



Finance and Tax Committee

Thursday, February 24, 2011

3:00 p.m.

Morris Hall

ACTION PACKET

COMMITTEE MEETING REPORT

Finance & Tax Committee

2/24/2011 3:00:00PM

Location: Morris Hall (17 HOB)

Summary:

Finance & Tax Committee

Thursday February 24, 2011 03:00 pm

HJR 381 Favorable With Committee Substitute

Yeas: 19 Nays: 3

Committee meeting was reported out: Thursday, February 24, 2011 5:33:55PM

COMMITTEE MEETING REPORT

Finance & Tax Committee

2/24/2011 3:00:00PM

Location: Morris Hall (17 HOB)

Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Stephen Precourt (Chair)	X		
Joseph Abruzzo			X
Larry Ahern	X		
Lori Berman	X		
Jason Brodeur	X		
Douglas Broxson	X		
Fredrick Costello	X		
Jose Diaz	X		
Chris Dorworth	X		
Erik Fresen			X
James Grant	X		
John Julien	X		
Debbie Mayfield	X		
George Moraitis, Jr.	X		
Scott Randolph	X		
Lake Ray	X		
Michelle Rehwinkel Vasilinda	X		
Hazelle Rogers	X		
Patrick Rooney, Jr.	X		
Perry Thurston, Jr.	X		
Carlos Trujillo	X		
Charles Van Zant	X		
James Waldman	X		
Michael Weinstein	X		
Totals:	22	0	2

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COMMITTEE MEETING REPORT

Finance & Tax Committee

2/24/2011 3:00:00PM

Location: Morris Hall (17 HOB)

HJR 381 : Property Assessment; Homestead Value Decline; Nonhomestead Increase Limitation Reduction; Additional Homestead Exemption

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Joseph Abruzzo			X		
Larry Ahern	X				
Lori Berman	X				
Jason Brodeur	X				
Douglas Broxson	X				
Fredrick Costello	X				
Jose Diaz	X				
Chris Dorworth	X				
Erik Fresen			X		
James Grant	X				
John Julien	X				
Debbie Mayfield	X				
George Moraitis, Jr.	X				
Scott Randolph	X				
Lake Ray	X				
Michelle Rehwinkel Vasilinda		X			
Hazelle Rogers	X				
Patrick Rooney, Jr.	X				
Perry Thurston, Jr.		X			
Carlos Trujillo	X				
Charles Van Zant	X				
James Waldman		X			
Michael Weinstein	X				
Stephen Precourt (Chair)	X				
Total Yeas: 19		Total Nays: 3			

Appearances:

Pitts, Brian - Proponent
Justice-2-Jesus
1119 Newton Ave. S.
St. Petersburg FL 33705
Phone: 727-897-9291

Suggs, Davin (Lobbyist) - Information Only
Florida Association of Counties
PO Box 549
Tallahassee FL 32302
Phone: (850)922-4300

Hughes, Amber (Lobbyist) - Information Only
Department of Financial Services
200 E Gaines St
Tallahassee FL 32399-0302
Phone: (850)413-2825

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COMMITTEE MEETING REPORT

Finance & Tax Committee

2/24/2011 3:00:00PM

Location: Morris Hall (17 HOB)

Trey Price (Lobbyist) - Proponent

Florida Association of Realtors

200 S Monroe St

Tallahassee FL 32301

Phone: (850)224-1400

Reeves, Teye (Lobbyist) - Proponent

Florida Chamber of Commerce

136 S. Bronough Street

Tallahassee FL

Phone: 850-521-1235

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COMMITTEE MEETING REPORT

Finance & Tax Committee

2/24/2011 3:00:00PM

Location: Morris Hall (17 HOB)

Other Business Appearance:

Stuart, Cheryl (Lobbyist) - Information Only
Association of Florida Community Developers, Inc
119 South Monroe Street #300
Tallahassee FL 32301
Phone: (850)222-7500

Lewis, Terry (Lobbyist) - Information Only
Florida Association of Special Districts
515 West Flagler Drive
West Palm Beach FL 33401
Phone: (561)640-0820

