 1996-1
 249 C.B. 717 or a limited partnership, the sole general partner of
 250 which is a corporation not for profit, which is qualified as
 251 charitable under s. 501(c)(3) of the Internal Revenue Code and
 252 which complies with Rev. Proc. 96-32, 1996-1 C.B. 717, shall be

253 considered property owned by an exempt entity and used for a
 254 charitable purpose, and those portions of the affordable housing
 255 property which provide housing to natural persons or families
 256 that meet the extremely-low, very-low, low, or moderate income
 257 limits specified individuals with incomes as defined in s.
 258 420.0004 s. 420.0004(10) and (15) shall be exempt from ad
 259 valorem taxation to the extent authorized in s. 196.196. All
 260 property identified in this section shall comply with the
 261 criteria for determination of exempt status to be applied by
 262 property appraisers on an annual basis as defined in s. 196.195.
 263 The Legislature intends that any property owned by a limited
 264 liability company or a limited partnership that ~~which~~ is
 265 disregarded as an entity for federal income tax purposes
 266 pursuant to Treasury Regulation 301.7701-3(b)(1)(ii) shall be
 267 treated as owned by its sole member or sole general partner. The
 268 exemption provided in this section also extends to land that is
 269 owned by an exempt entity and that is subject to a 99-year or
 270 longer ground lease for the purpose of providing affordable
 271 homeownership.

272 Section 5. (1) The executive director of the Department
 273 of Revenue is authorized, and all conditions are deemed met, to
 274 adopt emergency rules under ss. 120.536(1) and 120.54(4),
 275 Florida Statutes, for the purpose of implementing sections 3 and
 276 4 of this act.

277 (2) In anticipation of implementing those portions of this
 278 act which have not taken effect, the executive director of the
 279 Department of Revenue is authorized, and all conditions are
 280 deemed met, to adopt emergency rules under ss. 120.536(1) and

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281 120.54(4), Florida Statutes, for the purpose of making necessary
 282 changes and preparations so that forms, methods, and data
 283 records, electronic or otherwise, are ready and in place if
 284 those portions of this act that have not taken effect become
 285 law.

286 (3) Notwithstanding any other provision of law, such
 287 emergency rules shall remain in effect for 18 months after the
 288 date of adoption and may be renewed during the pendency of
 289 procedures to adopt rules addressing the subject of the
 290 emergency rules.

291 Section 6. Section 196.002, Florida Statutes, is amended
 292 to read:

293 196.002 Legislative intent.--For the purposes of
 294 assessment roll recordkeeping and reporting,⁺

295 ~~(1) The increase in the homestead exemption provided in s.~~
 296 ~~196.031(3)(d) shall be reported separately for those persons~~
 297 ~~entitled to exemption under s. 196.031(3)(a) or (b) and for~~
 298 ~~those persons entitled to exemption under s. 196.031(1) but not~~
 299 ~~under said paragraphs; and~~

300 ~~(2) the exemptions authorized by each provision of this~~
 301 ~~chapter shall be reported separately for each category of~~
 302 ~~exemption in each such provision, both as to total value~~
 303 ~~exempted and as to the number of exemptions granted.~~

304 Section 7. Paragraphs (b), (c), (f), and (g) of subsection
 305 (2) of section 193.114, Florida Statutes, are amended to read:

306 193.114 Preparation of assessment rolls.--

307 (2) The department shall promulgate regulations and forms
 308 for the preparation of the real property assessment roll to

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309 reflect:

310 (b) The just value (using the factors set out in s.
 311 193.011) of all property. The assessed value for school district
 312 levies and for all other levies shall be separately listed.

313 (c) When property is wholly or partially exempt, a
 314 categorization of such exemption. There shall be a separate
 315 listing on the roll for exemptions pertaining to assessed value
 316 for school district levies and for all other levies.

317 (f) The millage levied on the property, including school
 318 district levies and all other levies, to be listed separately.

319 (g) There shall be a separate listing on the roll for
 320 taxable value for school district levies and for all other
 321 levies. The tax, determined by multiplying the millages by the
 322 taxable values for school district levies and for all other
 323 levies ~~value~~.

324 Section 8. Section 193.155, Florida Statutes, is amended
 325 to read:

326 193.155 Homestead assessments.--Homestead property shall
 327 be assessed at just value as of January 1, 1994. Property
 328 receiving the homestead exemption after January 1, 1994, shall
 329 be assessed at just value as of January 1 of the year in which
 330 the property receives the exemption, unless the provisions of
 331 subsection (8) apply.

332 (1) Beginning in 1995, or the year following the year the
 333 property receives homestead exemption, whichever is later, the
 334 property shall be reassessed annually on January 1. Any change
 335 resulting from such reassessment shall not exceed the lower of
 336 the following:

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337 (a) Three percent of the assessed value of the property
 338 for the prior year; or

339 (b) The percentage change in the Consumer Price Index for
 340 All Urban Consumers, U.S. City Average, all items 1967=100, or
 341 successor reports for the preceding calendar year as initially
 342 reported by the United States Department of Labor, Bureau of
 343 Labor Statistics.

344 (2) If the assessed value of the property as calculated
 345 under subsection (1) exceeds the just value, the assessed value
 346 of the property shall be lowered to the just value of the
 347 property.

348 (3) Except as provided in this subsection, property
 349 assessed under this section shall be assessed at just value as
 350 of January 1 of the year following a change of ownership.
 351 Thereafter, the annual changes in the assessed value of the
 352 property are subject to the limitations in subsections (1) and
 353 (2). For the purpose of this section, a change in ownership
 354 means any sale, foreclosure, or transfer of legal title or
 355 beneficial title in equity to any person, except as provided in
 356 this subsection. There is no change of ownership if:

357 (a) Subsequent to the change or transfer, the same person
 358 is entitled to the homestead exemption as was previously
 359 entitled and:

- 360 1. The transfer of title is to correct an error;
- 361 2. The transfer is between legal and equitable title; or
- 362 3. The change or transfer is by means of an instrument in
 363 which the owner is listed as both grantor and grantee of the
 364 real property and one or more other individuals are additionally

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365 | named as grantee. However, if any individual who is additionally
 366 | named as a grantee applies for a homestead exemption on the
 367 | property, the application shall be considered a change of
 368 | ownership;

369 | (b) The transfer is between husband and wife, including a
 370 | transfer to a surviving spouse or a transfer due to a
 371 | dissolution of marriage;

372 | (c) The transfer occurs by operation of law under s.
 373 | 732.4015; or

374 | (d) Upon the death of the owner, the transfer is between
 375 | the owner and another who is a permanent resident and is legally
 376 | or naturally dependent upon the owner.

377 | (4)(a) Except as provided in paragraph (b), changes,
 378 | additions, or improvements to homestead property shall be
 379 | assessed at just value as of the first January 1 after the
 380 | changes, additions, or improvements are substantially completed.

381 | (b) Changes, additions, or improvements that replace all
 382 | or a portion of homestead property damaged or destroyed by
 383 | misfortune or calamity shall not increase the homestead
 384 | property's assessed value when the square footage of the
 385 | homestead property as changed or improved does not exceed 110
 386 | percent of the square footage of the homestead property before
 387 | the damage or destruction. Additionally, the homestead
 388 | property's assessed value shall not increase if the total square
 389 | footage of the homestead property as changed or improved does
 390 | not exceed 1,500 square feet. Changes, additions, or
 391 | improvements that do not cause the total to exceed 110 percent
 392 | of the total square footage of the homestead property before the

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393 damage or destruction or that do not cause the total to exceed
 394 1,500 total square feet shall be reassessed as provided under
 395 subsection (1). The homestead property's assessed value shall be
 396 increased by the just value of that portion of the changed or
 397 improved homestead property which is in excess of 110 percent of
 398 the square footage of the homestead property before the damage
 399 or destruction or of that portion exceeding 1,500 square feet.
 400 Homestead property damaged or destroyed by misfortune or
 401 calamity which, after being changed or improved, has a square
 402 footage of less than 100 percent of the homestead property's
 403 total square footage before the damage or destruction shall be
 404 assessed pursuant to subsection (5). This paragraph applies to
 405 changes, additions, or improvements commenced within 3 years
 406 after the January 1 following the damage or destruction of the
 407 homestead.

