

PCB FTC 16-01

2016

House Joint Resolution

A joint resolution proposing amendments to Section 4 of Article VII and the creation of Section 34 of Article XII of the State Constitution to allow the legislature to additionally limit the growth in the assessed value of homestead and specified nonhomestead property by the growth rate in just value, and to prohibit increases in the assessed value of homestead and specified nonhomestead property if the just value of the property decreases, and provide effective dates.

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

That the following amendments to Section 4 of Article VII and the creation of Section 34 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:

ARTICLE VII

FINANCE AND TAXATION

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

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

(b) As provided by general law and subject to conditions,

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29 | limitations, and reasonable definitions specified therein, land  
 30 | used for conservation purposes shall be classified by general  
 31 | law and assessed solely on the basis of character or use.

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

36 | (d) All persons entitled to a homestead exemption under  
 37 | Section 6 of this Article shall have their homestead assessed at  
 38 | just value as of January 1 of the year following the effective  
 39 | date of this amendment. This assessment shall change only as  
 40 | provided in this subsection.

41 | (1) Assessments subject to this subsection shall be  
 42 | changed annually on January 1st of each year; but those changes  
 43 | in assessments shall not exceed the lower of the following:

44 | a. Three percent (3%) of the assessment for the prior  
 45 | year.

46 | b. The percent change in the Consumer Price Index for all  
 47 | urban consumers, U.S. City Average, all items 1967=100, or  
 48 | successor reports for the preceding calendar year as initially  
 49 | reported by the United States Department of Labor, Bureau of  
 50 | Labor Statistics.

51 | c. If the legislature so provides by general law, the  
 52 | percent change in the homestead property's just value if the  
 53 | change is greater than or equal to zero.

54 | (2) The legislature may provide by general law that an  
 55 | assessment may not increase if the just value of the homestead  
 56 | property is less than the just value of the homestead property

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57 | on the preceding January 1.

58 |       ~~(3)~~~~(2)~~ No assessment shall exceed just value.

59 |       ~~(4)~~~~(3)~~ After any change of ownership, as provided by  
60 | general law, homestead property shall be assessed at just value  
61 | as of January 1 of the following year, unless the provisions of  
62 | paragraph ~~(9)~~~~(8)~~ apply. Thereafter, the homestead shall be  
63 | assessed as provided in this subsection.

64 |       ~~(5)~~~~(4)~~ New homestead property shall be assessed at just  
65 | value as of January 1st of the year following the establishment  
66 | of the homestead, unless the provisions of paragraph ~~(9)~~~~(8)~~  
67 | apply. That assessment shall only change as provided in this  
68 | subsection.

69 |       ~~(6)~~~~(5)~~ Changes, additions, reductions, or improvements to  
70 | homestead property shall be assessed as provided for by general  
71 | law; provided, however, after the adjustment for any change,  
72 | addition, reduction, or improvement, the property shall be  
73 | assessed as provided in this subsection.

74 |       ~~(7)~~~~(6)~~ In the event of a termination of homestead status,  
75 | the property shall be assessed as provided by general law.

76 |       ~~(8)~~~~(7)~~ The provisions of this amendment are severable. If  
77 | any of the provisions of this amendment shall be held  
78 | unconstitutional by any court of competent jurisdiction, the  
79 | decision of such court shall not affect or impair any remaining  
80 | provisions of this amendment.

81 |       ~~(9)~~~~(8)~~a. A person who establishes a new homestead as of  
82 | January 1, 2009, or January 1 of any subsequent year and who has  
83 | received a homestead exemption pursuant to Section 6 of this  
84 | Article as of January 1 of either of the two years immediately

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85 preceding the establishment of the new homestead is entitled to  
 86 have the new homestead assessed at less than just value. If this  
 87 revision is approved in January of 2008, a person who  
 88 establishes a new homestead as of January 1, 2008, is entitled  
 89 to have the new homestead assessed at less than just value only  
 90 if that person received a homestead exemption on January 1,  
 91 2007. The assessed value of the newly established homestead  
 92 shall be determined as follows:

93 1. If the just value of the new homestead is greater than  
 94 or equal to the just value of the prior homestead as of January  
 95 1 of the year in which the prior homestead was abandoned, the  
 96 assessed value of the new homestead shall be the just value of  
 97 the new homestead minus an amount equal to the lesser of  
 98 \$500,000 or the difference between the just value and the  
 99 assessed value of the prior homestead as of January 1 of the  
 100 year in which the prior homestead was abandoned. Thereafter, the  
 101 homestead shall be assessed as provided in this subsection.

