

2012 Florida Constitutional Amendment 2: Veterans Disabled Due to Combat Injury; Homestead Property Tax Discount¹

Rodney L. Clouser²

Preface

This document is one in a series of six fact sheets intended to provide information on proposed constitutional amendments having direct individual or government tax impacts. As some details of the proposed changes may not have been discussed due to space limitations, the series should not be considered an all-inclusive assessment of the proposed constitutional changes, and any opinions, findings, conclusions, or recommendations expressed herein are those of the author and do not necessarily reflect the views of University of Florida. These fact sheets are not intended as a replacement for personal knowledge about actual or proposed changes but are a guide to inform the public on the issues.

Introduction

In addition to 2012 being a presidential election year, Florida voters also will be asked to vote on a number of proposed amendments to their state constitution. Many voters remain either unaware or less informed regarding the effects and impacts of the proposed constitutional amendments.

Adoption of the constitutional amendment requires a vote in favor of the amendment by a minimum of 60 percent of those voting. Voters are reminded, however, that because the proposed amendments are subject to legal challenges

by various individuals, groups, and organizations, they could still possibly be removed from the ballot if challenged successfully.

The intent and purpose of this fact sheet is to present information on the proposed 2012 Florida Constitutional Amendment No. 2 in order to help voters make informed decisions on Election Day.

Proposed Constitutional Amendment 2

When people go to their polling place in November 2012, they will see information on the amendment, references to the portion of the constitution that will be altered, sponsor of the amendment, the ballot title, and the ballot summary. The information for Amendment 2 will be similar or identical to the following and the ballot title and ballot summary are direct quotes from the Florida Department of State website:

- *Proposed Constitutional Amendment: No. 2*
- *Reference: Article VII, Section 6 & Article XII, Section 32*
- *Sponsor: The Florida Legislature*

1. This is EDIS document FE907, a publication of the Food and Resource Economics Department, Florida Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida, Gainesville, FL. Published July 2012. Please visit the EDIS website at <http://edis.ifas.ufl.edu>.
2. Rodney L. Clouser, professor and associate chair, extension public policy specialist, Food and Resource Economics Department, Florida Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida, Gainesville, FL.

- *Ballot Title: Veterans Disabled Due To Combat Injury; Homestead Property Tax Discount*
- *Ballot Summary: Proposing an amendment to Section 6 of Article VII and the creation of Section 32 of Article XII of the State Constitution to expand the availability of the property discount on the homesteads of veterans who became disabled as the result of a combat injury to include those who were not Florida residents when they entered the military and schedule the amendment to take effect January 1, 2013.*

The Effects and Impacts of Amendment 2

Constitutional Amendment No. 2 would permit partially or totally permanently disabled veterans who were not Florida residents when entering military service to be eligible for a combat-related disabled veteran's ad valorem tax reduction on their homestead property in Florida. The amendment, if passed, becomes effective on January 1, 2013. This means the reduction in ad valorem taxes would not be realized by disabled veterans until tax year 2013–2014.

Florida already provides a discounted ad valorem tax payment for combat-related disability, but it is currently limited to those individuals who were Florida residents when entering U.S. military service. The amount of the reduction allowed is based on the percentage of the veteran's disability as determined by the United States Department of Veterans Affairs. To be eligible for the discount, veterans also must have been honorably discharged. The discounted tax payment is offered as recognition of the veteran's commitment, service, and sacrifice for our country and the state.

The impact of Amendment 2 will be at the local level of government (county, city, school board, and special districts) since the state does not collect ad valorem taxes on real property (land and buildings) and tangible personal property (goods and belongings). Data from 2010 indicated that there were just over 1,200 veterans in Florida who received the Disabled Veterans Homestead discount. The statewide cost of the property tax discount was approximately \$28.7 million, or about \$23,800 per individual in taxable value on average.

In March of 2011, the state's Revenue Estimating Conference (REC) estimated that the cost of this proposed amendment would be about \$2.4 in state fiscal year (FY) 2013–2014, \$4.9 million in FY 2014–2015, \$7.6 million in FY 2015–2016, and \$7.6 million yearly thereafter. Slightly more than half of the estimated revenue losses would be

to units of local government (county, municipal, special districts, etc.), and just slightly less than half of the revenue loss would be to school districts.

Those in favor of the amendment might argue that the amount of revenue loss is an extremely small price to pay for individuals who have sacrificed for the country and state and suffered a combat-related injury. Those who oppose the amendment might argue that the state's property tax system is not fair and continually adding exemptions and reductions makes it even less fair. Some might even argue that any more reductions to units of local government or schools would be unacceptable based on budget cuts already made by local governments during the economic downturn.

As you consider whether you favor or oppose Constitutional Amendment No. 2, some factors that you might want to think over include:

1. The amendment basically broadens eligibility for the reduction by eliminating the requirement of a recipient to have been a Florida resident at the time of entering military service that resulted in a combat-related injury.
2. The ad valorem discount only applies to homesteaded property. Therefore, part-time Florida residents who do not own a homestead in the state will not receive any benefits from this proposed amendment.
3. The revenue reduction from this amendment over the long term was estimated at about \$7.6 million per year. This is approximately 25 percent higher than the current cost for the program, where only individuals who were Florida residents when entering military service are eligible for the program.

Summary

Voters in Florida have the opportunity to change the state constitution during the 2012 general election. Adoption of the constitutional amendment requires a vote in favor of the amendment by a minimum of 60 percent of those voting.

The intent and purpose of the information contained in this fact sheet on Amendment 2 is not to tell individuals how to vote. Rather, the fact sheet is provided to help voters become more informed. Informed voters need to be more knowledgeable of the ballot issue and what they are voting on, rather than just reading a ballot title and ballot summary. Ballot titles and summaries do not inform voters in significant detail, or inform voters on policy implications of

what a ye or nay vote implies. It is thought that informed voters make informed public policy decisions.

As the November election gets closer, expect to see increased information on the proposed amendments in the media and popular press, and on the Internet. Some of this information will be from groups advocating or opposing the specific amendments. Other information will be put forth by groups not associated with advocacy or opposition of the amendments. Read this information, but be aware of the source of the information and the role of the organization supplying the information.

Your challenge as a voter is to become informed, understand the issues, learn the particulars, know the stakes, and then, by casting your ballot, make your values and preferences known.

References

Bangor Daily News. 2009. Online resource available at <http://bangordailynews.com/2009/10/22/opinion/why-mainers-should-approve-tabor/>

Center for Budget Policies and Priorities. Online resource available at <http://www.cbpp.org/cms/?fa=view&id=753>

Colorado Department of the Treasury. Online resource available at http://www.colorado.gov/cs/Satellite/Treasury_v2/CBON/1251592160342

Florida Senate. Online resource available at <http://www.flsenate.gov/Session/Bill/2011/0958/Analyses/ENwtK4hS=PL=1u0w8c0oCmx852OzY0=%7C7/Public/Bills/0900-0999/0958/Analysis/2011s0958.rc.PDF>

Florida Department of State, Division of Elections. 2012. *Initiatives / Amendments / Revisions*. Online resource available at <http://election.dos.state.fl.us/initiatives/initiativelist.asp?year=2012&initstatus=ALL&MadeBallot=Y&ElecType=GEN>