408 (c) Changes, additions, or improvements that replace all
 409 or a portion of real property that was damaged or destroyed by
 410 misfortune or calamity shall be assessed upon substantial
 411 completion as if such damage or destruction had not occurred and
 412 in accordance with paragraph (b) if the owner of such property:

- 413 1. Was permanently residing on such property when the
 414 damage or destruction occurred;
- 415 2. Was not entitled to receive homestead exemption on such
 416 property as of January 1 of that year; and
- 417 3. Applies for and receives homestead exemption on such
 418 property the following year.

419 (d) Changes, additions, or improvements include
 420 improvements made to common areas or other improvements made to

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421 property other than to the homestead property by the owner or by
 422 an owner association, which improvements directly benefit the
 423 homestead property. Such changes, additions, or improvements
 424 shall be assessed at just value, and the just value shall be
 425 apportioned among the parcels benefiting from the improvement.

426 (5) When property is destroyed or removed and not
 427 replaced, the assessed value of the parcel shall be reduced by
 428 the assessed value attributable to the destroyed or removed
 429 property.

430 (6) Only property that receives a homestead exemption is
 431 subject to this section. No portion of property that is assessed
 432 solely on the basis of character or use pursuant to s. 193.461
 433 or s. 193.501, or assessed pursuant to s. 193.505, is subject to
 434 this section. When property is assessed under s. 193.461, s.
 435 193.501, or s. 193.505 and contains a residence under the same
 436 ownership, the portion of the property consisting of the
 437 residence and curtilage must be assessed separately, pursuant to
 438 s. 193.011, for the assessment to be subject to the limitation
 439 in this section.

440 (7) If a person received a homestead exemption limited to
 441 that person's proportionate interest in real property, the
 442 provisions of this section apply only to that interest.

443 (8) For all levies other than school district levies,
 444 property assessed under this section shall be assessed at less
 445 than just value following a change in ownership when the person
 446 who establishes a new homestead has received a homestead
 447 exemption as of January 1 of either of the 2 immediately
 448 preceding years. A person who establishes a new homestead as of

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449 January 1, 2008, is entitled to have the new homestead assessed
 450 at less than just value only if that person received a homestead
 451 exemption on January 1, 2007. The assessed value of the newly
 452 established homestead shall be determined as provided in this
 453 subsection.

454 (a) If the just value of the new homestead as of January 1
 455 is greater than or equal to the just value of the immediate
 456 prior homestead of the person establishing the new homestead as
 457 of January 1 of the year in which the immediate prior homestead
 458 was abandoned, the assessed value of the new homestead shall be
 459 the just value of the new homestead minus an amount equal to the
 460 lesser of \$1 million or the difference between the just value
 461 and the assessed value of the immediate prior homestead as of
 462 January 1 of the year in which the immediate prior homestead was
 463 abandoned. Thereafter, the homestead shall be assessed as
 464 provided in this section.

465 (b) If the just value of the new homestead as of January 1
 466 is less than the just value of the immediate prior homestead as
 467 of January 1 of the year in which the immediate prior homestead
 468 was abandoned, the assessed value of the new homestead shall be
 469 equal to the just value of the new homestead divided by the just
 470 value of the immediate prior homestead and multiplied by the
 471 assessed value of the immediate prior homestead. However, if the
 472 difference between the just value of the new homestead and the
 473 assessed value of the new homestead calculated pursuant to this
 474 paragraph is greater than \$1 million, the assessed value of the
 475 new homestead shall be increased such that the difference
 476 between the just value and the assessed value equals \$1 million.

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477 Thereafter, the homestead shall be assessed as provided in this
 478 section.

479 (c) If two or more persons, who have each received a
 480 homestead exemption as of January 1 of either of the 2
 481 immediately preceding years and who would otherwise be eligible
 482 to have a new homestead property assessed under this subsection,
 483 establish a single new homestead, the reduction in just value
 484 shall be limited to the reduction that could have resulted from
 485 any one of the potentially eligible prior homesteads.

486 (d) If two or more persons abandon their jointly owned
 487 homestead property and one or more establish a new homestead
 488 that would otherwise be eligible for assessment under this
 489 subsection, each person shall be entitled to a reduction in just
 490 value for the new homestead in proportion to their ownership
 491 interest in the abandoned homestead property. There shall be no
 492 reduction in assessed value of any new homestead unless the
 493 prior homestead is reassessed under subsection (3) or this
 494 subsection as of January 1 after the abandonment occurs.

495 (e) In order to have his or her homestead property
 496 assessed under this subsection, a person must provide to the
 497 property appraiser a copy of his or her notice of proposed
 498 property taxes for an eligible prior homestead at the same time
 499 he or she applies for the homestead exemption and must sign a
 500 sworn statement, on a form prescribed by the department,
 501 attesting to his or her entitlement to the assessment.

502 (f) The department shall require by rule that the required
 503 documentation be submitted with the homestead exemption
 504 application under the timeframes and processes set forth in

505 chapter 196 to the extent practicable, and that the filing of
 506 the statement be supported by copies of such notices.

507 (9)~~(8)~~ Erroneous assessments of homestead property
 508 assessed under this section may be corrected in the following
 509 manner:

510 (a) If errors are made in arriving at any assessment under
 511 this section due to a material mistake of fact concerning an
 512 essential characteristic of the property, the just value and
 513 assessed value must be recalculated for every such year,
 514 including the year in which the mistake occurred.

515 (b) If changes, additions, or improvements are not
 516 assessed at just value as of the first January 1 after they were
 517 substantially completed, the property appraiser shall determine
 518 the just value for such changes, additions, or improvements for
 519 the year they were substantially completed. Assessments for
 520 subsequent years shall be corrected, applying this section if
 521 applicable.

522 (c) If back taxes are due pursuant to s. 193.092, the
 523 corrections made pursuant to this subsection shall be used to
 524 calculate such back taxes.

525 (10)~~(9)~~ If the property appraiser determines that for any
 526 year or years within the prior 10 years a person who was not
 527 entitled to the homestead property assessment limitation granted
 528 under this section was granted the homestead property assessment
 529 limitation, the property appraiser making such determination
 530 shall record in the public records of the county a notice of tax
 531 lien against any property owned by that person in the county,
 532 and such property must be identified in the notice of tax lien.

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533 Such property that is situated in this state is subject to the
 534 unpaid taxes, plus a penalty of 50 percent of the unpaid taxes
 535 for each year and 15 percent interest per annum. However, when a
 536 person entitled to exemption pursuant to s. 196.031
 537 inadvertently receives the limitation pursuant to this section
 538 following a change of ownership, the assessment of such property
 539 must be corrected as provided in paragraph (9)(a) ~~(8)(a)~~, and
 540 the person need not pay the unpaid taxes, penalties, or
 541 interest.