102 2. If the just value of the new homestead is less than the  
 103 just value of the prior homestead as of January 1 of the year in  
 104 which the prior homestead was abandoned, the assessed value of  
 105 the new homestead shall be equal to the just value of the new  
 106 homestead divided by the just value of the prior homestead and  
 107 multiplied by the assessed value of the prior homestead.  
 108 However, if the difference between the just value of the new  
 109 homestead and the assessed value of the new homestead calculated  
 110 pursuant to this sub-subparagraph is greater than \$500,000, the  
 111 assessed value of the new homestead shall be increased so that  
 112 the difference between the just value and the assessed value

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113 equals \$500,000. Thereafter, the homestead shall be assessed as  
 114 provided in this subsection.

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

118 (e) The legislature may, by general law, for assessment  
 119 purposes and subject to the provisions of this subsection, allow  
 120 counties and municipalities to authorize by ordinance that  
 121 historic property may be assessed solely on the basis of  
 122 character or use. Such character or use assessment shall apply  
 123 only to the jurisdiction adopting the ordinance. The  
 124 requirements for eligible properties must be specified by  
 125 general law.

126 (f) A county may, in the manner prescribed by general law,  
 127 provide for a reduction in the assessed value of homestead  
 128 property to the extent of any increase in the assessed value of  
 129 that property which results from the construction or  
 130 reconstruction of the property for the purpose of providing  
 131 living quarters for one or more natural or adoptive grandparents  
 132 or parents of the owner of the property or of the owner's spouse  
 133 if at least one of the grandparents or parents for whom the  
 134 living quarters are provided is 62 years of age or older. Such a  
 135 reduction may not exceed the lesser of the following:

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

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

140 (g) For all levies other than school district levies,

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141 assessments of residential real property, as defined by general  
 142 law, which contains nine units or fewer and which is not subject  
 143 to the assessment limitations set forth in subsections (a)  
 144 through (d) shall change only as provided in this subsection.

145 (1) Assessments subject to this subsection shall be  
 146 changed annually on the date of assessment provided by law; but  
 147 those changes in assessments shall not exceed the lower of the  
 148 following:

149 a. Ten percent (10%) of the assessment for the prior year.

150 b. If the legislature so provides by general law, the  
 151 percent change in the property's just value if the change is  
 152 greater than or equal to zero.

153 (2) The legislature may provide by general law that an  
 154 assessment may not increase if the just value of the property is  
 155 less than the just value of the property on the preceding date  
 156 of assessment provided by law.

157 (3)-(2) No assessment shall exceed just value.

158 (4)-(3) After a change of ownership or control, as defined  
 159 by general law, including any change of ownership of a legal  
 160 entity that owns the property, such property shall be assessed  
 161 at just value as of the next assessment date. Thereafter, such  
 162 property shall be assessed as provided in this subsection.

163 (5)-(4) Changes, additions, reductions, or improvements to  
 164 such property shall be assessed as provided for by general law;  
 165 however, after the adjustment for any change, addition,  
 166 reduction, or improvement, the property shall be assessed as  
 167 provided in this subsection.

168 (h) For all levies other than school district levies,

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169 assessments of real property that is not subject to the  
 170 assessment limitations set forth in subsections (a) through (d)  
 171 and (g) shall change only as provided in this subsection.

172 (1) Assessments subject to this subsection shall be  
 173 changed annually on the date of assessment provided by law; but  
 174 those changes in assessments shall not exceed the lower of the  
 175 following:

176 a. Ten percent (10%) of the assessment for the prior year.

177 b. If the legislature so provides by general law, the  
 178 percent change in the property's just value if the change is  
 179 greater than or equal to zero.

180 (2) The legislature may provide by general law that an  
 181 assessment may not increase if the just value of the property is  
 182 less than the just value of the property on the preceding date  
 183 of assessment provided by law.

184 (3)~~(2)~~ No assessment shall exceed just value.

185 (4)~~(3)~~ The legislature must provide that such property  
 186 shall be assessed at just value as of the next assessment date  
 187 after a qualifying improvement, as defined by general law, is  
 188 made to such property. Thereafter, such property shall be  
 189 assessed as provided in this subsection.

190 (5)~~(4)~~ The legislature may provide that such property  
 191 shall be assessed at just value as of the next assessment date  
 192 after a change of ownership or control, as defined by general  
 193 law, including any change of ownership of the legal entity that  
 194 owns the property. Thereafter, such property shall be assessed  
 195 as provided in this subsection.