Consolidation

Donaldson, Laura (Lobbyist) - Information Only
North Naples Fire Control & Rescue District
1101 West Swann Avenue
Tampa FL 33606
Phone: (813)514-4700

Special Districts

Kurt Wenner - Information Only
Florida TaxWatch
106 N. Bronough Street
Tallahassee FL 32301
Phone: (850) 222-5052

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COUNCIL/COMMITTEE AMENDMENT

Bill No. HJR 381 (2011)

Amendment No. 01

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: Finance & Tax Committee
 2 Representative(s) Dorworth offered the following:

Amendment (with title amendment)

5 Remove everything after the resolving clause and insert:
 6 That the following amendments to Sections 4 and 6 of Article VII
 7 and the creation of Sections 32 and 33 of Article XII of the
 8 State Constitution are agreed to and shall be submitted to the
 9 electors of this state for approval or rejection at the next
 10 general election or at an earlier special election specifically
 11 authorized by law for that purpose:

ARTICLE VII

FINANCE AND TAXATION

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

17 (a) Agricultural land, land producing high water recharge
 18 to Florida's aquifers, or land used exclusively for

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19 noncommercial recreational purposes may be classified by general
20 law and assessed solely on the basis of character or use.

21 (b) As provided by general law and subject to conditions,
22 limitations, and reasonable definitions specified therein, land
23 used for conservation purposes shall be classified by general
24 law and assessed solely on the basis of character or use.

25 (c) Pursuant to general law tangible personal property
26 held for sale as stock in trade and livestock may be valued for
27 taxation at a specified percentage of its value, may be
28 classified for tax purposes, or may be exempted from taxation.

29 (d) All persons entitled to a homestead exemption under
30 Section 6 ~~of this Article~~ shall have their homestead assessed at
31 just value as of January 1 of the year following the effective
32 date of this amendment. This assessment shall change only as
33 provided in this subsection.

34 (1) Assessments subject to this subsection shall be
35 changed annually on January 1 ~~1st~~ of each year; but those
36 changes in assessments shall not exceed the lower of the
37 following:

38 a. Three percent ~~(3%)~~ of the assessment for the prior
39 year.

40 b. The percent change in the Consumer Price Index for all
41 urban consumers, U.S. City Average, all items 1967=100, or
42 successor reports for the preceding calendar year as initially
43 reported by the United States Department of Labor, Bureau of
44 Labor Statistics.

45 (2) No assessment shall exceed just value.

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46 (3) After any change of ownership, as provided by general
47 law, homestead property shall be assessed at just value as of
48 January 1 of the following year, unless the provisions of
49 paragraph (8) apply. Thereafter, the homestead shall be assessed
50 as provided in this subsection.

51 (4) New homestead property shall be assessed at just value
52 as of January 1 ~~1st~~ of the year following the establishment of
53 the homestead, unless the provisions of paragraph (8) apply.
54 That assessment shall only change as provided in this
55 subsection.

56 (5) Changes, additions, reductions, or improvements to
57 homestead property shall be assessed as provided for by general
58 law; provided, however, after the adjustment for any change,
59 addition, reduction, or improvement, the property shall be
60 assessed as provided in this subsection.

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

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

68 (8)a. A person who establishes a new homestead as of
69 January 1, 2009, or January 1 of any subsequent year and who has
70 received a homestead exemption pursuant to Section 6 ~~of this~~
71 ~~Article~~ as of January 1 of either of the 2 ~~two~~ years immediately
72 preceding the establishment of the new homestead is entitled to
73 have the new homestead assessed at less than just value. If this

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74 revision is approved in January of 2008, a person who
75 establishes a new homestead as of January 1, 2008, is entitled
76 to have the new homestead assessed at less than just value only
77 if that person received a homestead exemption on January 1,
78 2007. The assessed value of the newly established homestead
79 shall be determined as follows:

80 1. If the just value of the new homestead is greater than
81 or equal to the just value of the prior homestead as of January
82 1 of the year in which the prior homestead was abandoned, the
83 assessed value of the new homestead shall be the just value of
84 the new homestead minus an amount equal to the lesser of
85 \$500,000 or the difference between the just value and the
86 assessed value of the prior homestead as of January 1 of the
87 year in which the prior homestead was abandoned. Thereafter, the
88 homestead shall be assessed as provided in this subsection.

