

By Senator Saunders

25-1415-00

See HB

1                                   A bill to be entitled  
2           An act relating to ad valorem tax exemption;  
3           amending s. 196.1975, F.S., which provides  
4           exemptions for nonprofit homes for the aged;  
5           specifying that the exemption applicable to  
6           such homes whose residents meet certain income  
7           limitations applies to individual units or  
8           apartments of such homes; providing for  
9           application of a residency affidavit  
10          requirement to applicants for such exemption;  
11          revising provisions relating to qualification  
12          for the alternative exemption provided by that  
13          section for those portions of a home which do  
14          not meet the income limitations; providing that  
15          s. 196.195, F.S., which provides requirements  
16          and criteria for determining the profit or  
17          nonprofit status of an applicant for exemption,  
18          and s. 196.196, F.S., which provides criteria  
19          for determining whether property is entitled to  
20          a charitable, religious, scientific, or  
21          literary exemption, do not apply to that  
22          section; providing an effective date.

23  
24 Be It Enacted by the Legislature of the State of Florida:

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26           Section 1. Section 196.1975, Florida Statutes, is  
27          amended to read:  
28           196.1975 Exemption for property used by nonprofit  
29          homes for the aged.--Nonprofit homes for the aged are exempt  
30          to the extent that they meet the following criteria:

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1           (1) The applicant must be a corporation not for profit  
2 or a Florida limited partnership, the sole general partner of  
3 which is a corporation not for profit, and the corporation not  
4 for profit must have been exempt as of January 1 of the year  
5 for which exemption from ad valorem property taxes is  
6 requested from federal income taxation by having qualified as  
7 an exempt charitable organization under the provisions of s.  
8 501(c)(3) of the Internal Revenue Code of 1954 or of the  
9 corresponding section of a subsequently enacted federal  
10 revenue act.

11           (2) A facility will not qualify as a "home for the  
12 aged" unless at least 75 percent of the occupants are over the  
13 age of 62 years or totally and permanently disabled. For  
14 homes for the aged which are exempt from paying income taxes  
15 to the United States as specified in subsection (1), licensing  
16 by the Agency for Health Care Administration is required for  
17 ad valorem tax exemption hereunder only if the home:

18           (a) Furnishes medical facilities or nursing services  
19 to its residents, or

20           (b) Qualifies as an assisted living facility under  
21 part III of chapter 400.

22           (3) Those portions of the home for the aged which are  
23 devoted exclusively to the conduct of religious services or  
24 the rendering of nursing or medical services are exempt from  
25 ad valorem taxation.

26           (4)(a) After removing the assessed value exempted in  
27 subsection (3), units or apartments in homes for the aged  
28 shall be exempt only to the extent that residency in the unit  
29 or apartment ~~applicant home~~ is restricted to or occupied by  
30 persons who have resided in the applicant home and in good  
31 faith made this state their permanent residence as of January

1 | 1 of the year in which exemption is claimed and who also meet  
2 | the requirements set forth in one of the following  
3 | subparagraphs:

4 |         1. Persons who have gross incomes of not more than  
5 | \$7,200 per year and who are 62 years of age or older.

6 |         2. Couples, one of whom must be 62 years of age or  
7 | older, having a combined gross income of not more than \$8,000  
8 | per year, or the surviving spouse thereof, who lived with the  
9 | deceased at the time of the deceased's death in a home for the  
10 | aged.

11 |         3. Persons who are totally and permanently disabled  
12 | and who have gross incomes of not more than \$7,200 per year.

13 |         4. Couples, one or both of whom are totally and  
14 | permanently disabled, having a combined gross income of not  
15 | more than \$8,000 per year, or the surviving spouse thereof,  
16 | who lived with the deceased at the time of the deceased's  
17 | death in a home for the aged.

18 |  
19 | However, the income limitations do not apply to totally and  
20 | permanently disabled veterans, provided they meet the  
21 | requirements of s. 196.081.

22 |         (b) The maximum income limitations permitted in this  
23 | subsection shall be adjusted, effective January 1, 1977, and  
24 | on each succeeding year, by the percentage change in the  
25 | average cost-of-living index in the period January 1 through  
26 | December 31 of the immediate prior year compared with the same  
27 | period for the year prior to that. The index is the average  
28 | of the monthly consumer price index figures for the stated  
29 | 12-month period, relative to the United States as a whole,  
30 | issued by the United States Department of Labor.