196 (6)~~(5)~~ Changes, additions, reductions, or improvements to

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197 | such property shall be assessed as provided for by general law.~~+~~  
 198 | However, after the adjustment for any change, addition,  
 199 | reduction, or improvement, the property shall be assessed as  
 200 | provided in this subsection.

201 | (i) The legislature, by general law and subject to  
 202 | conditions specified therein, may prohibit the consideration of  
 203 | the following in the determination of the assessed value of real  
 204 | property used for residential purposes:

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

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

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

210 | a. Land used predominantly for commercial fishing  
 211 | purposes.

212 | b. Land that is accessible to the public and used for  
 213 | vessel launches into waters that are navigable.

214 | c. Marinas and drystacks that are open to the public.

215 | d. Water-dependent marine manufacturing facilities,  
 216 | commercial fishing facilities, and marine vessel construction  
 217 | and repair facilities and their support activities.

218 | (2) The assessment benefit provided by this subsection is  
 219 | subject to conditions and limitations and reasonable definitions  
 220 | as specified by the legislature by general law.

221 | ARTICLE XII

222 | SCHEDULE

223 | SECTION 34. Property assessments.—This section and the  
 224 | amendments of Section 4 of Article VII addressing the limitation



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225 on the growth of assessed value for homestead and specified  
 226 nonhomestead property, and homestead and specified nonhomestead  
 227 property having a declining just value shall take effect January  
 228 1, 2017.

229  
 230 BE IT FURTHER RESOLVED that the following statement be  
 231 placed on the ballot:

232 CONSTITUTIONAL AMENDMENT

233 ARTICLE VII, SECTION 4

234 ARTICLE XII, SECTION 34

235 PROPERTY ASSESSMENTS; GROWTH RATE LIMITATIONS; DECLINING  
 236 PROPERTY VALUE.—Proposing to amend the State Constitution.  
 237 Allowing the legislature to add a zero or positive percent  
 238 change in the parcel's just value to current growth rate  
 239 limitations in a homestead and specified nonhomestead property's  
 240 assessed value. Allowing the legislature to prohibit homestead  
 241 and specified nonhomestead property assessment increases, if a  
 242 property's just value is less than just value in the prior year.  
 243 The amendment is effective on January 1, 2017.

244  
 245 BE IT FURTHER RESOLVED that the following statement be  
 246 placed on the ballot if a court declares the preceding statement  
 247 defective and the decision of the court is not reversed:

248 CONSTITUTIONAL AMENDMENT

249 ARTICLE VII, SECTION 4

250 ARTICLE XII, SECTION 34

251 PROPERTY TAX LIMITATIONS; GROWTH IN ASSESSED VALUE;  
 252 PROPERTY VALUE DECLINE.—

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253 (1) This would amend Florida Constitution Article VII,  
254 Section 4 (Taxation; assessments). It also would add Article  
255 XII, Section 34, relating to the Schedule for the amendments.

256 (2) The law limits the growth in the assessed value of  
257 homestead properties to the lesser of 3 percent or the inflation  
258 rate. In certain circumstances, this could lead to the assessed  
259 value of the homestead property growing at a faster rate than  
260 the just value. Therefore, this amendment allows the legislature  
261 to add an additional limit to the rate of growth for assessed  
262 value of homestead properties. The growth rate would be limited  
263 to the lesser of 3 percent, the inflation rate, or the percent  
264 change in the homestead property's just value. This amendment,  
265 if approved by the voters, shall take effect January 1, 2017.

266 (3) The law limits the growth in the assessed value of  
267 nonhomestead properties to 10 percent of the assessment in the  
268 prior year. In certain circumstances, this could lead to the  
269 assessed value of the property growing at a faster rate than the  
270 just value. Therefore, this amendment allows the legislature to  
271 add an additional limit to the rate of growth for assessed value  
272 of specified nonhomestead properties. The growth rate would be  
273 limited to the lesser of 10 percent of the prior year assessment  
274 or the percent change in the specified nonhomestead property's  
275 just value. This amendment, if approved by the voters, shall  
276 take effect January 1, 2017.

277 (4) In certain circumstances, the law requires the  
278 assessed value of homestead and specified nonhomestead property  
279 to increase when the just value of the property decreases.  
280 Therefore, this amendment allows the legislature to provide that

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281 | the assessment of homestead and specified nonhomestead property  
282 | may not increase if the just value of that property is less than  
283 | the just value of the property on the preceding date of  
284 | assessment. This amendment, if approved by the voters, shall  
285 | take effect January 1, 2017.