89 2. If the just value of the new homestead is less than the
90 just value of the prior homestead as of January 1 of the year in
91 which the prior homestead was abandoned, the assessed value of
92 the new homestead shall be equal to the just value of the new
93 homestead divided by the just value of the prior homestead and
94 multiplied by the assessed value of the prior homestead.

95 However, if the difference between the just value of the new
96 homestead and the assessed value of the new homestead calculated
97 pursuant to this sub-subparagraph is greater than \$500,000, the
98 assessed value of the new homestead shall be increased so that
99 the difference between the just value and the assessed value
100 equals \$500,000. Thereafter, the homestead shall be assessed as
101 provided in this subsection.

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

105 (e) The legislature may, by general law, for assessment
106 purposes and subject to the provisions of this subsection, allow
107 counties and municipalities to authorize by ordinance that
108 historic property may be assessed solely on the basis of
109 character or use. Such character or use assessment shall apply
110 only to the jurisdiction adopting the ordinance. The
111 requirements for eligible properties must be specified by
112 general law.

113 (f) A county may, in the manner prescribed by general law,
114 provide for a reduction in the assessed value of homestead
115 property to the extent of any increase in the assessed value of
116 that property which results from the construction or
117 reconstruction of the property for the purpose of providing
118 living quarters for one or more natural or adoptive grandparents
119 or parents of the owner of the property or of the owner's spouse
120 if at least one of the grandparents or parents for whom the
121 living quarters are provided is 62 years of age or older. Such a
122 reduction may not exceed the lesser of the following:

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

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

127 (g) For all levies other than school district levies,
128 assessments of residential real property, as defined by general
129 law, which contains nine units or fewer and which is not subject

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130 to the assessment limitations set forth in subsections (a)
131 through (d) shall change only as provided in this subsection.

132 (1) Assessments subject to this subsection shall be
133 changed annually on the date of assessment provided by law; but
134 those changes in assessments shall not exceed 3 ~~ten~~ percent
135 ~~(10%)~~ of the assessment for the prior year.

136 (2) No assessment shall exceed just value.

137 (3) After a change of ownership or control, as defined by
138 general law, including any change of ownership of a legal entity
139 that owns the property, such property shall be assessed at just
140 value as of the next assessment date. Thereafter, such property
141 shall be assessed as provided in this subsection.

142 (4) Changes, additions, reductions, or improvements to
143 such property shall be assessed as provided for by general law;
144 however, after the adjustment for any change, addition,
145 reduction, or improvement, the property shall be assessed as
146 provided in this subsection.

147 (h) For all levies other than school district levies,
148 assessments of real property that is not subject to the
149 assessment limitations set forth in subsections (a) through (d)
150 and (g) shall change only as provided in this subsection.

151 (1) Assessments subject to this subsection shall be
152 changed annually on the date of assessment provided by law; but
153 those changes in assessments shall not exceed 3 ~~ten~~ percent ~~(10%)~~
154 of the assessment for the prior year.

155 (2) No assessment shall exceed just value.

156 (3) The legislature must provide that such property shall
157 be assessed at just value as of the next assessment date after a

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158 qualifying improvement, as defined by general law, is made to
159 such property. Thereafter, such property shall be assessed as
160 provided in this subsection.

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

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

172 (i) The legislature, by general law and subject to
173 conditions specified therein, may prohibit the consideration of
174 the following in the determination of the assessed value of real
175 property used for residential purposes:

176 (1) Any change or improvement made for the purpose of
177 improving the property's resistance to wind damage.

178 (2) The installation of a renewable energy source device.

179 (j) (1) The assessment of the following working waterfront
180 properties shall be based upon the current use of the property:

181 a. Land used predominantly for commercial fishing
182 purposes.