542 Section 9. Section 196.031, Florida Statutes, is amended
 543 to read:

544 196.031 Exemption of homesteads.--

545 (1) (a) Every person who, on January 1, has the legal title
 546 or beneficial title in equity to real property in this state and
 547 who resides thereon and in good faith makes the same his or her
 548 permanent residence, or the permanent residence of another or
 549 others legally or naturally dependent upon such person, is
 550 entitled to an exemption from all taxation, except for
 551 assessments for special benefits, up to the assessed valuation
 552 of \$25,000 ~~\$5,000~~ on the residence and contiguous real property,
 553 as defined in s. 6, Art. VII of the State Constitution. Such
 554 title may be held by the entireties, jointly, or in common with
 555 others, and the exemption may be apportioned among such of the
 556 owners as shall reside thereon, as their respective interests
 557 shall appear. If only one of the owners of an estate held by the
 558 entireties or held jointly with the right of survivorship
 559 resides on the property, that owner is allowed an exemption of
 560 up to the assessed valuation of \$25,000 ~~\$5,000~~ on the residence

561 and contiguous real property. However, no such exemption of more
 562 than \$25,000 ~~\$5,000~~ is allowed to any one person or on any one
 563 dwelling house, except that an exemption up to the assessed
 564 valuation of \$25,000 ~~\$5,000~~ may be allowed on each apartment or
 565 mobile home occupied by a tenant-stockholder or member of a
 566 cooperative corporation and on each condominium parcel occupied
 567 by its owner. Except for owners of an estate held by the
 568 entires or held jointly with the right of survivorship, the
 569 amount of the exemption may not exceed the proportionate
 570 assessed valuation of all owners who reside on the property.
 571 Before such exemption may be granted, the deed or instrument
 572 shall be recorded in the official records of the county in which
 573 the property is located. The property appraiser may request the
 574 applicant to provide additional ownership documents to establish
 575 title.

576 (b) Every person who qualifies to receive the exemption
 577 provided in paragraph (a) is entitled to an additional exemption
 578 of up to \$25,000 on the assessed valuation greater than \$50,000
 579 and up to \$75,000 of assessed value for all levies other than
 580 school district levies.

581 (2) As used in subsection (1), the term "cooperative
 582 corporation" means a corporation, whether for profit or not for
 583 profit, organized for the purpose of owning, maintaining, and
 584 operating an apartment building or apartment buildings or a
 585 mobile home park to be occupied by its stockholders or members;
 586 and the term "tenant-stockholder or member" means an individual
 587 who is entitled, solely by reason of his or her ownership of
 588 stock or membership in a cooperative corporation, as evidenced

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589 in the official records of the office of the clerk of the
 590 circuit court of the county in which the apartment building is
 591 located, to occupy for dwelling purposes an apartment in a
 592 building owned by such corporation or to occupy for dwelling
 593 purposes a mobile home which is on or a part of a cooperative
 594 unit. A corporation leasing land for a term of 98 years or more
 595 for the purpose of maintaining and operating a cooperative
 596 thereon shall be deemed the owner for purposes of this
 597 exemption.

598 (3) ~~(a)~~ The exemption provided in this section does ~~For~~
 599 ~~every person who is entitled to the exemption provided in~~
 600 ~~subsection (1), who is a permanent resident of this state, and~~
 601 ~~who is 65 years of age or older, the exemption is increased to~~
 602 ~~\$10,000 of assessed valuation for taxes levied by governing~~
 603 ~~bodies of counties, municipalities, and special districts.~~

604 ~~(b)~~ ~~For every person who is entitled to the exemption~~
 605 ~~provided in subsection (1), who has been a permanent resident of~~
 606 ~~this state for the 5 consecutive years prior to claiming the~~
 607 ~~exemption under this subsection, and who qualifies for the~~
 608 ~~exemption granted pursuant to s. 196.202 as a totally and~~
 609 ~~permanently disabled person, the exemption is increased to~~
 610 ~~\$9,500 of assessed valuation for taxes levied by governing~~
 611 ~~bodies of counties, municipalities, and special districts.~~

612 ~~(c)~~ ~~No homestead shall be exempted under both paragraphs~~
 613 ~~(a) and (b). In no event shall the combined exemptions of s.~~
 614 ~~196.202 and paragraph (a) or paragraph (b) exceed \$10,000.~~

615 ~~(d)~~ ~~For every person who is entitled to the exemption~~
 616 ~~provided in subsection (1) and who is a permanent resident of~~

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617 ~~this state, the exemption is increased to a total of \$25,000 of~~
 618 ~~assessed valuation for taxes levied by governing bodies of~~
 619 ~~school districts.~~

620 ~~(c) For every person who is entitled to the exemption~~
 621 ~~provided in subsection (1) and who is a resident of this state,~~
 622 ~~the exemption is increased to a total of \$25,000 of assessed~~
 623 ~~valuation for levies of taxing authorities other than school~~
 624 ~~districts. However, the increase provided in this paragraph~~
 625 ~~shall not apply with respect to the assessment roll of a county~~
 626 ~~unless and until the roll of that county has been approved by~~
 627 ~~the executive director pursuant to s. 193.1142.~~

628 ~~(4) The property appraisers of the various counties shall~~
 629 ~~each year compile a list of taxable property and its value~~
 630 ~~removed from the assessment rolls of each school district as a~~
 631 ~~result of the excess of exempt value above that amount allowed~~
 632 ~~for nonschool levies as provided in subsections (1) and (3), as~~
 633 ~~well as a statement of the loss of tax revenue to each school~~
 634 ~~district from levies other than the minimum financial effort~~
 635 ~~required pursuant to s. 1011.60(6), and shall deliver a copy~~
 636 ~~thereof to the Department of Revenue upon certification of the~~
 637 ~~assessment roll to the tax collector.~~

638 (4)~~(5)~~ The exemption provided in this section applies only
 639 to those parcels classified and assessed as owner-occupied
 640 residential property or only to the portion of property so
 641 classified and assessed.

642 (5)~~(6)~~ A person who is receiving or claiming the benefit
 643 of an ad valorem tax exemption or a tax credit in another state
 644 where permanent residency is required as a basis for the

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645 granting of that ad valorem tax exemption or tax credit is not
 646 entitled to the homestead exemption provided by this section.
 647 This subsection does not apply to a person who has the legal or
 648 equitable title to real estate in Florida and maintains thereon
 649 the permanent residence of another legally or naturally
 650 dependent upon the owner.

651 ~~(6)-(7)~~ When homestead property is damaged or destroyed by
 652 misfortune or calamity and the property is uninhabitable on
 653 January 1 after the damage or destruction occurs, the homestead
 654 exemption may be granted if the property is otherwise qualified
 655 and if the property owner notifies the property appraiser that
 656 he or she intends to repair or rebuild the property and live in
 657 the property as his or her primary residence after the property
 658 is repaired or rebuilt and does not claim a homestead exemption
 659 on any other property or otherwise violate this section. Failure
 660 by the property owner to commence the repair or rebuilding of
 661 the homestead property within 3 years after January 1 following
 662 the property's damage or destruction constitutes abandonment of
 663 the property as a homestead.

664 Section 10. Section 196.078, Florida Statutes, is created
 665 to read:

666 196.078 Additional homestead exemption for first-time
 667 Florida homebuyers.--

668 (1) As used in this section, the term "first-time Florida
 669 homebuyer" means a person who establishes the right to receive
 670 the homestead exemption provided in s. 196.031 within 1 year
 671 after purchasing the homestead property and who had not
 672 previously owned property receiving the homestead exemption

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673 provided in s. 196.031.

674 (2) Every first-time Florida homebuyer is entitled to an
 675 additional homestead exemption in an amount equal to 25 percent
 676 of the homestead property's just value on January 1 of the year
 677 in which the homestead exemption is established, not to exceed
 678 25 percent of the median value of homesteads in the county in
 679 which the homestead is located in the year prior to establishing
 680 the new homestead. This exemption is not available if any owner
 681 of the property has previously owned property that has received
 682 the homestead exemption provided in s. 196.031. The additional
 683 homestead exemption shall be reduced each year by the difference
 684 between the homestead's just value and assessed value as
 685 determined under s. 193.155 until the value of the exemption is
 686 reduced to zero. The exemption provided under this section shall
 687 apply to all levies other than school district levies.

