

1                                   A bill to be entitled  
 2           An act relating to ad valorem taxation of property used to  
 3           provide affordable housing; creating s. 193.018, F.S.;  
 4           defining the term "community land trust"; providing  
 5           criteria by which the property appraiser must assess the  
 6           just value of improvements on certain lands that a  
 7           community land trust uses to provide affordable housing;  
 8           amending s. 196.1978, F.S.; providing for the exemption  
 9           from property tax for affordable housing to apply to  
 10          certain lands used by a community land trust for  
 11          affordable housing if the lands are subject to a long-term  
 12          lease; providing an effective date.

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

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16           Section 1. Section 193.018, Florida Statutes, is created  
 17 to read:

18           193.018 Assessment of improvements on lands used by a  
 19 community land trust to provide affordable housing.--As used in  
 20 this section, the term "community land trust" means a nonprofit  
 21 entity that is qualified as charitable under s. 501(c)(3) of the  
 22 Internal Revenue Code and has as one of its purposes the  
 23 acquisition of land to be held in perpetuity for the primary  
 24 purpose of providing affordable homeownership through the  
 25 conveyance of structural improvements located on such land,  
 26 subject to a ground lease having a term of 99 years, while  
 27 retaining a preemptive option to purchase any structural  
 28 improvements on the land at a price determined by a formula that

29 is designed to ensure that the improvements remain affordable to  
 30 persons who meet the income limits in s. 420.0004(8), (10),  
 31 (11), or (15). In assessing property for ad valorem taxation  
 32 under s. 193.011, an improvement used for affordable housing on  
 33 land owned by a community land trust and subject to such a  
 34 ground lease shall be assessed under the following criteria:

35 (1) The amount a willing purchaser would pay a willing  
 36 seller shall be limited to the amount determined by the formula  
 37 in the ground lease.

38 (2) If the ground lease and all amendments and supplements  
 39 thereto, or a memorandum documenting how such lease and  
 40 amendments or supplements restrict the price at which the  
 41 improvements may be sold, is recorded and filed in the official  
 42 public records of the county in which the leased land is  
 43 located, the lease and any amendments or supplements shall be  
 44 deemed a land use regulation during the term of the lease as  
 45 amended or supplemented.

46 Section 2. Section 196.1978, Florida Statutes, is amended  
 47 to read:

48 196.1978 Affordable housing property exemption.--Property  
 49 used to provide affordable housing serving eligible persons as  
 50 defined by s. 159.603(7) and persons meeting income limits  
 51 specified in s. 420.0004(8), (10), (11), or ~~and~~ (15), which  
 52 property is owned entirely by a nonprofit entity that ~~which~~ is  
 53 qualified as charitable under s. 501(c)(3) of the Internal  
 54 Revenue Code and that ~~which~~ complies with Rev. Proc. 96-32,  
 55 1996-1 C.B. 717, shall be considered property owned by an exempt  
 56 entity and used for a charitable purpose, and those portions of

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57 the affordable housing property which provide housing to  
58 individuals with incomes as defined in s. 420.0004(10) or ~~and~~  
59 (15) shall be exempt from ad valorem taxation to the extent  
60 authorized in s. 196.196. All property identified in this  
61 section shall comply with the criteria for determination of  
62 exempt status to be applied by property appraisers on an annual  
63 basis as defined in s. 196.195. The Legislature intends that any  
64 property owned by a limited liability company which is  
65 disregarded as an entity for federal income tax purposes  
66 pursuant to Treasury Regulation 301.7701-3(b)(1)(ii) shall be  
67 treated as owned by its sole member. The exemption provided in  
68 this section extends to land that is owned by a community land  
69 trust, as defined under s. 193.018, which is held in perpetuity  
70 for the purpose of providing affordable housing to persons  
71 meeting income limits specified in s. 420.0004(8), (10), (11),  
72 or (15) and subject to a ground lease having a term of 99 years  
73 for the purpose of providing such housing.

74 Section 3. This act shall take effect July 1, 2007.