183 b. Land that is accessible to the public and used for
184 vessel launches into waters that are navigable.

185 c. Marinas and drystacks that are open to the public.

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186 d. Water-dependent marine manufacturing facilities,
187 commercial fishing facilities, and marine vessel construction
188 and repair facilities and their support activities.

189 (2) The assessment benefit provided by this subsection is
190 subject to conditions and limitations and reasonable definitions
191 as specified by the legislature by general law.

192 SECTION 6. Homestead exemptions.—

193 (a) Every person who has the legal or equitable title to
194 real estate and maintains thereon the permanent residence of the
195 owner, or another legally or naturally dependent upon the owner,
196 shall be exempt from taxation thereon, except assessments for
197 special benefits, up to the assessed valuation of \$25,000
198 ~~twenty five thousand dollars~~ and, for all levies other than
199 school district levies, on the assessed valuation greater than
200 \$50,000 ~~fifty thousand dollars~~ and up to \$75,000 ~~seventy five~~
201 ~~thousand dollars~~, upon establishment of right thereto in the
202 manner prescribed by law. The real estate may be held by legal
203 or equitable title, by the entirety, jointly, in common, as a
204 condominium, or indirectly by stock ownership or membership
205 representing the owner's or member's proprietary interest in a
206 corporation owning a fee or a leasehold initially in excess of
207 98 ~~ninety eight~~ years. The exemption shall not apply with
208 respect to any assessment roll until such roll is first
209 determined to be in compliance with the provisions of Section 4
210 by a state agency designated by general law. This exemption is
211 repealed on the effective date of any amendment to this Article
212 which provides for the assessment of homestead property at less
213 than just value.

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214 (b) Not more than one exemption shall be allowed any
215 individual or family unit or with respect to any residential
216 unit. No exemption shall exceed the value of the real estate
217 assessable to the owner or, in case of ownership through stock
218 or membership in a corporation, the value of the proportion
219 which the interest in the corporation bears to the assessed
220 value of the property.

221 (c) By general law and subject to conditions specified
222 therein, the legislature may provide to renters, who are
223 permanent residents, ad valorem tax relief on all ad valorem tax
224 levies. Such ad valorem tax relief shall be in the form and
225 amount established by general law.

226 (d) The legislature may, by general law, allow counties or
227 municipalities, for the purpose of their respective tax levies
228 and subject to the provisions of general law, to grant an
229 additional homestead tax exemption not exceeding \$50,000 ~~fifty~~
230 ~~thousand dollars~~ to any person who has the legal or equitable
231 title to real estate and maintains thereon the permanent
232 residence of the owner and who has attained age 65 ~~sixty-five~~
233 and whose household income, as defined by general law, does not
234 exceed \$20,000 ~~twenty thousand dollars~~. The general law must
235 allow counties and municipalities to grant this additional
236 exemption, within the limits prescribed in this subsection, by
237 ordinance adopted in the manner prescribed by general law, and
238 must provide for the periodic adjustment of the income
239 limitation prescribed in this subsection for changes in the cost
240 of living.

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241 (e) Each veteran who is age 65 or older who is partially
242 or totally permanently disabled shall receive a discount from
243 the amount of the ad valorem tax otherwise owed on homestead
244 property the veteran owns and resides in if the disability was
245 combat related, the veteran was a resident of this state at the
246 time of entering the military service of the United States, and
247 the veteran was honorably discharged upon separation from
248 military service. The discount shall be in a percentage equal to
249 the percentage of the veteran's permanent, service-connected
250 disability as determined by the United States Department of
251 Veterans Affairs. To qualify for the discount granted by this
252 subsection, an applicant must submit to the county property
253 appraiser, by March 1, proof of residency at the time of
254 entering military service, an official letter from the United
255 States Department of Veterans Affairs stating the percentage of
256 the veteran's service-connected disability and such evidence
257 that reasonably identifies the disability as combat related, and
258 a copy of the veteran's honorable discharge. If the property
259 appraiser denies the request for a discount, the appraiser must
260 notify the applicant in writing of the reasons for the denial,
261 and the veteran may reapply. The legislature may, by general
262 law, waive the annual application requirement in subsequent
263 years. This subsection shall take effect December 7, 2006, is
264 self-executing, and does not require implementing legislation.