688 (3) The property appraiser shall require a first-time
 689 Florida homebuyer claiming an exemption under this section to
 690 submit, not later than March 1 on a form prescribed by the
 691 Department of Revenue, a sworn statement attesting that the
 692 taxpayer, and each other person who holds legal or equitable
 693 title to the property, has never owned property that received
 694 the homestead exemption provided by s. 196.031. In order for the
 695 exemption to be retained, upon the addition of another person to
 696 the title to the property, the person added must also submit,
 697 not later than the subsequent March 1 on a form prescribed by
 698 the department, a sworn statement attesting that he or she has
 699 never held title to Florida homestead property.

700 (4) The provisions of ss. 196.031 and 196.161 shall apply

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701 to the exemption provided in this section.

702 Section 11. Section 196.098, Florida Statutes, is created
703 to read:

704 196.098 Exemption for low-income seniors.--

705 (1) Any real estate used and owned as a homestead by an
706 eligible low-income senior is exempt from taxation as provided
707 by this section.

708 (2) As used in this section, the term "low-income senior"
709 means a permanent resident of this state who has attained 65
710 years of age and whose household income does not exceed \$23,604.

711 Submission of an affidavit that the person claiming the
712 exemption under subsection (1) is a permanent resident of this
713 state is prima facie proof of such residence. For purposes of
714 this section, the term "household income" means the gross income
715 of all persons residing in or upon the homestead for the prior
716 year. For purposes of this section, the term "gross income"
717 includes United States Department of Veterans Affairs benefits
718 and any social security benefits paid to the person.

719 (3) The maximum income limitation provided in this section
720 shall be adjusted annually on January 1, beginning January 1,
721 2008, by the percentage change in the average cost-of-living
722 index in the period January 1 through December 31 of the
723 immediate prior year compared with the same period for the year
724 prior to that. The index is the average of the monthly consumer
725 price index figures for the stated 12-month period, relative to
726 the United States as a whole, issued by the United States
727 Department of Labor.

728 (4) The department shall require by rule that the taxpayer

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729 annually submit to the property appraiser a sworn return of age
 730 and gross income pursuant to subsection (2). The department
 731 shall require that the filing of such statement be accompanied
 732 by proof of age, copies of federal income tax returns for the
 733 prior year, wage and earning statements (W-2 forms), and other
 734 documents the department deems necessary for each member of the
 735 household. The taxpayer's return shall attest to the accuracy of
 736 such copies. The department shall prescribe and furnish a form
 737 to be used for this purpose, which shall include spaces for a
 738 separate listing of United States Department of Veterans Affairs
 739 benefits and social security benefits.

740 Section 12. Paragraph (a) of subsection (1) of section
 741 196.161, Florida Statutes, is amended to read:

742 196.161 Homestead exemptions; lien imposed on property of
 743 person claiming exemption although not a permanent resident.--

744 (1) (a) When the estate of any person is being probated or
 745 administered in another state under an allegation that such
 746 person was a resident of that state and the estate of such
 747 person contains real property situate in this state upon which
 748 homestead exemption has been allowed pursuant to this chapter ~~s.~~
 749 ~~196.031~~ for any year or years within 10 years immediately prior
 750 to the death of the deceased, then within 3 years after the
 751 death of such person the property appraiser of the county where
 752 the real property is located shall, upon knowledge of such fact,
 753 record a notice of tax lien against the property among the
 754 public records of that county, and the property shall be subject
 755 to the payment of all taxes exempt thereunder, a penalty of 50
 756 percent of the unpaid taxes for each year, plus 15 percent

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757 interest per year, unless the circuit court having jurisdiction
 758 over the ancillary administration in this state determines that
 759 the decedent was a permanent resident of this state during the
 760 year or years an exemption was allowed, whereupon the lien shall
 761 not be filed or, if filed, shall be canceled of record by the
 762 property appraiser of the county where the real estate is
 763 located.

764 Section 13. Paragraph (b) of subsection (2) of section
 765 197.252, Florida Statutes, is amended to read:

766 197.252 Homestead tax deferral.--
 767 (2)

768 (b) If the applicant is 65 years of age or older ~~entitled~~
 769 ~~to claim the increased exemption by reason of age and residency~~
 770 ~~as provided in s. 196.031(3)(a)~~, approval of the application
 771 shall defer that portion of the ad valorem taxes plus non-ad
 772 valorem assessments which exceeds 3 percent of the applicant's
 773 household income for the prior calendar year. If any applicant's
 774 household income for the prior calendar year is less than
 775 \$10,000, or is less than the amount of the household income
 776 designated for the additional homestead exemption pursuant to s.
 777 196.075, and the applicant is 65 years of age or older, approval
 778 of the application shall defer the ad valorem taxes plus non-ad
 779 valorem assessments in their entirety.

780 Section 14. Section 196.183, Florida Statutes, is created
 781 to read:

782 196.183 Exemption for tangible personal property.--

783 (1) Each tangible personal property tax return is eligible
 784 for an exemption from ad valorem taxation of up to \$25,000 of

785 assessed value. A single return must be filed for each site in
 786 the county where the owner of tangible personal property
 787 transacts business. Owners of freestanding property placed at
 788 multiple sites, other than sites where the owner transacts
 789 business, must file a single return, including all such property
 790 located in the county. Freestanding property placed at multiple
 791 sites includes vending and amusement machines, LP/propane tanks,
 792 utility and cable company property, billboards, leased
 793 equipment, and similar property that is not customarily located
 794 in the offices, stores, or plants of the owner, but is placed
 795 throughout the county. Railroads, private carriers, and other
 796 companies assessed pursuant to s. 193.085 shall be allowed one
 797 \$25,000 exemption for each county to which the value of their
 798 property is allocated.

799 (2) The requirement that an annual tangible personal
 800 property tax return pursuant to s. 193.052 be filed for
 801 taxpayers owning taxable property the value of which, as listed
 802 on the return, does not exceed the exemption provided in this
 803 section is waived. In order to qualify for this waiver, a
 804 taxpayer must file an initial return on which the exemption is
 805 taken. If, in subsequent years, the taxpayer owns taxable
 806 property the value of which, as listed on the return, exceeds
 807 the exemption, the taxpayer is obligated to file a return. The
 808 taxpayer may again qualify for the waiver only after filing a
 809 return on which the value as listed on the return does not
 810 exceed the exemption. A return filed or required to be filed
 811 shall be considered an application filed or required to be filed
 812 for the exemption under this section.

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813 (3) The exemption provided in this section does not apply
 814 in any year a taxpayer fails to file a return that is not waived
 815 pursuant to subsection (2). Any taxpayer who received a waiver
 816 pursuant to subsection (2) and who owns taxable property the
 817 value of which, as listed on the return, exceeds the exemption
 818 in a subsequent year and who fails to file a return with the
 819 property appraiser is subject to the penalty contained in s.
 820 193.072(1)(a) calculated without the benefit of the exemption
 821 pursuant to this section. Any taxpayer claiming more exemptions
 822 than allowed pursuant to subsection (1) is subject to the taxes
 823 exempted as a result of wrongfully claiming the additional
 824 exemptions plus 15 percent interest per annum and a penalty of
 825 50 percent of the taxes exempted.

826 (4) The exemption provided in this section does not apply
 827 to a mobile home that is presumed to be tangible personal
 828 property pursuant to s. 193.075(2).

