




<b>Date:</b> 06/06/2013		<b>AGENDA ITEM</b>		<b>Item:</b> 02
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Budget Resolution	<input checked="" type="checkbox"/> Other	
<b>Department:</b> Legal Department				
<b>Division:</b> Legal				
<b>Subject:</b> Additional senior homestead exemption.				
Daniel D. Eckert Director Legal Department  		Legal  Daniel D. Eckert County Attorney Director Legal Department  	County Manager's Office  Rhonda Orr Deputy Director Financial and Administrative Services  	
		Approved as to Form and Legality		
<b>Council Action:</b>				
<b>Modification:</b>				
<b>Account Number(s):</b> NA				
<b>Total Item Budget:</b> NA				
<b>Staff Contact(s):</b> Daniel D. Eckert		<b>Phone:</b> 386 736 5950	<b>Ext.</b> 15950	
<p><b>Summary/Highlights:</b>                  The county manager recommends adoption of an ordinance establishing the additional homestead exemption allowable under the 2012 amendment to article VII, section 6(d)(1) of the Florida Constitution, implemented by section 196.075(2)(b), Florida Statutes. The exemption must be adopted by ordinance approved by five members of the county council. It would be applicable only to taxes levied by the county council unless also adopted by a municipal governing body. The constitutional amendment, implementing legislation, and legislative bill analysis are attached for reference.</p> <p>This exemption is available to the amount of the assessed value for any person who has legal or equitable title to real estate with a just value of less than \$250,000 and has maintained thereon the permanent residence for at least 25 years; who has attained age 65; and whose household income does not exceed \$27,590, an amount adjusted annually by the percentage change in the consumer price index. Proof of income is to be furnished to the property appraiser in the same manner as for the existing \$50,000 exemption for low income seniors. If adopted by the county council, the exemption would be applicable to 2104 tax bills and continue unless repealed. The property appraiser has furnished the attached information indicative of the financial impact to the county of the exemption. The county attorney seeks direction to prepare and advertise an ordinance.</p>				
<b>Recommended Motion:</b> Direction.				

ENROLLED  
CS/HJR 169

2012 Legislature

House Joint Resolution

A joint resolution proposing an amendment to Section 6 of Article VII of the State Constitution to authorize the Legislature, by general law, to allow counties and municipalities to grant an additional homestead tax exemption equal to the assessed value of homestead property, if the property has a just value lower than a specified amount, to an owner who has maintained permanent residency on the property for a specified duration, who has attained age 65, and whose household income does not exceed a specified amount.

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

That the following amendment to Section 6 of Article VII of the State Constitution is agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE VII

FINANCE AND TAXATION

SECTION 6. Homestead exemptions.—

(a) 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 thereon, except assessments for special benefits, up to the assessed valuation of twenty-five thousand dollars and, for all levies other than school district

ENROLLED  
CS/HJR 169

2012 Legislature

29 levies, on the assessed valuation greater than fifty thousand  
30 dollars and up to seventy-five thousand dollars, upon  
31 establishment of right thereto in the manner prescribed by law.  
32 The real estate may be held by legal or equitable title, by the  
33 entireties, jointly, in common, as a condominium, or indirectly  
34 by stock ownership or membership representing the owner's or  
35 member's proprietary interest in a corporation owning a fee or a  
36 leasehold initially in excess of ninety-eight years. The  
37 exemption shall not apply with respect to any assessment roll  
38 until such roll is first determined to be in compliance with the  
39 provisions of section 4 by a state agency designated by general  
40 law. This exemption is repealed on the effective date of any  
41 amendment to this Article which provides for the assessment of  
42 homestead property at less than just value.

43 (b) Not more than one exemption shall be allowed any  
44 individual or family unit or with respect to any residential  
45 unit. No exemption shall exceed the value of the real estate  
46 assessable to the owner or, in case of ownership through stock  
47 or membership in a corporation, the value of the proportion  
48 which the interest in the corporation bears to the assessed  
49 value of the property.

50 (c) By general law and subject to conditions specified  
51 therein, the Legislature may provide to renters, who are  
52 permanent residents, ad valorem tax relief on all ad valorem tax  
53 levies. Such ad valorem tax relief shall be in the form and  
54 amount established by general law.

