

1                                   A bill to be entitled  
2           An act relating to ad valorem tax exemptions;  
3           amending s. 196.012, F.S.; amending the  
4           definition of the term "new business," as used  
5           in ch. 196, F.S.; amending s. 196.1995, F.S.;  
6           providing an ad valorem tax exemption for new  
7           businesses comprising artistic and cultural  
8           improvements to real estate which are used for  
9           specified purposes; providing for certain  
10          economic development ad valorem tax exemptions;  
11          providing for extension of such exemptions;  
12          amending s. 212.06, F.S.; revising the  
13          application of provisions which exempt from use  
14          tax a person who secures rock, fill dirt, or  
15          similar materials from a location he or she  
16          owns for use on his or her own property, to  
17          include affiliated groups; amending s.  
18          196.2001, F.S.; revising the conditions for  
19          qualification for the ad valorem tax exemption  
20          for property of a not-for-profit sewer and  
21          water company; providing for retroactive  
22          application; providing that certain exemptions  
23          that conform to such revision that were  
24          previously granted shall not be subject to any  
25          assessment, penalty, or interest; providing an  
26          effective date.

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

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30           Section 1. Paragraphs (c) and (d) are added to  
31   subsection (15) of section 196.012, Florida Statutes, to read:

1           196.012 Definitions.--For the purpose of this chapter,  
2 the following terms are defined as follows, except where the  
3 context clearly indicates otherwise:

4           (15) "New business" means:

5           (c)1. An arts or cultural organization that is tax  
6 exempt under s. 501(c)(3) of the Internal Revenue Code of  
7 1986, as amended; or

8           2. Any person or entity that is building or renovating  
9 improvements to real property which will include theater  
10 space, an art gallery open to the public, or some other  
11 improvement that is dedicated to the development and  
12 exhibition of the performing or visual arts.

13           (d) A business that is situated on property annexed  
14 into a municipality and that, at the time of the annexation,  
15 is receiving an economic development ad valorem tax exemption  
16 from the county under s. 196.1995.

17           Section 2. Present subsections (6), (7), (8), and (9)  
18 of section 196.1995, Florida Statutes, are redesignated as  
19 subsections (8), (9), (10), and (11), respectively, and new  
20 subsections (6) and (7) are added to that section, to read:

21           196.1995 Economic development ad valorem tax  
22 exemption.--

23           (6) With respect to a new business as defined in s.  
24 196.012(15)(c), the taxing authority having jurisdiction to  
25 levy ad valorem taxes may exempt from taxation under  
26 subsection (5) only that portion of an improvement to real  
27 property which constitutes theater space, an art gallery open  
28 to the public, or some other improvement that is dedicated to  
29 the development and exhibition of the performing or visual  
30 arts. The amount of such a tax exemption must be calculated by  
31 multiplying the total amount of the ad valorem taxes that

1 would otherwise be imposed times the percentage obtained by  
2 dividing the total square footage of the improvement into the  
3 square footage that is dedicated to the purposes specified in  
4 this subsection and s. 196.012(15)(c).

5 (7) With respect to a new business as defined in s.  
6 196.012(15)(d), the municipality annexing the property on  
7 which the business is situated may grant an economic  
8 development ad valorem tax exemption under this section to  
9 that business for a period that will expire upon the  
10 expiration of the exemption granted by the county. If the  
11 county renews the exemption under subsection (8), the  
12 municipality may also extend its exemption. A municipal  
13 economic development ad valorem tax exemption granted under  
14 this subsection may not extend beyond the duration of the  
15 county exemption.

16 Section 3. Subsection (1) of section 196.2001, Florida  
17 Statutes, is amended to read:

18 196.2001 Not-for-profit sewer and water company  
19 property exemption.--

20 (1) Property of any sewer and water company owned or  
21 operated by a Florida corporation not for profit, the income  
22 from which has been exempt, as of January 1 of the year for  
23 which the exemption from ad valorem property taxes is  
24 requested, from federal income taxation by having qualified  
25 under s. 115(a) or s. 501(c)(12) of the Internal Revenue Code  
26 of 1954 or of a corresponding section of a subsequently  
27 enacted federal revenue act, shall be exempt from ad valorem  
28 taxation, provided the following criteria for exemption are  
29 met by the not-for-profit sewer and water company:

30 (a) Net income derived by the company does not inure  
31 to any private shareholder or individual.

1 (b) Gross receipts do not constitute gross income for  
2 federal income tax purposes.

3 (c) Members of the company's governing board serve  
4 without compensation.

5 (d) Rates for services rendered by the company are  
6 established by the governing board of the county or counties  
7 within which the company provides service; by the Public  
8 Service Commission, in those counties in which rates are  
9 regulated by the commission; or by the Farmers Home  
10 Administration.

11 ~~(e) Ownership of the company reverts to the county in  
12 which the company conducts its business upon retirement of all  
13 outstanding indebtedness of the company.~~

14  
15 Notwithstanding anything above, no exemption shall be granted  
16 until the property appraiser has considered the proposed  
17 exemption and has made a specific finding that the water and  
18 sewer company in question performs a public purpose in the  
19 absence of which the expenditure of public funds would be  
20 required.

21 (2) This section shall take effect upon this act  
22 becoming a law and shall apply retroactively to January 1,  
23 1998.

24 Section 4. (1) Notwithstanding any provision of  
25 chapter 196, Florida Statutes, to the contrary, any exemption  
26 which would be authorized by the amendment to s. 196.2001(1),  
27 Florida Statutes, by this act, and which was applied for and  
28 granted in good faith to any not-for-profit sewer or water  
29 company after December 31, 1997, shall not be subject to any  
30 assessment, penalty, or interest otherwise allowed by law.

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(2) This section shall take effect upon this act becoming a law.

Section 5. This act shall take effect upon becoming a law.