829 Section 15. Section 193.803, Florida Statutes, is created
 830 to read:

831 193.803 Assessment of eligible rental property used for
 832 workforce and affordable housing; classification.--

833 (1) Upon the property owner's application on a form
 834 prescribed by the Department of Revenue, the property appraiser
 835 shall annually classify for assessment purposes, with respect to
 836 all levies other than school district levies, all eligible
 837 property used for workforce rental housing or affordable rental
 838 housing. Eligibility shall be as provided in this section.

839 (2) A property owner whose eligible property is denied
 840 classification as workforce rental housing or affordable rental

841 housing by the property appraiser may appeal to the value
 842 adjustment board. The property appraiser shall notify the
 843 property owner in writing of the denial of the workforce rental
 844 housing or affordable rental housing classification on or before
 845 July 1 of the year for which the application was filed. The
 846 written notification must advise the property owner of his or
 847 her right to appeal the denial of classification to the value
 848 adjustment board and must contain the deadline for filing an
 849 appeal. The property appraiser shall have available at his or
 850 her office a list, by parcel and property owner, of all
 851 applications for classification received, and the list must
 852 identify whether or not the classification requested was
 853 granted.

854 (3)(a) Eligible property may not be classified as
 855 workforce rental housing or affordable rental housing unless an
 856 application is filed on or before March 1 of each year. Before
 857 approving a classification, the property appraiser may require
 858 the property owner to furnish such information as may reasonably
 859 be required to establish that the property was actually used as
 860 required by this section. Failure by a property owner to apply
 861 for classification of eligible property as workforce rental
 862 housing or affordable rental housing by March 1 constitutes a 1-
 863 year waiver of the privilege granted under this section for
 864 workforce rental housing assessment or affordable rental housing
 865 assessment. However, a property owner who is qualified to
 866 receive a workforce rental housing classification or an
 867 affordable rental housing classification but who fails to file
 868 an application by March 1, may file an application for the

869 classification, and may file, under s. 194.011(3), a petition
 870 with the value adjustment board requesting that the
 871 classification be granted. The petition may be filed at any time
 872 during the taxable year on or before the 25th day following the
 873 mailing of the assessment notice by the property appraiser as
 874 required under s. 194.011(1). Notwithstanding the provisions of
 875 s. 194.013, the applicant must pay a nonrefundable fee of \$15
 876 upon filing the petition. Upon review of the petition, if the
 877 person is qualified to receive the classification and
 878 demonstrates particular extenuating circumstances judged by the
 879 property appraiser or the value adjustment board to warrant
 880 granting the classification, the property appraiser or the value
 881 adjustment board may grant the classification. An owner of
 882 property classified as workforce rental housing or affordable
 883 rental housing in the previous tax year whose ownership or use
 884 has not changed may reapply on a short form prescribed by the
 885 department. A county may, at the request of the property
 886 appraiser and by a majority vote of its governing body, waive
 887 the requirement that an annual application or statement be made
 888 for the renewal of the classification of property within the
 889 county as workforce rental housing or affordable rental housing
 890 after an initial classification is granted by the property
 891 appraiser. Such waiver may be revoked by a majority vote of the
 892 governing body of the county. Notwithstanding such waiver, an
 893 application must be refiled when any property granted the
 894 classification is sold or otherwise disposed of, when the
 895 ownership changes in any manner, when the applicant ceases to
 896 use the property as workforce rental housing or affordable

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897 rental housing, or when the status of the owner changes so as to
 898 change the classified status of the property.

899 (b) For purposes of granting a workforce rental housing or
 900 affordable rental housing classification for January 1, 2008,
 901 only, the term "extenuating circumstances" as used in paragraph

902 (a) includes the failure of the property owner to return the
 903 application for classification by March 1, 2008.

904 (4) The following types of property are eligible to be
 905 classified by a property appraiser as workforce rental housing
 906 or affordable rental housing property, and shall be assessed
 907 based upon their character and use and as further described in
 908 this section:

909 (a) Property that is funded and rent restricted by the
 910 United States Department of Housing and Urban Development under
 911 s. 8 of the United States Housing Act of 1937 and that provides
 912 affordable housing for eligible persons as defined by s. 159.603
 913 or the elderly, extremely-low-income persons, or very-low-income
 914 persons as specified in s. 420.0004.

915 (b) Rental property for multifamily housing, commercial
 916 fishery workers and farmworkers, families, persons who are
 917 homeless, or the elderly that is funded and rent restricted by
 918 the Florida Housing Finance Corporation under s. 420.5087, s.
 919 420.5089, s. 420.509, or s. 420.5095, the State Housing
 920 Initiatives Partnership Program under s. 420.9072, s. 420.9075,
 921 or s. 42 of the Internal Revenue Code of 1986, 26 U.S.C. s. 42;
 922 the HOME Investment Partnership Program under the Cranston-
 923 Gonzalez National Affordable Housing Act, 42 U.S.C. ss. 12741 et
 924 seq.; or the Federal Home Loan Bank's Affordable Housing Program

925 established pursuant to the Financial Institutions Reform,
 926 Recovery and Enforcement Act of 1989, Pub. L. No. 101-73.

927 (c) Multifamily residential rental property of 10 or more
 928 units that is certified by the local public housing agency as
 929 having 100 percent of its units used to provide affordable
 930 housing for extremely-low-income persons, very-low-income
 931 persons, low-income persons, or moderate-income persons as
 932 specified in s. 420.0004 and that is subject to a land use
 933 agreement or other agreement that is recorded in the official
 934 records of the county in which the property is located and which
 935 recorded agreement restricts the use of the property to
 936 affordable housing for a period of at least 20 years.

937 (5) The property appraiser shall remove from the
 938 classification of workforce rental housing or affordable rental
 939 housing any properties for which the classified use has been
 940 abandoned or discontinued, the property has been diverted to
 941 another use, or the participation in and eligibility for the
 942 programs specified in this section has been terminated. Such
 943 removed property shall be assessed at just value under s.
 944 193.011.

945 (6) In years in which the proper application for
 946 classification as workforce rental housing or affordable rental
 947 housing has been made and granted, the assessment of such
 948 property shall be based upon its use as workforce rental housing
 949 or affordable rental housing and by applying the following
 950 methodologies, subject to the provisions of subsection (7):

951 (a) Property used for workforce rental housing or
 952 affordable rental housing as described in subsection (4) shall

953 be assessed under the income approach using the actual net
 954 operating income.

955 (b) Property used for workforce rental housing and
 956 affordable rental housing that has received low-income housing
 957 tax credits from the Florida Housing Finance Corporation under
 958 s. 420.5099 shall be assessed under the income approach using
 959 the actual net operating income and the following applies:

960 1. The tax credits granted and the financing generated by
 961 the tax credits may not be considered as income.

962 2. The actual rental income from rent-restricted units in
 963 such property shall be used by the property appraiser.

964 3. Any costs paid with the tax credits and costs paid with
 965 the proceeds from additional financing under chapter 420 may not
 966 be included as income.

967 (7) By April 1 of each year, the property owner must
 968 provide the property appraiser with a return on a form and in a
 969 manner prescribed by the Department of Revenue, which includes a
 970 rent roll and an income and expense statement for the preceding
 971 year. After a review of the rent roll and the income and expense
 972 statement, the property appraiser may request additional
 973 information from the property owner as may be reasonably
 974 required to consider the methodologies in subsection (6).
 975 Failure to timely provide the property appraiser with the
 976 requested information, including failure to meet any extension
 977 that may be granted for the submission of information, shall
 978 result in an estimated assessment based on the best available
 979 information instead of an assessment based on the methodologies
 980 provided in subsection (6). Such assessment shall be deemed to

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981 be prima facie correct and may be included on the tax roll, and
 982 taxes may be extended on the tax roll in the same manner as for
 983 all other taxes.