55 (d) The legislature may, by general law, allow counties or  
56 municipalities, for the purpose of their respective tax levies

ENROLLED  
CS/HJR 169

2012 Legislature

57 and subject to the provisions of general law, to grant either or  
58 both of the following ~~an~~ additional homestead tax exemptions:

59 (1) An exemption not exceeding fifty thousand dollars to  
60 any person who has the legal or equitable title to real estate  
61 and maintains thereon the permanent residence of the owner and  
62 who has attained age sixty-five and whose household income, as  
63 defined by general law, does not exceed twenty thousand dollars;  
64 or-

65 (2) An exemption equal to the assessed value of the  
66 property to any person who has the legal or equitable title to  
67 real estate with a just value less than two hundred and fifty  
68 thousand dollars and who has maintained thereon the permanent  
69 residence of the owner for not less than twenty-five years and  
70 who has attained age sixty-five and whose household income does  
71 not exceed the income limitation prescribed in paragraph (1).

72  
73 The general law must allow counties and municipalities to grant  
74 these ~~this~~ additional exemptions ~~exemption~~, within the limits  
75 prescribed in this subsection, by ordinance adopted in the  
76 manner prescribed by general law, and must provide for the  
77 periodic adjustment of the income limitation prescribed in this  
78 subsection for changes in the cost of living.

79 (e) Each veteran who is age 65 or older who is partially  
80 or totally permanently disabled shall receive a discount from  
81 the amount of the ad valorem tax otherwise owed on homestead  
82 property the veteran owns and resides in if the disability was  
83 combat related, the veteran was a resident of this state at the  
84 time of entering the military service of the United States, and

ENROLLED  
CS/HJR 169

2012 Legislature

85 the veteran was honorably discharged upon separation from  
 86 military service. The discount shall be in a percentage equal to  
 87 the percentage of the veteran's permanent, service-connected  
 88 disability as determined by the United States Department of  
 89 Veterans Affairs. To qualify for the discount granted by this  
 90 subsection, an applicant must submit to the county property  
 91 appraiser, by March 1, proof of residency at the time of  
 92 entering military service, an official letter from the United  
 93 States Department of Veterans Affairs stating the percentage of  
 94 the veteran's service-connected disability and such evidence  
 95 that reasonably identifies the disability as combat related, and  
 96 a copy of the veteran's honorable discharge. If the property  
 97 appraiser denies the request for a discount, the appraiser must  
 98 notify the applicant in writing of the reasons for the denial,  
 99 and the veteran may reapply. The Legislature may, by general  
 100 law, waive the annual application requirement in subsequent  
 101 years. This subsection shall take effect December 7, 2006, is  
 102 self-executing, and does not require implementing legislation.

103 BE IT FURTHER RESOLVED that the following statement be  
 104 placed on the ballot:

105 CONSTITUTIONAL AMENDMENT

106 ARTICLE VII, SECTION 6

107 ADDITIONAL HOMESTEAD EXEMPTION; LOW-INCOME SENIORS WHO  
 108 MAINTAIN LONG-TERM RESIDENCY ON PROPERTY; EQUAL TO ASSESSED  
 109 VALUE.—Proposing an amendment to the State Constitution to  
 110 authorize the Legislature, by general law and subject to  
 111 conditions set forth in the general law, to allow counties and  
 112 municipalities to grant an additional homestead tax exemption

ENROLLED  
CS/HJR 169

2012 Legislature

113 | equal to the assessed value of homestead property if the  
 114 | property has a just value less than \$250,000 to an owner who has  
 115 | maintained permanent residency on the property for not less than  
 116 | 25 years, who has attained age 65, and who has a low household  
 117 | income as defined by general law.

## CHAPTER 2012-57

### Committee Substitute for House Bill No. 357

An act relating to homestead exemptions for seniors; amending s. 196.075, F.S.; authorizing the board of county commissioners of any county or the governing authority of any municipality to adopt an ordinance granting an additional homestead tax exemption equal to a specified amount, or an additional homestead tax exemption equal to the assessed value of property with a just value lower than a specified amount, or both such exemptions, to an owner who has maintained permanent residency on the property or permanent residency on the property for a specified duration, who has attained age 65, and whose household income does not exceed a specified amount; providing definitions applicable to such additional exemption; providing applicability of requirements relating to the adoption of a local ordinance granting such exemption; amending s. 196.031, F.S.; conforming provisions to changes made by the act; reenacting s. 197.252(2)(a), F.S., relating to homestead tax deferral, to incorporate the amendments made to s. 196.075, F.S., in reference thereto; providing an appropriation; providing application; providing effective dates.

