

Bill No. CS for SB 1458, 1st Eng.

Amendment No.

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
---------------	----------------	--------------

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

.
.
.
.
.

Senator King moved the following amendment:

Senate Amendment (with title amendment)

On page 6, between lines 10 and 11,

insert:

Section 4. Subsection (20) is added to section 196.012, Florida Statutes, to read:

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

(20) For purposes of determining if property is "owned" by an exempt entity, property leased to an exempt entity under a capital lease shall be deemed to be owned by that exempt entity. This subsection does not apply with respect to determining ownership of property leased by an exempt entity to another person. For purposes of this subsection, a "capital lease" is a lease to an exempt entity which meets at least one of the following criteria:

(a) Ownership of the property transfers to the lessee at the end of the lease term.

Bill No. CS for SB 1458, 1st Eng.

Amendment No. ____

1 (b) The lease contains a bargain purchase option which
2 allows the lessee, at his or her option, to buy the leased
3 property for a price which is sufficiently lower than the
4 expected fair market value of the property on the date the
5 option becomes exercisable that exercise of the option
6 appears, at the inception of the lease, to be reasonably
7 assured.

8 (c) The lease term is equal to 75 percent or more of
9 the estimated useful economic life of the property.

10 (d) At the inception of the lease, the present value
11 of the minimum lease payments is at least 90 percent of the
12 fair market value of the leased property. As used in this
13 paragraph, "minimum lease payments" has the same meaning as is
14 contained in Statements and Interpretations of the Financial
15 Accounting Standards Board in regard to capital-type leases.
16 The interest rate used to calculate the present value shall be
17 the Prime Rate published in the "Money Rates" section of the
18 Wall Street Journal on the same date as the inception of the
19 lease.

20 Section 5. Section 196.198, Florida Statutes, is
21 amended to read:

22 196.198 Educational property exemption.--Educational
23 institutions within this state and their property used by them
24 or by any other exempt entity or educational institution
25 exclusively for educational purposes shall be exempt from
26 taxation. Sheltered workshops providing rehabilitation and
27 retraining of disabled individuals and exempted by a
28 certificate under s. (d) of the federal Fair Labor Standards
29 Act of 1938, as amended, are declared wholly educational in
30 purpose and shall be exempted from certification,
31 accreditation, and membership requirements set forth in s.

Bill No. CS for SB 1458, 1st Eng.

Amendment No. ____

1 196.012. Those portions of property of college fraternities
2 and sororities certified by the president of the college or
3 university to the appropriate property appraiser as being
4 essential to the educational process, shall be exempt from ad
5 valorem taxation. The use of property by public fairs and
6 expositions chartered by chapter 616 is presumed to be an
7 educational use of such property and shall be exempt from ad
8 valorem taxation to the extent of such use. Property used
9 exclusively for educational purposes shall be deemed owned by
10 an educational institution if the entity owning 100 percent of
11 the educational institution is owned by the identical persons
12 who own the property. If legal title to property is held by a
13 governmental agency which leases such property to a lessee,
14 such property shall be deemed to be owned by the governmental
15 agency and used exclusively for educational purposes if the
16 governmental agency continues to use such property exclusively
17 for educational purposes pursuant to a sublease or other
18 contractual agreement with that lessee. If the title to land
19 is held by the trustee of an irrevocable inter vivos trust and
20 if the trust grantor owns 100 percent of the entity that owns
21 an educational institution that is using the land exclusively
22 for educational purposes, the land is deemed to be property
23 owned by the educational institution for purposes of this
24 exemption. Property owned by an educational institution shall
25 be deemed to be used for an educational purpose if the
26 institution has taken affirmative steps to prepare the
27 property for educational use. Affirmative steps means
28 environmental or land use permitting activities, creation of
29 architectural plans or schematic drawings, land clearing or
30 site preparation, construction or renovation activities, or
31 other similar activities that demonstrate commitment of the

Bill No. CS for SB 1458, 1st Eng.

Amendment No. ____

1 property to an educational use.

2

3 (Redesignate subsequent sections.)

4

5

6 ===== T I T L E A M E N D M E N T =====

7 And the title is amended as follows:

8 On page 1, line 8, after the semicolon,

9

10 insert:

11 amending s. 196.012, F.S.; providing that, for
12 purposes of determining eligibility for
13 exemption, property which is leased to an
14 exempt entity under a capital lease shall be
15 deemed "owned" by the entity; defining "capital
16 lease"; amending s. 196.198, F.S.; providing
17 that property leased from a governmental agency
18 is eligible for the exemption for educational
19 property if the agency continues to use the
20 property exclusively for educational purposes;

21

22

23

24

25

26

27

28

29

30

31