984 (8) It is the duty of the owner of any property used for
 985 workforce rental housing or affordable rental housing that has
 986 been granted the classification for assessment under this
 987 section who is not required to file an annual application or
 988 statement to notify the property appraiser promptly whenever the
 989 use of the property, or the status or condition of the owner,
 990 changes so as to change the classified status of the property.
 991 If any property owner fails to so notify the property appraiser
 992 and the property appraiser determines that for any year within
 993 the prior 10 years the owner was not entitled to receive such
 994 classification, the owner of the property is subject to the
 995 taxes otherwise due and owing as a result of such failure plus
 996 15 percent interest per annum and a penalty of 50 percent of the
 997 additional taxes owed. It is the duty of the property appraiser
 998 making such determination to record in the public records of the
 999 county in which the rental property is located a notice of tax
 1000 lien against any property owned by that person or entity in the
 1001 county, and such property must be identified in the notice of
 1002 tax lien. Such property is subject to the payment of all taxes
 1003 and penalties. Such lien, when filed, attaches to any property
 1004 identified in the notice of tax lien owned by the person or
 1005 entity that illegally or improperly received the classification.
 1006 If such person or entity no longer owns property in that county
 1007 but owns property in another county or counties in the state,
 1008 the property appraiser shall record in such other county or

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1009 counties a notice of tax lien identifying the property owned by
 1010 such person or entity in such county or counties, which becomes
 1011 a lien against the identified property.

1012 Section 16. Paragraphs (b) and (c) of subsection (2) of
 1013 section 192.0105, Florida Statutes, are amended to read:

1014 192.0105 Taxpayer rights.--There is created a Florida
 1015 Taxpayer's Bill of Rights for property taxes and assessments to
 1016 guarantee that the rights, privacy, and property of the
 1017 taxpayers of this state are adequately safeguarded and protected
 1018 during tax levy, assessment, collection, and enforcement
 1019 processes administered under the revenue laws of this state. The
 1020 Taxpayer's Bill of Rights compiles, in one document, brief but
 1021 comprehensive statements that summarize the rights and
 1022 obligations of the property appraisers, tax collectors, clerks
 1023 of the court, local governing boards, the Department of Revenue,
 1024 and taxpayers. Additional rights afforded to payors of taxes and
 1025 assessments imposed under the revenue laws of this state are
 1026 provided in s. 213.015. The rights afforded taxpayers to assure
 1027 that their privacy and property are safeguarded and protected
 1028 during tax levy, assessment, and collection are available only
 1029 insofar as they are implemented in other parts of the Florida
 1030 Statutes or rules of the Department of Revenue. The rights so
 1031 guaranteed to state taxpayers in the Florida Statutes and the
 1032 departmental rules include:

1033 (2) THE RIGHT TO DUE PROCESS.--

1034 (b) The right to petition the value adjustment board over
 1035 objections to assessments, denial of exemption, denial of
 1036 agricultural classification, denial of historic classification,

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1037 denial of high-water recharge classification, denial of
 1038 workforce rental housing or affordable rental housing
 1039 classification, disapproval of tax deferral, and any penalties
 1040 on deferred taxes imposed for incorrect information willfully
 1041 filed. Payment of estimated taxes does not preclude the right of
 1042 the taxpayer to challenge his or her assessment (see ss.
 1043 194.011(3), 196.011(6) and (9)(a), 196.151, 196.193(1)(c) and
 1044 (5), 193.461(2), 193.503(7), 193.625(2), 193.803(2), 197.253(2),
 1045 197.301(2), and 197.2301(11)).

1046 (c) The right to file a petition for exemption, ~~or~~
 1047 agricultural classification, or workforce rental housing or
 1048 affordable rental housing classification with the value
 1049 adjustment board when an application deadline is missed, upon
 1050 demonstration of particular extenuating circumstances for filing
 1051 late (see ss. 193.461(3)(a), 193.803(3)(a), and 196.011(1), (7),
 1052 (8), and (9)(d)).

1053 Section 17. Subsection (2) of section 193.052, Florida
 1054 Statutes, is amended to read:

1055 193.052 Preparation and serving of returns.--

1056 (2) No return shall be required for real property the
 1057 ownership of which is reflected in instruments recorded in the
 1058 public records of the county in which the property is located,
 1059 unless otherwise required in this title. In order for land to
 1060 be considered for agricultural classification under s. 193.461,
 1061 ~~or~~ high-water recharge classification under s. 193.625, or
 1062 workforce rental housing or affordable rental housing
 1063 classification under s. 193.803, an application for
 1064 classification must be filed on or before March 1 of each year

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1065 with the property appraiser of the county in which the land is
 1066 located, except as provided in s. 193.461(3)(a). The application
 1067 must state that the lands on January 1 of that year were used
 1068 primarily for bona fide commercial agricultural or high-water
 1069 recharge purposes or for workforce rental housing or affordable
 1070 rental housing classified under s. 193.803.

1071 Section 18. Paragraph (d) of subsection (3) of section
 1072 194.011, Florida Statutes, is amended to read:

1073 194.011 Assessment notice; objections to assessments.--

1074 (3) A petition to the value adjustment board must be in
 1075 substantially the form prescribed by the department.

1076 Notwithstanding s. 195.022, a county officer may not refuse to
 1077 accept a form provided by the department for this purpose if the
 1078 taxpayer chooses to use it. A petition to the value adjustment
 1079 board shall describe the property by parcel number and shall be
 1080 filed as follows:

1081 (d) The petition may be filed, as to valuation issues, at
 1082 any time during the taxable year on or before the 25th day
 1083 following the mailing of notice by the property appraiser as
 1084 provided in subsection (1). With respect to an issue involving
 1085 the denial of an exemption, an agricultural or high-water
 1086 recharge classification application, an application for
 1087 classification as historic property used for commercial or
 1088 certain nonprofit purposes, an application for classification as
 1089 workforce rental housing or affordable rental housing, or a
 1090 deferral, the petition must be filed at any time during the
 1091 taxable year on or before the 30th day following the mailing of
 1092 the notice by the property appraiser under s. 193.461, s.

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1093 | 193.503, s. 193.625, s. 193.803, or s. 196.193 or notice by the
 1094 | tax collector under s. 197.253.

1095 | Section 19. Subsection (1) of section 195.073, Florida
 1096 | Statutes, is amended to read:

1097 | 195.073 Classification of property.--All items required by
 1098 | law to be on the assessment rolls must receive a classification
 1099 | based upon the use of the property. The department shall
 1100 | promulgate uniform definitions for all classifications. The
 1101 | department may designate other subclassifications of property.
 1102 | No assessment roll may be approved by the department which does
 1103 | not show proper classifications.

1104 | (1) Real property must be classified according to the
 1105 | assessment basis of the land into the following classes:

1106 | (a) Residential, subclassified into categories, one
 1107 | category for homestead property and one for nonhomestead
 1108 | property:

- 1109 | 1. Single family.
- 1110 | 2. Mobile homes.
- 1111 | 3. Multifamily.
- 1112 | 4. Condominiums.
- 1113 | 5. Cooperatives.
- 1114 | 6. Retirement homes.
- 1115 | (b) Commercial and industrial.
- 1116 | (c) Agricultural.
- 1117 | (d) Nonagricultural acreage.
- 1118 | (e) High-water recharge.
- 1119 | (f) Historic property used for commercial or certain
 1120 | nonprofit purposes.

