

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"; authorizing a
 5 community land trust to make certain conveyances;
 6 specifying that a community land trust retains certain
 7 preemptive purchase options; providing criteria by which
 8 the property appraiser must assess the just value of
 9 improvements on certain lands that a community land trust
 10 uses to provide affordable housing; amending s. 196.1978,
 11 F.S.; providing for the exemption from property tax for
 12 affordable housing to apply to certain lands used by a
 13 community land trust for affordable housing if the lands
 14 are subject to a long-term lease; providing an effective
 15 date.

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

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 19 Section 1. Section 193.018, Florida Statutes, is created
 20 to read:

21 193.018 Assessment of improvements on lands used by a
 22 community land trust to provide affordable housing.--As used in
 23 this section, the term "community land trust" means a nonprofit
 24 entity that is qualified as charitable under s. 501(c)(3) of the
 25 Internal Revenue Code and has as one of its purposes the
 26 acquisition of land to be held in perpetuity for the primary
 27 purpose of providing affordable homeownership. The community
 28 land trust may convey structural improvements located on

29 specific parcels of such land, which are identified by a legal
 30 description contained in and subject to a ground lease having a
 31 term of 99 years. The community land trust shall retain a
 32 preemptive option to purchase any structural improvements on the
 33 land at a price determined by a formula that is designed to
 34 ensure that the improvements remain affordable to persons who
 35 meet the income limits in s. 420.0004(8), (10), (11), or (15).
 36 In assessing property for ad valorem taxation under s. 193.011,
 37 an improvement used for affordable housing on land owned by a
 38 community land trust and subject to such a ground lease shall be
 39 assessed under the following criteria:

40 (1) The amount a willing purchaser would pay a willing
 41 seller shall be limited to the amount determined by the formula
 42 in the ground lease.

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

51 Section 2. Section 196.1978, Florida Statutes, is amended
 52 to read:

53 196.1978 Affordable housing property exemption.--Property
 54 used to provide affordable housing serving eligible persons as
 55 defined by s. 159.603(7) and persons meeting income limits
 56 specified in s. 420.0004(8), (10), (11), or ~~and~~ (15), which

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57 | property is owned entirely by a nonprofit entity that ~~which~~ is
58 | qualified as charitable under s. 501(c)(3) of the Internal
59 | Revenue Code and that ~~which~~ complies with Rev. Proc. 96-32,
60 | 1996-1 C.B. 717, shall be considered property owned by an exempt
61 | entity and used for a charitable purpose, and those portions of
62 | the affordable housing property which provide housing to
63 | individuals with incomes as defined in s. 420.0004(10) or ~~and~~
64 | (15) shall be exempt from ad valorem taxation to the extent
65 | authorized in s. 196.196. All property identified in this
66 | section shall comply with the criteria for determination of
67 | exempt status to be applied by property appraisers on an annual
68 | basis as defined in s. 196.195. The Legislature intends that any
69 | property owned by a limited liability company which is
70 | disregarded as an entity for federal income tax purposes
71 | pursuant to Treasury Regulation 301.7701-3(b)(1)(ii) shall be
72 | treated as owned by its sole member. The exemption provided in
73 | this section extends to land that is owned by a community land
74 | trust, as defined under s. 193.018, which is held in perpetuity
75 | for the purpose of providing affordable housing to persons
76 | meeting income limits specified in s. 420.0004(8), (10), (11),
77 | or (15) and subject to a ground lease having a term of 99 years
78 | for the purpose of providing such housing.

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