

**2007 D
Special Session
Summary of
General
Legislation**

Finance and Tax

SB 2D, Ad Valorem Taxation

- Gives voters the opportunity to amend the Florida Constitution to provide property tax exemptions and assessment limitations for homestead and non-homestead property.
- States that for homestead property the amendment provides an additional \$25,000 homestead exemption and allows portability of the Save Our Homes assessment differential.
- Explains that for non-homestead property the amendment provides a \$25,000 exemption for tangible personal property and creates a 10 percent limit on annual assessment increases.
- Provides an additional \$25,000 homestead exemption for the assessed value of homestead property above \$50,000, effective January 1, 2008.
- States that this exemption does not apply to school taxes.
- Allows that with portability, homestead property owners can transfer their Save Our Homes benefit (up to \$500,000) to a new homestead within two years of giving up their previous homestead.
- Clarifies that if the just value of the new homestead is more than the previous home's just value, the entire differential up to \$500,000 can be transferred.
- Explains that if the new homestead has a lower just value, the amount of the accumulated benefit that may be transferred is proportional to the value of the new homestead, and is capped at \$500,000.
- Explains that for those who gave up their homestead in 2007 before the amendment was passed, the differential may be transferred if they apply for a new homestead January 1, 2008 or January 1, 2009.) This provision applies to all taxes.
- Provides a \$25,000 exemption for each tangible personal property return, this applies to all taxes and is effective January 1, 2008.
- Explains that non-homestead property will have a 10 percent assessment cap which will apply only to non-school levies.
- States that the 10 percent cap will sunset after 10 years, unless re-approved by the voters.

- Reassesses most residential property at just value when it is sold; commercial property and residential properties with 10 or more units will be reassessed after a significant improvement or sale.
- States that the legislature may provide that commercial and large residential property is not reassessed upon sale, which will not take effect until the 2009 tax roll.
- Effective Date: The double homestead exemption, portability and \$25,000 exemption for tangible personal property take effect January 1, 2008. The assessment limitation for non-homestead property will apply to assessments beginning January 1, 2009.

SB 4D, Ad Valorem Taxation

- Implements CS/SJR 2-D, contingent upon its approval by the voters.
- Provides that Save Our Homes portability, the double homestead exemption, and the tangible personal property exemption will apply to the 2008 tax roll and the assessment limitation for non-homestead property will apply to the 2009 tax roll.
- Ensures that fiscally constrained counties will receive funding from the state to offset any property tax revenues they lose as a result of the joint resolution.
- Provides for portability of Save Our Homes differentials up to \$500,000 for all tax levies, and explains how portability works in situations involving more than one property owner.
- Explains that in the case of joint owners splitting up, each can transfer an equal share of the accumulated benefit to a new homestead as long as the original homestead is abandoned.
- States that if one person stays in the homestead there is no portability.
- Clarifies that in the case of two or more people establishing a new homestead, they can choose which person's differential they will apply to the new homestead.
- Provides for dollar-for-dollar portability to a higher value home, up to \$500,000, and proportional portability to a lower-value home.
- States that if the joint resolution is adopted in January, anyone who had a homestead in 2007 is eligible for portability.
- Explains that in the future homestead property owners will have until the second January 1 after they abandon their prior homestead to establish a new one and transfer the Save Our Homes differential.
- Provides for an additional \$25,000 homestead exemption on the assessed value from \$50,000 to \$75,000, for all taxes except school taxes, effective January 1, 2008.

- Provides for a \$25,000 exemption for all tax levies for tangible personal property, and relieves small businesses and mobile homeowners of filing yearly tax returns if their TPP is valued less than \$25,000. This applies to the 2008 tax roll.
- Caps assessment increases for non-homestead property at 10 percent a year for all taxes other than school district taxes.
- Explains that this assessment cap will operate like Save Our Homes in that the assessment will increase by 10 percent each year that the assessed value is less than the just value and the property is reassessed at just value if the property is sold.
- Changes, additions, or improvements to the property are assessed at just value when they are added to the property, but after the initial just value assessment they are capped at 10 percent.
- States that for nonresidential property and multifamily property of 10 or more units the property is reassessed at just value if an improvement to the property increases its value by at least 25 percent. If the joint resolution is adopted in January this limitation will first apply to the 2009 tax roll.
- Establishes an application process for assessment under the assessment caps, and gives counties the authority to waive the requirement for yearly applications.
- Requires property owners to notify the property appraiser of changes in ownership or use of property subject to the assessment cap.
- Requires the Legislature to appropriate money to fiscally constrained counties to offset any reduction in property tax revenue resulting from the constitutional amendment.
- States that each fiscally constrained county will be required to apply to the Governor's office for participation in the distribution of the appropriation and provide documentation supporting its estimated property tax revenue reduction.
- Authorizes the Department of Revenue to adopt emergency rules needed to implement the double homestead exemption, portability, the tangible personal property tax exemption, and the assessment cap for non-homestead property.
- Requires the Department of Revenue to submit a report on the results of the millage rollback and cap enacted in special session B that resulted in estimated tax reductions of \$2.1 billion.
- Effective Date: Upon becoming law.

SB 6D, Special Election/Ad Valorem Taxation

- Provides that, pursuant to s. 5, Art. XI, State Constitution, a special election will be held on January 29, 2008, concurrently with Florida's presidential preference primary.
- Explains that at the special election, the electors of this state will vote on an amendment to the State Constitution, proposed by joint resolution, relating to tangible personal property tax exemptions, assessment of non-homestead property, increased homestead exemption, and portability of Save Our Homes benefits.
- Appropriates \$560,000 in nonrecurring funds from the General Revenue Fund to the Department of State for fiscal year 2007-2008 for the purpose of advertising the constitutional amendments being submitted to the electors of Florida at the special election called by this act.
- Effective Date: October 30, 2007, upon approval of the Governor.