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

Section 1. Section 196.075, Florida Statutes, is amended to read:

196.075 Additional homestead exemption for persons 65 and older.—

(1) As used in this section, the term:

(a) “Household” means a person or group of persons living together in a room or group of rooms as a housing unit, but the term does not include persons boarding in or renting a portion of the dwelling.

(b) “Household income” means the adjusted gross income, as defined in s. 62 of the United States Internal Revenue Code, of all members of a household.

(2) In accordance with s. 6(d), Art. VII of the State Constitution, the board of county commissioners of any county or the governing authority of any municipality may adopt an ordinance to allow either or both of the following an additional homestead exemptions: ~~exemption of up to~~

(a) ~~Fifty-thousand dollars~~ \$50,000 for any person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, who has attained age 65, and whose household income does not exceed \$20,000; ~~or~~:

(b) The amount of the assessed value of the property for any person who has the legal or equitable title to real estate with a just value less than \$250,000 and has maintained thereon the permanent residence of the owner

for at least 25 years, who has attained age 65, and whose household income does not exceed the income limitation prescribed in paragraph (a), as calculated in subsection (3).

(3) Beginning January 1, 2001, the \$20,000 income limitation shall be adjusted annually, on January 1, by the percentage change in the average cost-of-living index in the period January 1 through December 31 of the immediate prior year compared with the same period for the year prior to that. The index is the average of the monthly consumer-price-index figures for the stated 12-month period, relative to the United States as a whole, issued by the United States Department of Labor.

(4) An ordinance granting an additional homestead exemption as authorized by this section must meet the following requirements:

(a) It must be adopted under the procedures for adoption of a non-emergency ordinance specified in chapter 125 by a board of county commissioners; or chapter 166 by a municipal governing authority, except that the exemption authorized by paragraph (2)(b) must be authorized by a super majority (a majority plus one) vote of the members of the governing body of the county or municipality granting such exemption.

(b) It must specify that the exemption applies only to taxes levied by the unit of government granting the exemption. Unless otherwise specified by the county or municipality, this exemption will apply to all tax levies of the county or municipality granting the exemption, including dependent special districts and municipal service taxing units.

(c) It must specify the amount of the exemption, which may not exceed the applicable amount specified in subsection (2) \$50,000. If the county or municipality specifies a different exemption amount for dependent special districts or municipal service taxing units, the exemption amount must be uniform in all dependent special districts or municipal service taxing units within the county or municipality.

(d) It must require that a taxpayer claiming the exemption annually submit to the property appraiser, not later than March 1, a sworn statement of household income on a form prescribed by the Department of Revenue.

(5) The department must require by rule that the filing of the statement be supported by copies of any federal income tax returns for the prior year, any wage and earnings statements (W-2 forms), any request for an extension of time to file returns, and any other documents it finds necessary, for each member of the household, to be submitted for inspection by the property appraiser. The taxpayer's sworn statement shall attest to the accuracy of the documents and grant permission to allow review of the documents if requested by the property appraiser. Submission of supporting documentation is not required for the renewal of an exemption under this section unless the property appraiser requests such documentation. Once the documents have been inspected by the property appraiser, they shall be returned to the

taxpayer or otherwise destroyed. The property appraiser is authorized to generate random audits of the taxpayers' sworn statements to ensure the accuracy of the household income reported. If so selected for audit, a taxpayer shall execute Internal Revenue Service Form 8821 or 4506, which authorizes the Internal Revenue Service to release tax information to the property appraiser's office. All reviews conducted in accordance with this section shall be completed on or before June 1. The property appraiser may not grant or renew the exemption if the required documentation requested is not provided.

(6) The board of county commissioners or municipal governing authority must deliver a copy of any ordinance adopted under this section to the property appraiser no later than December 1 of the year prior to the year the exemption will take effect. If the ordinance is repealed, the board of county commissioners or municipal governing authority shall notify the property appraiser no later than December 1 of the year prior to the year the exemption expires.