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1           (5) Nonprofit housing projects which are financed by a  
2 mortgage loan made or insured by the United States Department  
3 of Housing and Urban Development under s. 202, s. 202 with a  
4 s. 8 subsidy, s. 221(d)(3) or (4), or s. 236 of the National  
5 Housing Act, as amended, and which are subject to the income  
6 limitations established by that department shall be exempt  
7 from ad valorem taxation.

8           (6) For the purposes of this section, gross income  
9 includes social security benefits payable to the person or  
10 couple or assigned to an organization designated specifically  
11 for the support or benefit of that person or couple.

12           (7) It is hereby declared to be the intent of the  
13 Legislature that subsection (3) implements the ad valorem tax  
14 exemption authorized in the third sentence of s. 3(a), Art.  
15 VII, State Constitution, and the remaining subsections  
16 implement s. 6(e), Art. VII, State Constitution, for purposes  
17 of granting such exemption to homes for the aged.

18           (8) Physical occupancy on January 1 is not required in  
19 those instances in which a home restricts occupancy to persons  
20 meeting the income requirements specified in this section.  
21 Those portions of a ~~such~~ property failing to meet those  
22 requirements shall qualify for an alternative exemption as  
23 provided in subsection (9). In a home in which at least 25  
24 percent of the units or apartments of the home are restricted  
25 to or occupied by persons meeting the income requirements  
26 specified in this section, the common areas of that home are  
27 exempt from taxation.

28           (9)(a) Each unit or apartment of a home for the aged  
29 not exempted in subsection (3) or subsection (4), which is  
30 operated by a not for profit corporation and is owned by such  
31 corporation or leased by such corporation from a health

1 facilities authority pursuant to part III of chapter 154 or an  
2 industrial development authority pursuant to part III of  
3 chapter 159, and which property is used by such home for the  
4 aged for the purposes for which it was organized, is exempt  
5 from all ad valorem taxation, except for assessments for  
6 special benefits, to the extent of \$25,000 of assessed  
7 valuation of such property for each apartment or unit:

8 1. Which is used by such home for the aged for the  
9 purposes for which it was organized; and

10 2. Which is occupied, on January 1 of the year in  
11 which exemption from ad valorem property taxation is  
12 requested, by a person who resides therein and in good faith  
13 makes the same his or her permanent home.

14 (b) Each home applying for an exemption under  
15 paragraph (a) of this subsection or paragraph (4)(a) must file  
16 with the annual application for exemption an affidavit from  
17 each person who occupies a unit or apartment for which an  
18 exemption under either of those paragraphs ~~that paragraph~~ is  
19 claimed stating that the person resides therein and in good  
20 faith makes that unit or apartment his or her permanent  
21 residence.

22 (10) Homes for the aged, or life care communities,  
23 however designated, which are financed through the sale of  
24 health facilities authority bonds or bonds of any other public  
25 entity, whether on a sale-leaseback basis, a sale-repurchase  
26 basis, or other financing arrangement, or which are financed  
27 without public-entity bonds, are exempt from ad valorem  
28 taxation only in accordance with the provisions of this  
29 section.

30 (11) Any portion of such property used for nonexempt  
31 purposes may be valued and placed upon the tax rolls

1 separately from any portion entitled to exemption pursuant to  
2 this chapter.

3 (12) When it becomes necessary for the property  
4 appraiser to determine the value of a unit, he or she shall  
5 include in such valuation the proportionate share of the  
6 common areas, including the land, fairly attributable to such  
7 unit, based upon the value of such unit in relation to all  
8 other units in the home, unless the common areas are otherwise  
9 exempted by subsection (8).

10 (13) Sections 196.195 and 196.196 do not apply to this  
11 section.

12 Section 2. This act shall take effect upon becoming a  
13 law and shall apply to the 2000 tax year and thereafter.

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16 LEGISLATIVE SUMMARY

17 Clarifies provisions which provide ad valorem tax  
18 exemptions for nonprofit homes for the aged. Specifies  
19 that the exemption applicable to such homes whose  
20 residents meet certain income limitations applies to  
21 individual units or apartments of such homes. Provides  
22 for application of a residency affidavit requirement to  
23 applicants for such exemption. Clarifies provisions  
24 relating to qualification for an alternative exemption  
25 for those portions of a home which do not meet the income  
26 limitations. Provides that s. 196.195, F.S., which  
27 provides requirements and criteria for determining the  
28 profit or nonprofit status of an applicant for exemption,  
29 and s. 196.196, F.S., which provides criteria for  
30 determining whether property is entitled to a charitable,  
31 religious, scientific, or literary exemption, do not  
apply to the exemptions for nonprofit homes for the aged.