

By Representative Fiorentino

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

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

26  
27           Section 1. Section 196.1975, Florida Statutes, is  
28 amended to read:

29           196.1975 Exemption for property used by nonprofit  
30 homes for the aged.--Nonprofit homes for the aged are exempt  
31 to the extent that they meet the following criteria:

1           (1) The applicant must be a corporation not for profit  
2 pursuant to chapter 617 or a Florida limited partnership, the  
3 sole general partner of which is a corporation not for profit  
4 pursuant to chapter 617, and the corporation not for profit  
5 must have been exempt as of January 1 of the year for which  
6 exemption from ad valorem property taxes is requested from  
7 federal income taxation by having qualified as an exempt  
8 charitable organization under the provisions of s. 501(c)(3)  
9 of the Internal Revenue Code of 1954 or of the corresponding  
10 section of a subsequently enacted federal 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  
29 existing unit or apartment of the applicant home is reserved  
30 for or restricted to or the unit or apartment is occupied by  
31 persons who have resided in the applicant home and in good

1 faith made this state their permanent residence as of January  
2 1 of the year in which exemption is claimed and who also meet  
3 the requirements set forth in one of the following  
4 subparagraphs:

5 1. Persons who have gross incomes of not more than  
6 \$7,200 per year and who are 62 years of age or older.

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

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

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

19

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

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

1           (5) Nonprofit housing projects that ~~which~~ are financed  
2 by a mortgage loan made or insured by the United States  
3 Department of Housing and Urban Development under s. 202, s.  
4 202 with a s. 8 subsidy, s. 221(d)(3) or (4), or s. 236 of the  
5 National Housing Act, as amended, and that ~~which~~ are subject  
6 to the income limitations established by that department are  
7 ~~shall be~~ exempt 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 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 corporation ~~home~~ applying for an exemption  
15 under paragraph (a) of this subsection or paragraph (4)(a)  
16 must file with the annual application for exemption an  
17 affidavit from each person who occupies a unit or apartment  
18 for which an exemption under either of those paragraphs ~~that~~  
19 ~~paragraph~~ is claimed stating that the person resides therein  
20 and in good faith makes that unit or apartment his or her  
21 permanent 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 tax year 2001 and thereafter.

14  
15 \*\*\*\*\*

16 SENATE SUMMARY

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