

1 A bill to be entitled

2 An act relating to the charitable exemption from ad  
3 valorem taxation; creating s. 196.1955, F.S.;  
4 providing that property owned by an exempt  
5 organization is exempt from ad valorem taxation if the  
6 organization has taken affirmative steps to prepare  
7 the property for an exempt purpose; defining the term  
8 "affirmative steps"; requiring property appraisers to  
9 record a notice of tax lien against property owned by  
10 an organization granted an exemption for preparing the  
11 property for an exempt purpose under certain  
12 circumstances; subjecting such property to ad valorem  
13 taxation under certain circumstances; providing  
14 procedures and requirements for filing a tax lien;  
15 amending s. 196.196, F.S.; deleting provisions that  
16 provide criteria for an exemption from ad valorem  
17 taxation for property owned by an exempt organization  
18 that has taken affirmative steps to prepare the  
19 property for use as a house of public worship or for  
20 affordable housing; amending s. 196.198, F.S.;  
21 deleting a provision that provides criteria for an  
22 exemption from ad valorem taxation for property owned  
23 by an educational institution that has taken  
24 affirmative steps to prepare the property for  
25 educational use; providing an effective date.  
26

27 Be It Enacted by the Legislature of the State of Florida:

28

29 Section 1. Section 196.1955, Florida Statutes, is created  
30 to read:

31 196.1955 Preparing property for educational, literary,  
32 scientific, religious, or charitable use.-

33 (1) Property owned by an exempt organization is used for  
34 an exempt purpose if the owner has taken affirmative steps to  
35 prepare the property for an exempt educational, literary,  
36 scientific, religious, or charitable use and no portion of the  
37 property is being used for a nonexempt purpose. As used in this  
38 section, the term "affirmative steps" means environmental or  
39 land use permitting activities, creation of architectural plans  
40 or schematic drawings, land clearing or site preparation,  
41 construction or renovation activities, or other similar  
42 activities that demonstrate a commitment to prepare the property  
43 for an exempt use.

44 (2) If property owned by an organization granted an  
45 exemption under this section is transferred for a purpose other  
46 than an exempt use or is not in actual exempt use within 5 years  
47 after the date that the organization is granted an exemption,  
48 the property appraiser making such determination shall serve  
49 upon the organization that received the exemption a notice of  
50 intent to record in the public records of the county a notice of  
51 tax lien against any property owned by that organization in the  
52 county, and such property must be identified in the notice of

53 tax lien. The organization owning such property is subject to  
54 the taxes otherwise due and owing as a result of the failure to  
55 use the property in an exempt manner plus 15 percent interest  
56 per annum.

57 (a) The lien, when filed, attaches to any property  
58 identified in the notice of tax lien owned by the organization  
59 that received the exemption. If the organization no longer owns  
60 property in the county but owns property in any other county in  
61 the state, the property appraiser shall record in each such  
62 county a notice of tax lien identifying the property owned by  
63 the organization in each respective county, which shall become a  
64 lien against the identified property.

65 (b) Before such lien may be filed, the organization so  
66 notified must be given 30 days to pay the taxes and interest.

67 (c) If an exemption is improperly granted as a result of a  
68 clerical mistake or an omission by the property appraiser, the  
69 organization improperly receiving the exemption may not be  
70 assessed interest.

71 (d) The 5-year limitation specified in this subsection may  
72 be extended if the holder of the exemption continues to take  
73 affirmative steps to develop the property for the purposes  
74 specified in this subsection.

75 Section 2. Subsections (3), (4), and (5) of section  
76 196.196, Florida Statutes, are amended to read:

77 196.196 Determining whether property is entitled to  
78 charitable, religious, scientific, or literary exemption.—

79           ~~(3) Property owned by an exempt organization is used for a~~  
 80 ~~religious purpose if the institution has taken affirmative steps~~  
 81 ~~to prepare the property for use as a house of public worship.~~  
 82 ~~The term "affirmative steps" means environmental or land use~~  
 83 ~~permitting activities, creation of architectural plans or~~  
 84 ~~schematic drawings, land clearing or site preparation,~~  
 85 ~~construction or renovation activities, or other similar~~  
 86 ~~activities that demonstrate a commitment of the property to a~~  
 87 ~~religious use as a house of public worship. For purposes of this~~  
 88 ~~subsection, the term "public worship" means religious worship~~  
 89 ~~services and those other activities that are incidental to~~  
 90 ~~religious worship services, such as educational activities,~~  
 91 ~~parking, recreation, partaking of meals, and fellowship.~~

92           ~~(3)(4)~~ Except as otherwise provided in this section  
 93 herein, property claimed as exempt for literary, scientific,  
 94 religious, or charitable purposes which is used for profitmaking  
 95 purposes is ~~shall be~~ subject to ad valorem taxation. Use of  
 96 property for functions not requiring a business or occupational  
 97 license conducted by the organization at its primary residence,  
 98 the revenue of which is used wholly for exempt purposes, is not  
 99 ~~shall not be~~ considered profitmaking ~~profit making~~. In this  
 100 connection the playing of bingo on such property shall not be  
 101 considered as using such property in such a manner as would  
 102 impair its exempt status.