(7) Those persons entitled to the homestead exemption in s. 196.031 may apply for and receive an additional homestead exemption as provided in this section. Receipt of the additional homestead exemption provided for in this section shall be subject to the provisions of ss. 196.131 and 196.161, if applicable.

(8) If title is held jointly with right of survivorship, the person residing on the property and otherwise qualifying may receive the entire amount of the additional homestead exemption.

(9) If the property appraiser determines that for any year within the immediately previous 10 years a person who was not entitled to the additional homestead exemption under this section was granted such an exemption, the property appraiser shall serve upon the owner a notice of intent to record in the public records of the county a notice of tax lien against any property owned by that person in the county, and that property must be identified in the notice of tax lien. Any property that is owned by the taxpayer and is situated in this state is subject to the taxes exempted by the improper homestead exemption, plus a penalty of 50 percent of the unpaid taxes for each year and interest at a rate of 15 percent per annum. However, if such an exemption is improperly granted as a result of a clerical mistake or omission by the property appraiser, the person who improperly received the exemption may not be assessed a penalty and interest. Before any such lien may be filed, the owner must be given 30 days within which to pay the taxes, penalties, and interest. Such a lien is subject to the procedures and provisions set forth in s. 196.161(3).

Section 2. Paragraph (d) of subsection (7) of section 196.031, Florida Statutes, is amended to read:

196.031 Exemption of homesteads.—

(7) The exemptions provided in paragraphs (1)(a) and (b) and other homestead exemptions shall be applied as follows:

(d) Other exemptions include and shall be applied in the following order: widows, widowers, blind persons, and disabled persons, as provided in s. 196.202; disabled ex-servicemembers and surviving spouses, as provided in s. 196.24, applicable to all levies; the local option low-income senior exemption up to \$50,000, applicable to county levies or municipal levies, as provided in s. 196.075; and the veterans percentage discount, as provided in s. 196.082.

Section 3. For the purpose of incorporating the amendment made by this act to section 196.075, Florida Statutes, in a reference thereto, paragraph (a) of subsection (2) of section 197.252, Florida Statutes, is reenacted to read:

197.252 Homestead tax deferral.—

(2)(a) Approval of an application for homestead tax deferral shall defer the combined total of ad valorem taxes and non-ad valorem assessments:

1. Which exceeds 5 percent of the applicant's household income for the prior calendar year if the applicant is younger than 65 years old;
2. Which exceeds 3 percent of the applicant's household income for the prior calendar year if the applicant is 65 years old or older; or
3. In its entirety if the applicant's household income:
  - a. For the previous calendar year is less than \$10,000; or
  - b. Is less than the designated amount for the additional homestead exemption under s. 196.075 and the applicant is 65 years old or older.

Section 4. Effective July 1, 2012, the sum of \$93,403 in nonrecurring funds is appropriated from the General Revenue Fund to the Department of State for purposes of publishing, as required under s. 5(d), Art. XI of the State Constitution, the proposed constitutional amendment contained in House Joint Resolution 169, or a similar joint resolution having substantially the same specific intent and purpose.

Section 5. Except as otherwise expressly provided in this act, this act shall take effect upon the approval of House Joint Resolution 169, or a similar joint resolution having substantially the same specific intent and purpose, at the general election to be held in November 2012 or at an earlier special election specifically authorized by law for that purpose, and shall first apply to the 2013 tax roll.

Approved by the Governor April 6, 2012.

Filed in Office Secretary of State April 6, 2012.

## HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

**BILL #:** CS/HJR 169 (SJR 1740) **FINAL HOUSE FLOOR ACTION:**  
**SPONSOR(S):** Finance & Tax Committee, Oliva 116 Y's 0 N's  
and others  
**COMPANION** SJR 1740 **GOVERNOR'S ACTION:** Pending  
**BILLS:**

---

### SUMMARY ANALYSIS

CS/HJR 169 passed the House on February 23, 2012, and subsequently passed the Senate on March 9, 2012. The joint resolution proposes an amendment to the Florida Constitution that would allow the Legislature by general law to permit counties and municipalities to grant an additional homestead tax exemption equal to the assessed value of homestead property to certain low income seniors.

