

# 2012 Florida Constitutional Amendment 11: Additional Homestead Exemption; Low-Income Seniors Who Maintain Long-Term Residency on Property; Equal to Assessed Value<sup>1</sup>

Rodney L. Clouser<sup>2</sup>

## 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. 11 in order to help voters make informed decisions on Election Day.

## Proposed Constitutional Amendment 11

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 11 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. 11*
- *Reference: Article VII, Section 6*

1. This is EDIS document FE912, 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.

- *Sponsor: The Florida Legislature*
- *Ballot Title: Additional Homestead Exemption; Low-Income Seniors Who Maintain Long-Term Residency on Property; Equal to Assessed Value*
- *Ballot Summary: Proposing an amendment to the State Constitution to authorize the Legislature, by general law and subject to conditions set forth in the 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 less than \$250,000 to an owner who has maintained permanent residency on the property for not less than 25 years, who has attained age 65, and who has a low household income as defined by general law.*

## The Effects and Impacts of Amendment 11

Constitutional Amendment No. 11 proposes an additional homestead property tax exemption for senior citizens who have and maintain a long-term residency on the property, equal to the property's assessed value, specific to the following definitions and requirements:

1. The person must have legal or equitable title to the property.
2. The homesteaded property must have a just (market) value less than \$250,000.
3. The property must have been the permanent residency of the owner for at least 25 years.
4. The owner must be a minimum of 65 years old.
5. The owner's household income must not exceed \$27,030 (F.S. 196.075(3) based on the general law implementing the proposed amendment).
6. The general law putting into practice the proposed amendment would also require the counties and municipalities providing the additional exemption to do so by passage of a local government ordinance.

This exemption would only apply in counties and cities that offer the current low-income senior exemption in Florida. According to the Florida Department of Revenue, in 2010, 58 Florida counties and over 200 municipalities offer the low-income senior exemption. The amendment does not identify an effective date of adoption.

The impact of Amendment 11 if passed is estimated by the state Revenue Estimating Conference (REC) to have a negative (decreasing) impact on local government revenue in fiscal year 2014–2015, with a loss of \$9.1 million and another \$9.4 million in fiscal year 2015–2016. This assumption is based on current local government millage rates and an additional assumption that all counties/municipalities currently offering the low-income senior exemption would also adopt a local ordinance for the additional increase proposed by this amendment.

The relative size and the fiscal impact of the amendment are easy to understand when looking at some of the specific criteria. For example, it is becoming less common for people to live in the same residence for a long period of time and this amendment requires permanent residency of at least 25 years. On the other hand, people are also living longer and the possibility of living in the same homestead for at least 25 years may become more likely, even for those who move to Florida after retirement.

Those who advocate in favor of the amendment might suggest that individuals living on a fixed income or those who have suffered significant economic loss due to health problems are worthy of a "property tax break." Opponents of the proposed amendment might argue that all Floridians who use local government services should pay something for the services used and not be totally exempt from taxation as this amendment might allow. Some may also oppose the amendment since it represents another example of the property tax system being used as a piecemeal policy change, which is not "fair" to other taxpayers, and could well shift the estimated revenue decline at the local government level to other taxpayers who do not qualify for this exemption.

## 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 11 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

Florida House of Representatives. Online resource available at <http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=h0169z.FTC.DOCX&DocumentType=Analysis&BillNumber=0169&Session=2012>

Florida Department of Revenue. Online resource available at <http://dor.myflorida.com/dor/property/taxpayers/pdf/FLsrhx.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>