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- 1121 (g) Exempt, wholly or partially.
- 1122 (h) Centrally assessed.
- 1123 (i) Leasehold interests.
- 1124 (j) Time-share property.
- 1125 (k) Workforce rental housing and affordable rental housing
- 1126 property.
- 1127 (l)~~(k)~~ Other.

1128 Section 20. Paragraph (a) of subsection (3) of section
 1129 195.096, Florida Statutes, is amended to read:

1130 195.096 Review of assessment rolls.--

1131 (3)(a) Upon completion of review pursuant to paragraph
 1132 (2)(f), the department shall publish the results of reviews
 1133 conducted under this section. The results must include all
 1134 statistical and analytical measures computed under this section
 1135 for the real property assessment roll as a whole, the personal
 1136 property assessment roll as a whole, and independently for the
 1137 following real property classes whenever the classes constituted
 1138 5 percent or more of the total assessed value of real property
 1139 in a county on the previous tax roll:

1140 1. Residential property that consists of one primary
 1141 living unit, including, but not limited to, single-family
 1142 residences, condominiums, cooperatives, and mobile homes.

1143 2. Residential property that consists of two or more
 1144 primary living units.

1145 3. Agricultural, high-water recharge, historic property
 1146 used for commercial or certain nonprofit purposes, workforce
 1147 rental housing and affordable rental housing property, and other
 1148 use-valued property.

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- 1149 4. Vacant lots.
- 1150 5. Nonagricultural acreage and other undeveloped parcels.
- 1151 6. Improved commercial and industrial property.
- 1152 7. Taxable institutional or governmental, utility, locally
- 1153 assessed railroad, oil, gas and mineral land, subsurface rights,
- 1154 and other real property.

1155

1156 When one of the above classes constituted less than 5 percent of

1157 the total assessed value of all real property in a county on the

1158 previous assessment roll, the department may combine it with one

1159 or more other classes of real property for purposes of

1160 assessment ratio studies or use the weighted average of the

1161 other classes for purposes of calculating the level of

1162 assessment for all real property in a county. The department

1163 shall also publish such results for any subclassifications of

1164 the classes or assessment rolls it may have chosen to study.

1165 Section 21. Section 200.186, Florida Statutes, is created

1166 to read:

1167 200.186 Maximum millage rates for the 2008-2009 fiscal

1168 year.--

1169 (1) In the 2008-2009 fiscal year, a county, municipal

1170 service taxing units of that county, and special districts

1171 dependent to that county; a municipality and special districts

1172 dependent to that municipality; and an independent special

1173 district may levy a maximum millage rate that is determined as

1174 follows:

1175 (a) The maximum millage rate shall be the rolled-back rate

1176 calculated pursuant to s. 200.065 and adjusted for growth in per

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1177 capita Florida personal income, except that:

1178 1. Ad valorem tax revenue levied in the 2007-2008 fiscal
 1179 year, as used in the calculation of the rolled-back rate, shall
 1180 be reduced by any tax revenue resulting from a millage rate in
 1181 excess of the maximum rate that could have been levied by a
 1182 majority vote as provided in s. 200.185; and

1183 2. The taxable value within the jurisdiction of each
 1184 taxing authority, as used in the calculation of the rolled-back
 1185 rate, shall be increased by the amount necessary to offset any
 1186 reduction in taxable value occurring as a result of the
 1187 amendments to the State Constitution contained in SJR 2-D or HJR
 1188 7001D revising the homestead tax exemption, providing tax relief
 1189 for low-income seniors, providing an exemption for first-time
 1190 homestead property owners, providing portability of the Save-
 1191 Our-Homes differential, and providing an exemption from ad
 1192 valorem taxation for tangible personal property. The maximum
 1193 millage rate applicable to a county authorized to levy a county
 1194 public hospital surtax under s. 212.055 shall exclude the
 1195 revenues required to be contributed to the county public general
 1196 hospital for the purposes of making the maximum millage rate
 1197 calculation, but shall be added back to the maximum millage rate
 1198 allowed after the roll back has been applied.

1199 (b) If approved by a two-thirds vote of the governing
 1200 body, a rate may be levied in excess of the rate calculated
 1201 pursuant to paragraph (a) if the excess is not more than 67
 1202 percent of the difference between the rolled-back rate
 1203 calculated pursuant to s. 200.065, and the rate calculated in
 1204 paragraph (a).

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1205 (c) A rate may be levied in excess of the millage rate
 1206 allowed in paragraph (b) if the rate is approved by a unanimous
 1207 vote of the governing body or by a three-fourths vote if the
 1208 governing body has nine or more members or if approved by a
 1209 referendum of the voters.

1210 (2) Any county or municipality that is in violation of
 1211 this section shall forfeit the distribution of the local
 1212 government half-cent sales tax revenues during the 12 months
 1213 following a determination of noncompliance by the Department of
 1214 Revenue, subject to the conditions provided in ss. 200.065 and
 1215 218.63.

1216 (3) The millage rate of a county or municipality,
 1217 municipal service taxing unit of that county, and any special
 1218 district dependent to that county or municipality may exceed the
 1219 maximum millage rate calculated pursuant to this section if the
 1220 total county ad valorem taxes levied or total municipal ad
 1221 valorem taxes levied, as defined in s. 200.001, do not exceed
 1222 the maximum total county ad valorem taxes levied or maximum
 1223 total municipal ad valorem taxes levied, as defined in s.
 1224 200.001, respectively. Total ad valorem taxes levied may exceed
 1225 the maximum calculated pursuant to this section as a result of
 1226 an increase in taxable value above that certified in s.
 1227 200.065(1) if such increase is less than the percentage amounts
 1228 contained in s. 200.065(6); however, if such increase in taxable
 1229 value exceeds the percentage amounts contained in s. 200.065(6),
 1230 millage rates subject to this section must be reduced so that
 1231 total taxes levied do not exceed the maximum. Any unit of
 1232 government operating under a home rule charter adopted pursuant

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1233 to ss. 10, 11, and 24, Art. VIII of the State Constitution of
 1234 1885, as preserved by s. 6(e), Art. VIII of the State
 1235 Constitution of 1968, which is granted the authority in the
 1236 State Constitution to exercise all the powers conferred now or
 1237 hereafter by general law upon municipalities and which exercises
 1238 such powers in the unincorporated area shall be recognized as a
 1239 municipality under this section.

1240 (4) If the amendments to the State Constitution contained
 1241 in SJR 2-D or HJR 7001D revising the homestead tax exemption and
 1242 providing an exemption from ad valorem taxation for tangible
 1243 personal property, are approved by a vote of the electors, this
 1244 section shall supersede the provisions of s. 200.185(5).

1245 Section 22. The Department of Revenue shall report by
 1246 March 1, 2008, to the President of the Senate and the Speaker of
 1247 the House of Representatives the results of the implementation
 1248 of chapter 2007-321, Laws of Florida. The report must include
 1249 the millage rates adopted by municipalities, counties, and
 1250 independent special districts compared to prior year millage
 1251 rates, rolled-back rates, and majority-vote rates as established
 1252 by s. 200.185, Florida Statutes. The department shall report on
 1253 those local governments that were not in compliance with the
 1254 requirements of s. 200.185, Florida Statutes. The department
 1255 shall provide the emergency rules adopted pursuant to s. 9 of
 1256 chapter 2007-321, Laws of Florida. The department shall report
 1257 on issues that arose in the implementation of chapter 2007-321,
 1258 Laws of Florida, which may need to be addressed. It is the
 1259 intent of the Legislature that the information reported to the
 1260 department should be sufficient to allow the performance of the

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1261 | oversight functions outlined in chapters 195 and 200, Florida
 1262 | Statutes, for the local government budget and millage adoption
 1263 | process and the tax roll submittal and approval process. The
 1264 | department shall identify any improvements in the information
 1265 | required to be provided by local governments, property
 1266 | appraisers, and tax collectors. The department shall include in
 1267 | the report recommendations of the Revenue Estimating Conference
 1268 | for information from local governments, property appraisers, and
 1269 | tax collectors which would improve the ability to forecast
 1270 | revenues or estimate impacts of proposed changes to the property
 1271 | tax system. The department shall identify any additional
 1272 | resources necessary to efficiently and effectively administer
 1273 | the oversight functions outlined in chapters 195 and 200,
 1274 | Florida Statutes.

