

Present constitution provides for a homestead exemption for residential property owned and occupied by any person. Seven thousand five hundred dollars of the assessed valuation of such property (i.e. \$75,000 of fair market value) is exempt from many non-municipal ad valorem property taxes.

Proposed constitutional amendment provides a "special assessment level" for homestead exempt property if it is owned and occupied by a person who is 65 or older, or his surviving spouse age 55 or older or who has minor children. The special assessment level is the total assessment of that property for the year that such person became 60, or for the year a written claim to the assessor is made, whichever is later.

The assessment level shall remain as long as:

1. Owner or the owner's spouse remain eligible.
2. The value of the property does not increase by 25% due to construction or reconstruction.
3. The owner or surviving spouse continues to claim the special assessment level and does not notify the assessor otherwise.

Proposed constitutional amendment prohibits the receipt of the special assessment if the applicant's adjusted gross income or the combined income of married persons filing tax separately exceeds \$60,000 for the year prior to application. Beginning in 2001 such dollar limit will be adjusted annually by the CPI.

The property is subject to immediate reappraisal and valuation when the property is sold. Thereafter, the property is subject to the normal rules of property tax, including homestead exemption. However, while a new owner is not entitled to the same special assessment level as the previous owner, he may claim his own if and when he is eligible.

Specifies submission of the amendment to the voters at the congressional primary election to be held in 1998, to become effective January 1, 1999.

(Amends Const. Art. VII, Section 18(A); adds Const. Art. VII, Section 18(G))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Change age to qualify for special assessment from 60 to 65.
2. Limits special assessment to surviving spouses age 55 or older or surviving spouses who have minor children.
3. Changes effective date from January 1, 1999 to January 1, 2000.

Senate Floor Amendments to engrossed bill.

1. Adds the following requirements for continuation of assessment level:
 - a. Property value does not increase by 25% due to construction or reconstruction.
 - b. Notification that assessment level is no longer claimed.
2. Adds prohibition against assessment for applicant whose adjusted annual income exceeds \$60,000.
3. Adds provision that \$60,00 threshold shall annually increase by the CPI beginning in 2001.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the reengrossed bill.

1. Changes condition for eligibility that owner or surviving spouse continues to claim the special assessment.