To be eligible for the additional homestead exemption, the following conditions must be met:

- the county or municipality must have granted the exemption by ordinance;
- the property must have a just (market) value of less than \$250,000;
- the owner must have title to the property and maintained his or her permanent residence thereon for at least 25 years;
- the owner must be age 65 years or older; and
- the owner's annual household income must be less than \$27,030.

The general law implementing the constitutional provision must require counties and municipalities choosing to provide the additional homestead exemption to do so by ordinance. The general law must also provide for the periodic adjustment of the income limitation for changes in the cost of living.

The Revenue Estimating Conference estimated the revenue impact on local governments of the joint resolution would be negative to an indeterminate degree. This is because the constitutional amendment proposed by the joint resolution must first:

- be approved by the voters,
- be implemented by general law, and
- be adopted by ordinance by counties or municipalities wishing to offer the additional exemption.

If the constitutional amendment is approved by the voters, CS/CS/HB 357, which was approved by both houses of the Legislature, implements the amendment by general law. If all counties and municipalities offering the current low-income senior exemption authorized by Article VII, section 6 of the Florida Constitution also pass the required ordinances to offer the additional homestead exemption authorized by the constitutional amendment, the Revenue Estimating Conference estimates a negative revenue impact on local governments of \$9.1 million in FY 2014-15 and \$9.4 million in FY 2015-16, **assuming current millage rates.**

The joint resolution has a nonrecurring expenditure impact on the state of \$93,403 for the cost of advertising the proposed amendment as required by law.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h0169z.FTC.DOCX

**DATE:** March 19, 2012

**PAGE:** 1

**02-11**

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

#### Current Situation

##### *Property Taxation in Florida*

Local governments, including counties, school districts and municipalities have the constitutional ability to levy ad valorem taxes. Special districts may also be given this ability by law.<sup>1</sup> Ad valorem taxes are collected on the fair market value of the property, adjusting for any exclusions, differentials or exemptions.

Ad valorem taxes are capped by the Florida Constitution as follows:<sup>2</sup>

- 10 mills for county purposes;
- 10 mills for municipal purposes;
- 10 mills for school purposes;
- a millage fixed by law for a county furnishing municipal services; and
- a millage authorized by law and approved by voters for special districts.

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. Millage rates vary among local governments and are fixed by ordinance or resolution of the taxing authority's governing body.<sup>3</sup>

Regardless of the body imposing the taxes, two county constitutional officers have primary responsibility for the administration and collection of ad valorem taxes. The county property appraiser calculates the fair market value, assessed value and the value of applicable exemptions of the property. The tax collector collects all ad valorem taxes levied by the county, school district, municipalities, and any special taxing districts within the county and distributes the taxes to each taxing authority.<sup>4</sup>

The Department of Revenue (DOR) supervises the assessment and valuation of property so that all property is placed on the tax rolls and valued according to its just valuation.<sup>5</sup> Additionally, the DOR prescribes and furnishes all forms as well as prescribes rules and regulations to be used by property appraisers, tax collectors, clerks of circuit court, and value adjustment boards in administering and collecting ad valorem taxes.<sup>6</sup>

All ad valorem taxation must be at a uniform rate within each taxing unit, subject to certain exceptions with respect to intangible personal property.<sup>7</sup> However, the Florida constitutional provision requiring that taxes be imposed at a uniform rate refers to the application of a common rate to all taxpayers within each taxing unit—not variations in rates between taxing units.<sup>8</sup>

---

<sup>1</sup> Art. VII, section 9 of the Florida Constitution.

<sup>2</sup> A mill is defined as 1/1000 of a dollar, or \$1 per \$1000 of taxable value.

<sup>3</sup> Section 200.001(7), F.S.

<sup>4</sup> Section 197.383, F.S.

<sup>5</sup> Section 195.002, F.S.

<sup>6</sup> Chapter 195, F.S.

<sup>7</sup> Art. VII, section 2 of the Florida Constitution.

<sup>8</sup> See, for example, *Moore v. Palm Beach County*, 731 So. 2d 754 (Fla. Dist. Ct. App. 4th Dist. 1999) citing *W. J. Howey Co. v. Williams*, 142 Fla. 415, 195 So. 181, 182 (1940).

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h0169z.FTC.DOCX

**DATE:** March 19, 2012

**PAGE: 2**

**02-12**

The Florida Constitution grants property tax relief in the form of certain valuation differentials,<sup>9</sup> assessment limitations,<sup>10</sup> and exemptions,<sup>11</sup> including the homestead exemptions.