1275 | Section 23. Except as otherwise expressly provided in this
 1276 | act, this act shall take effect January 1, 2008, sections 6
 1277 | through 19 of this act shall take effect only upon the effective
 1278 | date of amendments to the State Constitution contained in Senate
 1279 | Joint Resolution 2-D or House Joint Resolution 7001D revising
 1280 | the homestead tax exemption and providing an exemption from ad
 1281 | valorem taxation for tangible personal property and property
 1282 | used for workforce and affordable rental housing, and sections 6
 1283 | through 19 of this act shall apply retroactively to the 2008 tax
 1284 | roll if the amendments to the State Constitution contained in
 1285 | Senate Joint Resolution 2-D or House Joint Resolution 7001D are
 1286 | approved in a special election held on January 29, 2008, or
 1287 | shall apply to the 2009 tax roll if the amendments to the State
 1288 | Constitution contained in Senate Joint Resolution 2-D or House

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1289 | Joint Resolution 7001D are approved in the general election held
1290 | in November of 2008.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

Bill No. **HB 7003D**

COUNCIL/COMMITTEE ACTION

ADOPTED ___ (Y/N)

ADOPTED AS AMENDED ___ (Y/N)

ADOPTED W/O OBJECTION ___ (Y/N)

FAILED TO ADOPT ___ (Y/N)

WITHDRAWN ___ (Y/N)

OTHER _____



1 Council/Committee hearing bill: Policy and Budget Council
 2 Representative Seiler offered the following:

3
 4 **Amendment (with directory and title amendments)**

5 Remove line(s) 1165 through lines 1244:

6
 7 Strike all of said lines

8
 9

10
 11 ===== T I T L E A M E N D M E N T =====

12 Remove line(s) 105 through lines 115 and insert:

13
 14 Strike all of said lines and insert:

15
 16 to changes made by the act; requiring the

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7005D PCB GEAC 07D-03 Special Election
SPONSOR(S): Government Efficiency & Accountability Council and Attkisson
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Government Efficiency & Accountability Council	13 Y, 0 N	Kruse	Cooper
1) Policy & Budget Council		Diez-Arguelles <i>[Signature]</i>	Hansen <i>[Signature]</i>
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

Section 5 of Article XI of the Florida Constitution provides that proposed amendments to the constitution are to be submitted to the electors at a general election. However, pursuant to a law enacted by the affirmative vote of three-fourths of the membership of each house, the Legislature may submit a proposed amendment to the voters at a special election held no sooner than 90 days after the proposed amendment is filed with the custodian of state records. The next general election is scheduled for November 4, 2008. There is a presidential preference primary scheduled for January 29, 2008.

The bill provides for a special election to be held on January 29, 2008, to submit a proposed House Joint Resolution (HJR), contained in PCB GEAC 07D-01, to the electors for approval or rejection.

The proposed HJR includes:

- Increasing the homestead exemption;
- Save Our Homes portability;
- An exemption for First-time Homesteaders;
- An exemption for Low-Income Seniors;
- Assessments at less than just value for affordable housing;
- Assessments at less than just value for working waterfronts;
- An exemption for tangible personal property;
- Election of all property appraisers; and.
- A mandate to the legislature to limit increases in property taxes.

The bill contains an appropriation of \$60,000 to the Department of State to implement the special election.

The bill has an effective date of upon becoming law, contingent on passage of the HJR.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any House principles.

B. EFFECT OF PROPOSED CHANGES:

Section 5 of Article XI of the Florida Constitution provides that proposed amendments to the constitution are to be submitted to the electors at a general election. However, pursuant to a law enacted by the affirmative vote of three-fourths of the membership of each house, the Legislature may submit a proposed amendment to the voters at a special election held no sooner than 90 days after the proposed amendment is filed with the custodian of state records. The next general election is scheduled for November 4, 2008. There is a presidential preference primary scheduled for January 29, 2008.

The bill provides for a special election to be held on January 29, 2008 to submit to the electors SJR 2-D or HJR 7001D.

The proposed HJR includes:

- Increasing the homestead exemption;
- Save Our Homes portability;
- An exemption for First-time Homesteaders;
- An exemption for Low-Income Seniors;
- Assessments at less than just value for affordable housing;
- Assessments at less than just value for working waterfronts;
- An exemption for tangible personal property;
- Election of all property appraisers; and.
- A mandate to the legislature to limit increases in property taxes.

C. SECTION DIRECTORY:

Section 1. Provides for the special election.

Section 2. Provides for publication of notice.

Section 3. Provides an appropriation of \$60,000 to the Department of State.

Section 4. Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill appropriates \$60,000 in non-recurring general revenue to the Department of State in order to advertise the special election.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

Supervisors of Elections may incur additional costs from adding one additional issue to the ballot. These costs are expected to be minimal.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill is exempt from the mandates provision because it is an elections law.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

None.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

None.

A bill to be entitled

An act relating to a special election; providing for a special election to be held January 29, 2008, pursuant to Section 5 of Article XI of the State Constitution, for the approval or rejection by the electors of this state of amendments to the State Constitution, proposed by joint resolution, relating to a tangible personal property tax exemption, homestead property assessments, assessment of rent-restricted affordable housing and commercial and public-access waterfront property, increased homestead exemption and additional homestead exemption for first-time homestead property owners and low-income seniors, limitations on local government authority to increase ad valorem taxes, and elected county property appraisers; providing for publication of notice and for procedures; providing an appropriation; providing a contingent effective date.

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

Section 1. Pursuant to Section 5 of Article XI of the State Constitution, there shall be a special election on January 29, 2008, to be held concurrently with other statewide elections held on that date, if any, at which there shall be submitted to the electors of this state for approval or rejection the amendments to the State Constitution proposed in Senate Joint Resolution 2-D or House Joint Resolution 7001D, 2007D Special Session.

HB 7005D

2007

29 Section 2. Publication of notice shall be in accordance
30 with Section 5 of Article XI of the State Constitution. The
31 special election shall be held as other special elections are
32 held.

33 Section 3. The sum of \$60,000 in nonrecurring funds from
34 the General Revenue Fund is appropriated to the Department of
35 State for fiscal year 2007-2008 for the purpose of advertising
36 the constitutional amendments being submitted to the electors of
37 this state at the special election called by this act.

38 Section 4. This act shall take effect upon becoming a law
39 if enacted by a vote of at least three-fourths of the membership
40 of each house of the Legislature and if Senate Joint Resolution
41 2-D or House Joint Resolution 7001D, 2007D Special Session, is
42 adopted by both houses of the Legislature.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

Bill No. HB 7005D

COUNCIL/COMMITTEE ACTION

ADOPTED ___ (Y/N)
ADOPTED AS AMENDED ___ (Y/N)
ADOPTED W/O OBJECTION ___ (Y/N)
FAILED TO ADOPT ___ (Y/N)
WITHDRAWN ___ (Y/N)
OTHER _____



1 Council/Committee hearing bill: Policy and Budget Council
2 Representative Cannon offered the following:

3
4
5
6
7
8
9

Amendment

Remove line 33 and insert:

Section 3. The sum of \$600,000 in nonrecurring funds from