103           ~~(5) (a) Property owned by an exempt organization qualified~~  
 104 ~~as charitable under s. 501(c)(3) of the Internal Revenue Code is~~

105 ~~used for a charitable purpose if the organization has taken~~  
106 ~~affirmative steps to prepare the property to provide affordable~~  
107 ~~housing to persons or families that meet the extremely low-~~  
108 ~~income, very-low-income, low-income, or moderate-income limits,~~  
109 ~~as specified in s. 420.0004. The term "affirmative steps" means~~  
110 ~~environmental or land use permitting activities, creation of~~  
111 ~~architectural plans or schematic drawings, land clearing or site~~  
112 ~~preparation, construction or renovation activities, or other~~  
113 ~~similar activities that demonstrate a commitment of the property~~  
114 ~~to providing affordable housing.~~

115 ~~(b)1. If property owned by an organization granted an~~  
116 ~~exemption under this subsection is transferred for a purpose~~  
117 ~~other than directly providing affordable homeownership or rental~~  
118 ~~housing to persons or families who meet the extremely low-~~  
119 ~~income, very-low-income, low-income, or moderate-income limits,~~  
120 ~~as specified in s. 420.0004, or is not in actual use to provide~~  
121 ~~such affordable housing within 5 years after the date the~~  
122 ~~organization is granted the exemption, the property appraiser~~  
123 ~~making such determination shall serve upon the organization that~~  
124 ~~illegally or improperly received the exemption a notice of~~  
125 ~~intent to record in the public records of the county a notice of~~  
126 ~~tax lien against any property owned by that organization in the~~  
127 ~~county, and such property shall be identified in the notice of~~  
128 ~~tax lien. The organization owning such property is subject to~~  
129 ~~the taxes otherwise due and owing as a result of the failure to~~  
130 ~~use the property to provide affordable housing plus 15 percent~~

131 ~~interest per annum and a penalty of 50 percent of the taxes~~  
132 ~~owed.~~

133 ~~2. Such lien, when filed, attaches to any property~~  
134 ~~identified in the notice of tax lien owned by the organization~~  
135 ~~that illegally or improperly received the exemption. If such~~  
136 ~~organization no longer owns property in the county but owns~~  
137 ~~property in any other county in the state, the property~~  
138 ~~appraiser shall record in each such other county a notice of tax~~  
139 ~~lien identifying the property owned by such organization in such~~  
140 ~~county which shall become a lien against the identified~~  
141 ~~property. Before any such lien may be filed, the organization so~~  
142 ~~notified must be given 30 days to pay the taxes, penalties, and~~  
143 ~~interest.~~

144 ~~3. If an exemption is improperly granted as a result of a~~  
145 ~~clerical mistake or an omission by the property appraiser, the~~  
146 ~~organization improperly receiving the exemption shall not be~~  
147 ~~assessed a penalty or interest.~~

148 ~~4. The 5-year limitation specified in this subsection may~~  
149 ~~be extended if the holder of the exemption continues to take~~  
150 ~~affirmative steps to develop the property for the purposes~~  
151 ~~specified in this subsection.~~

152 Section 3. Section 196.198, Florida Statutes, is amended  
153 to read:

154 196.198 Educational property exemption.—

155 (1) Educational institutions within this state and their  
156 property used by them or by any other exempt entity or

157 | educational institution exclusively for educational purposes are  
158 | exempt from taxation.

159 |       (a) Sheltered workshops providing rehabilitation and  
160 | retraining of individuals who have disabilities and exempted by  
161 | a certificate under s. (d) of the federal Fair Labor Standards  
162 | Act of 1938, as amended, are declared wholly educational in  
163 | purpose and are exempt from certification, accreditation, and  
164 | membership requirements set forth in s. 196.012.

165 |       (b) Those portions of property of college fraternities and  
166 | sororities certified by the president of the college or  
167 | university to the appropriate property appraiser as being  
168 | essential to the educational process are exempt from ad valorem  
169 | taxation.

170 |       (c) The use of property by public fairs and expositions  
171 | chartered by chapter 616 is presumed to be an educational use of  
172 | such property and is exempt from ad valorem taxation to the  
173 | extent of such use.

174 |       (2) Property used exclusively for educational purposes  
175 | shall be deemed owned by an educational institution if the  
176 | entity owning 100 percent of the educational institution is  
177 | owned by the identical persons who own the property, or if the  
178 | entity owning 100 percent of the educational institution and the  
179 | entity owning the property are owned by the identical natural  
180 | persons.

181 |       (a) Land, buildings, and other improvements to real  
182 | property used exclusively for educational purposes shall be

183 deemed owned by an educational institution if the entity owning  
184 100 percent of the land is a nonprofit entity and the land is  
185 used, under a ground lease or other contractual arrangement, by  
186 an educational institution that owns the buildings and other  
187 improvements to the real property, is a nonprofit entity under  
188 s. 501(c)(3) of the Internal Revenue Code, and provides  
189 education limited to students in prekindergarten through grade  
190 8.

191 (b) If legal title to property is held by a governmental  
192 agency that leases the property to a lessee, the property shall  
193 be deemed to be owned by the governmental agency and used  
194 exclusively for educational purposes if the governmental agency  
195 continues to use such property exclusively for educational  
196 purposes pursuant to a sublease or other contractual agreement  
197 with that lessee.

198 (c) If the title to land is held by the trustee of an  
199 irrevocable inter vivos trust and if the trust grantor owns 100  
200 percent of the entity that owns an educational institution that  
201 is using the land exclusively for educational purposes, the land  
202 is deemed to be property owned by the educational institution  
203 for purposes of this exemption. ~~Property owned by an educational~~  
204 ~~institution shall be deemed to be used for an educational~~  
205 ~~purpose if the institution has taken affirmative steps to~~  
206 ~~prepare the property for educational use. The term "affirmative~~  
207 ~~steps" means environmental or land use permitting activities,~~  
208 ~~creation of architectural plans or schematic drawings, land~~



CS/HB 587

2014

209 ~~clearing or site preparation, construction or renovation~~  
210 ~~activities, or other similar activities that demonstrate~~  
211 ~~commitment of the property to an educational use.~~

212 Section 4. This act shall take effect July 1, 2014.