

**Constitution Revision Commission  
Finance and Taxation Committee  
Proposal Analysis**

(This document is based on the provisions contained in the proposal as of the latest date listed below.)

Proposal #: P 63

Relating to: FINANCE AND TAXATION, creates s. 19

Introducer(s): Commissioner Rouson

Article/Section affected: Article VII; creates new section 19

Date: December 8, 2017

	REFERENCE	ACTION
1.	FT	<b>Pre-meeting</b>
2.	EE	

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**I. SUMMARY:**

The proposal requires that a new tax exemption or an expansion of an existing tax exemption expires eight years after the effective date. The proposal also requires that any exemption or expansion of an existing exemption include a provision that directs the chief election officer to place on the ballot of the general election immediately preceding the expiration date of the exemption a measure that asks electors whether they wish to retain the exemption past the expiration date. If voters approve, the tax exemption remains in the constitution.

**II. SUBSTANTIVE ANALYSIS:**

**A. PRESENT SITUATION:**

**Tax Exemptions in the Florida Constitution**

The Florida Constitution includes various tax exemptions including, but not limited to:

- Not less than \$5,000 for the state corporate income tax;<sup>1</sup>
- Property owned by a municipality and exclusively used by the municipality for public purpose;<sup>2</sup>
- Household goods and personal effects to the head of family and to every widow, widower, blind person, or totally and permanently disabled person;<sup>3</sup>
- Economic development and grants;<sup>4</sup>

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<sup>1</sup> Fla. Const. Art. VII, s. 5(b).

<sup>2</sup> Fla. Const. Art. VII, s. 3(a).

<sup>3</sup> Fla. Const. Art. VII, s. (3)(b).

<sup>4</sup> Fla. Const. Art. VII, s. 3(c).

- Historic preservation;<sup>5</sup>
- Conservation purposes;<sup>6</sup>
- Solar devices and renewable energy source devices;<sup>7</sup> and
- Homestead exemptions.<sup>8</sup>

These exemptions remain in effect unless they are amended out of the constitution, include a sunset provision, or are subject to change or implementation by general law.

### Sunset Provision

An example of a provision in the Florida Constitution that includes a “sunset provision” is the 2008 constitutional amendment<sup>9</sup> that provides for a ten percent assessment limitation for non-homestead property.<sup>10</sup> The sunset provision, located in s. 27 of Art. XII of the Florida Constitution, provides, “Subsections (f) and (g) of Section 4 of Article VII are repealed effective January 1, 2019. . .” The amendment did provide a mechanism for the electors to avoid the repeal by requiring that, “. . . the legislature by joint resolution propose an amendment abrogating the repeal of subsections (f) and (g), which shall be submitted to the electors of this state for approval or rejection at the general election of 2018. . .”<sup>11</sup> This joint resolution was passed by the Florida Legislature during the 2017 session and will appear on the 2018 general election ballot.<sup>12</sup>

## B. EFFECT OF PROPOSED CHANGES:

The proposal creates s. 19 of Art. VII of the Florida Constitution and requires that newly adopted constitutional tax exemptions and expansions of existing exemptions that become effective on or after January 8, 2019, are subject to repeal within eight years of adoption if not readopted by referendum.

The proposal requires that the exemption or expansion include a provision requiring Florida’s chief election officer<sup>13</sup> place on the ballot a measure that allows the electors to retain the new tax exemption or the expansion of an existing exemption or let it expire. The proposal provides a specified manner in which language is to appear on the ballot of the general election immediately preceding the scheduled repeal date of the exemption.

If approved at that general election, the exemption becomes permanent. If rejected, the exemption is repealed effective January 1 following the election.

<sup>5</sup> Fla. Const. Art. VII, s. 3(d).

<sup>6</sup> Fla. Const. Art. VII, s. 3(f).

<sup>7</sup> Fla. Const. Art. VII, s. 3(e)(2)

<sup>8</sup> Fla. Const. Art. VII, s. 6.

<sup>9</sup> See Proposition 1 for 2008 election <http://dos.elections.myflorida.com/initiatives/initdetail.asp?account=10&seqnum=68> (last visited 12/8/17).

<sup>10</sup> See Fla. Const. Art. VII, ss. (g) and (h). Subsection (f) and (g) of Art. VII, s. 4 were redesignated subsections (g) and (h) by the 2008 Taxation and Budget Reform Commission.

<sup>11</sup> Fla. Const. Art. XII, s. 27.

<sup>12</sup> See Committee Substitute for House Joint Resolution 21 (2017).

<http://www.myfloridahouse.gov/Sections/Bills/billsdetail.aspx?BillId=57030&SessionId=83> (last visited 12/8/17).

<sup>13</sup> Section 92.012, F.S., designates the Secretary of State of Florida as the chief election officer for the state.

**C. FISCAL IMPACT:**

None.

**III. Additional Information:**

**A. Statement of Changes:**

(Summarizing differences between the current version and the prior version of the proposal.)

None.

**B. Amendments:**

None.

**C. Technical Deficiencies:**

None.

**D. Related Issues:**

None.