265 (f) As provided by general law and subject to conditions
266 specified therein, every person who establishes the right to
267 receive the homestead exemption provided in subsection (a)
268 within 1 year after purchasing the homestead property and who

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269 has not owned property in the previous 3 years to which the
270 homestead exemption provided in subsection (a) applied is
271 entitled to an additional homestead exemption in an amount equal
272 to 50 percent of the homestead property's just value on January
273 1 of the year the homestead is established for all levies other
274 than school district levies. The additional exemption shall
275 apply for a period of 5 years or until the year the property is
276 sold, whichever occurs first. The amount of the additional
277 exemption shall not exceed \$200,000 and shall be reduced in each
278 subsequent year by an amount equal to 20 percent of the amount
279 of the additional exemption received in the year the homestead
280 was established or by an amount equal to the difference between
281 the just value of the property and the assessed value of the
282 property determined under Section 4(d), whichever is greater.
283 Not more than one exemption provided under this subsection shall
284 be allowed per homestead property. The additional exemption
285 shall apply to property purchased on or after January 1, 2011,
286 but shall not be available in the sixth and subsequent years
287 after the additional exemption is first received.

288 ARTICLE XII

289 SCHEDULE

290 SECTION 32. Property tax limit for nonhomestead property.-

291 This section and the amendment to Section 4 of Article VII
292 reducing the limit on the maximum annual increase in the
293 assessed value of nonhomestead property from 10 percent to 3
294 percent shall take effect January 1, 2012.

295 SECTION 33. Additional homestead exemption for new owners
296 of homestead property.-This section and the amendment to Section

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297 6 of Article VII providing for an additional homestead exemption
298 for new owners of homestead property who have not owned
299 homestead property during the immediately preceding 3 years
300 shall take effect January 1, 2012, and the additional homestead
301 exemption shall be available for properties purchased on or
302 after January 1, 2011.

303 BE IT FURTHER RESOLVED that the following statement be
304 placed on the ballot:

305 CONSTITUTIONAL AMENDMENT

306 ARTICLE VII, SECTIONS 4, 6

307 ARTICLE XII, SECTIONS 32, 33

308 PROPERTY ASSESSMENT; NONHOMESTEAD INCREASE LIMITATION
309 REDUCTION; NEW HOMESTEAD OWNERS' ADDITIONAL EXEMPTION.—

310 (1) This amendment reduces from 10 percent to 3 percent
311 the limitation on annual increases in assessments of
312 nonhomestead real property and provides an effective date of
313 January 1, 2012

314 (2) This amendment also provides new owners of homestead
315 property who have not owned homestead property during the
316 immediately preceding 3 years with an additional homestead
317 exemption equal to 50 percent of the property's just value in
318 the first year for all levies other than school district levies,
319 limited to \$200,000; applies the additional exemption for the
320 shorter of 5 years or the year of sale of the property; reduces
321 the amount of the additional exemption in each succeeding year
322 for 5 years by the greater of 20 percent of the amount of the
323 initial additional exemption or the difference between the just
324 value and the assessed value of the property; limits the

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325 additional exemption to one per homestead property; limits the
326 additional exemption to properties purchased on or after January
327 1, 2011; prohibits availability of the additional exemption in
328 the sixth and subsequent years after the additional exemption is
329 granted; and provides for the amendment to take effect January
330 1, 2012, and apply to properties purchased on or after January
331 1, 2011.

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335

336

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

337

Remove the entire title and insert:

338

A joint resolution proposing amendments to Sections 4 and

339

6 of Article VII and the creation of Sections 32 and 33 of

340

Article XII of the State Constitution to reduce the

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limitation on annual assessment increases applicable to

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nonhomestead real property, provide an additional

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homestead exemption for new owners of homestead property

344

and application and limitations with respect thereto, and

345

provide effective dates.

346