### *Homestead Exemption*

The Homestead Exemption provides an exemption from all ad valorem taxes on the first \$25,000 of assessed value for owners of homestead property, provided that the tax roll in their county has been approved.<sup>12</sup> An additional \$25,000 exemption is provided for assessed values between \$50,000 and \$75,000; however, this exemption does not apply to school taxes.<sup>13</sup>

### *Save Our Homes*

The “Save Our Homes” provision in Article VII, section 4 of the Florida Constitution, limits the amount a homestead’s assessed value can increase annually to the lesser of three percent or the inflation rate as measured by the Consumer Price Index (CPI).<sup>14</sup> Homestead property owners who establish a new homestead may transfer up to \$500,000 of their accrued “Save Our Homes” benefit to that homestead.<sup>15</sup>

### *Section 193.155, Florida Statutes*

In 1994, the Legislature implemented the “Save Our Homes” amendment in s. 193.155, F.S. The legislation required all homestead property to be assessed at just value by January 1, 1994. Starting on January 1, 1995, or the year after the property receives a homestead exemption (whichever is later), property receiving a homestead exemption must be reassessed annually on January 1 of each year. As provided in the constitution, s. 193.155, F.S., requires that any change resulting from the reassessment may not exceed the lesser of three percent or the growth in the CPI. Pursuant to s. 193.155(2), F.S., if the assessed value of the property exceeds its just value, the assessed value must be lowered to the just value of the property.

### *Low-Income Seniors*

Counties and cities may allow an additional homestead exemption of up to \$50,000 for anyone 65 years or older whose household income does not exceed \$20,000, adjusted annually by the percentage change in the average cost-of-living index.<sup>16</sup> The exemption only applies to taxes levied by the county or city enacting the exemption.<sup>17</sup>

---

<sup>9</sup> Art. VII, Section 4 of the Florida Constitution, authorizes valuation differentials, which are based on character or use of property.

<sup>10</sup> Art. VII, section 4(c) of the Florida Constitution, authorizes the “Save Our Homes” property assessment limitation, which limits the increase in assessment of homestead property to the lesser of three percent or the percentage change in the Consumer Price Index. Section 4(e) authorizes counties to provide for a reduction in the assessed value of homestead property to the extent of any increase in the assessed value of that property which results from the construction or reconstruction of the property for the purpose of providing living quarters for one or more natural or adoptive grandparents or parents of the owner of the property or of the owner's spouse if at least one of the grandparents or parents for whom the living quarters are provided is 62 years of age or older. This provision is known as the “Granny Flats” assessment limitation.

<sup>11</sup> Art. VII, section 3 of the Florida Constitution, provides authority for the various property tax exemptions. The statutes also clarify or provide property tax exemptions for certain licensed child care facilities operating in an enterprise zone, properties used to provide affordable housing, educational facilities, charter schools, property owned and used by any labor organizations, community centers, space laboratories, and not-for-profit sewer and water companies.

<sup>12</sup> Art. VII, section 6 of the Florida Constitution.

<sup>13</sup> *Id.* See, also Am. C.S. for S.J.R. 2-D, 2007.

<sup>14</sup> Art. VII, section 4(d) of the Florida Constitution.

<sup>15</sup> *Id.*

<sup>16</sup> Art. VII, section 6 of the Florida Constitution. See, also s. 196.075, F.S. For 2012, that indexed household income amount is \$27,030. See: <http://dor.myflorida.com/dor/property/resources/limitations.html> (last visited February 4, 2012)

<sup>17</sup> Section 196.075(4), F.S.

Under the Homestead Property Tax Deferral Act, any homesteader 65 years or older who would qualify for the exemption would also qualify to defer all ad valorem taxes.<sup>18</sup> All senior homesteaders may defer the portion of their tax levy exceeding three-percent of household income, so long as tax deferrals and other liens do not exceed 85-percent of assessed value and the primary mortgage does not exceed 70 percent. Deferred tax and interest up to seven percent are due when the property is sold, property insurance is not maintained, or the property ceases to qualify for homestead exemption.

### **Proposed Changes**

The joint resolution proposes an amendment to the Florida Constitution that would allow the Legislature by general law to permit counties and municipalities to grant an additional homestead tax exemption equal to the assessed value of homestead property to certain low income seniors.

To be eligible for the additional homestead exemption, the following conditions must be met:

- the county or municipality must have granted the exemption by ordinance;
- the property must have a just (market) value of less than \$250,000;
- the owner must have title to the property and must have maintained his or her permanent residence thereon for at least 25 years;
- the owner must be age 65 years or older; and
- the owner's annual household income must be less than \$27,030.<sup>19</sup>

The general law implementing the constitutional provision must require counties and municipalities choosing to provide the additional homestead exemption to do so by ordinance. The general law must also provide for the periodic adjustment of the income limitation for changes in the cost of living.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

#### **1. Revenues:**

None.

#### **2. Expenditures:**

The Division of Elections is required to publish the proposed constitutional amendment twice in a newspaper of general circulation in each county.<sup>20</sup> The Division estimates the cost of advertising the proposed constitutional amendment would be \$93,403.<sup>21</sup>

### **A. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

#### **1. Revenues:**

---

<sup>18</sup> Section 197.243, F.S.

<sup>19</sup>CS/HJR 169 provides that the income limitation is the same as the limitation for the current additional homestead exemption for low income seniors authorized in Art. VII, s. 6 of the Florida Constitution. The income limitation for that exemption is set by general law in s. 196.075(3), F.S. Under that provision the household income limitation is set at \$20,000 as of January 1, 2001, and adjusted annually by the percentage change in the average cost-of-living index issued by the United States Department of Labor. For 2012, that indexed household income amount is \$27,030. See: <http://dor.myflorida.com/dor/property/resources/limitations.html> (last visited February 4, 2012).

<sup>20</sup> Art. XI, section 5(d) of the Florida Constitution.

<sup>21</sup> Department of State, *House Joint Resolution 169 (2012) Fiscal Analysis* (October 11, 2011).

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h0169z.FTC.DOCX

**DATE:** March 19, 2012

**PAGE: 4**

**02-14**

The Revenue Estimating Conference estimated the revenue impact on local governments would be negative to an indeterminate degree. This is because the constitutional amendment proposed by the joint resolution must first:

- be approved by the voters,
- be implemented by general law, and
- be adopted by ordinance by counties or municipalities wishing to offer the additional exemption.

If the constitutional amendment is approved by the voters, CS/HB 357, which was approved by both houses of the legislature, implements the amendment by general law. If all counties and municipalities offering the current low-income senior exemption authorized by Article VII, section 6 of the Florida Constitution also pass the required ordinances to offer the additional homestead exemption authorized by the constitutional amendment, the Revenue Estimating Conference estimates a negative revenue impact on local governments of \$9.1 million in FY 2014-15 and \$9.4 million in FY 2015-16, **assuming current millage rates**.

2. Expenditures:

None.

B. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The resolution could reduce property taxes for certain qualifying seniors. Such a reduction in the property tax base could result in a corresponding shift in property tax burden to other property tax owners.

C. FISCAL COMMENTS:

None.

12,171	Properties with Senior Exemption (2012 Final Tax Roll)
3,405	Properties with Just Value less than 250,000 & Homestead for past 25 years or more
12,812,288	Total County Taxable Value for the 3,405 Properties (2013 Working Tax Roll)

*2012 Final Roll Millages:*

**Countywide:**

General Fund	.0058789				
Library	.0006020				
Volusia Echo	.0002000				
Volusia Forever	.0000513				
Volusia Forever I&S	<u>.0001487</u>				
	.0068809	x	12,812,288	=	\$88,160

**Unincorporated:**

MSD	.0020399	x	5,360,112	=	\$10,934
-----	----------	---	-----------	---	----------

**Unincorporated + Pierson + Lake Helen + Oak Hill:**

Fire District	.0036315	x	5,396,013	=	\$19,596
---------------	----------	---	-----------	---	----------

**Unincorporated (mg 660):**

Silver Sands MSD	.0000154	x	164,013	=	\$3
------------------	----------	---	---------	---	-----

**Unincorporated (East Side):**

Mosquito Control	.0002080				
Ponce Inlet/Port Auth	<u>.0000929</u>				
	.0003009	x	10,150,601	=	\$3,054

**Total: \$121,747**