

By Senator Bennett

21-917A-07

1 A bill to be entitled

2 An act relating to ad valorem taxation of

3 property used to provide affordable housing;

4 creating s. 193.018, F.S.; defining the term

5 "community land trust"; providing criteria by

6 which the property appraiser must assess the

7 just value of improvements on certain lands

8 that a community land trust uses to provide

9 affordable housing; amending s. 196.1978, F.S.;

10 providing for the exemption from property tax

11 for affordable housing to apply to certain

12 lands used by a community land trust for

13 affordable housing if the lands are subject to

14 a long-term lease; providing an effective date.

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

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18 Section 1. Section 193.018, Florida Statutes, is

19 created to read:

20 193.018 Assessment of improvements on lands used by a

21 community land trust to provide affordable housing.--As used

22 in this section, the term "community land trust" means a

23 nonprofit entity that is qualified as charitable under s.

24 501(c)(3) of the Internal Revenue Code and has as one of its

25 purposes the acquisition of land to be held in perpetuity for

26 the primary purpose of providing affordable homeownership

27 through the conveyance of structural improvements located on

28 such land, subject to a ground lease having a term of 99

29 years, while retaining a preemptive option to purchase any

30 structural improvements on the land at a price determined by a

31 formula that is designed to ensure that the improvements

1 remain affordable to persons who meet the income limits in s.
2 420.0004(8), (10), (11), or (15). In assessing property for ad
3 valorem taxation under s. 193.011, an improvement used for
4 affordable housing on land owned by a community land trust and
5 subject to such a ground lease shall be assessed under the
6 following criteria:

7 (1) The amount a willing purchaser would pay a willing
8 seller shall be limited to the restricted price at which the
9 improvement may be sold.

10 (2) If the ground lease and all amendments and
11 supplements thereto, or a memorandum documenting how such
12 lease and amendments or supplements restrict the price at
13 which the improvements may be sold, is recorded and filed in
14 the official public records of the county in which the leased
15 land is located, the lease and any amendments or supplements
16 shall be deemed a land use regulation during the term of the
17 lease as amended or supplemented.

18 Section 2. Section 196.1978, Florida Statutes, is
19 amended to read:

20 196.1978 Affordable housing property
21 exemption.--Property used to provide affordable housing
22 serving eligible persons as defined by s. 159.603(7) and
23 persons meeting income limits specified in s. 420.0004(8),
24 (10), (11), or ~~and~~ (15), which property is owned entirely by a
25 nonprofit entity that ~~which~~ is qualified as charitable under
26 s. 501(c)(3) of the Internal Revenue Code and that ~~which~~
27 complies with Rev. Proc. 96-32, 1996-1 C.B. 717, shall be
28 considered property owned by an exempt entity and used for a
29 charitable purpose, and those portions of the affordable
30 housing property which provide housing to individuals with
31 incomes as defined in s. 420.0004(10) or ~~and~~ (15) shall be

1 exempt from ad valorem taxation to the extent authorized in s.
2 196.196. All property identified in this section shall comply
3 with the criteria for determination of exempt status to be
4 applied by property appraisers on an annual basis as defined
5 in s. 196.195. The Legislature intends that any property owned
6 by a limited liability company which is disregarded as an
7 entity for federal income tax purposes pursuant to Treasury
8 Regulation 301.7701-3(b)(1)(ii) shall be treated as owned by
9 its sole member. The exemption provided in this section
10 extends to land that is owned by a community land trust, as
11 defined under s. 193.018, which provides affordable housing to
12 persons meeting income limits specified in s. 420.0004(8),
13 (10), or (15), is held in perpetuity for that purpose, and is
14 subject to a ground lease having a term of 99 years for the
15 purpose of providing such housing.

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

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19 SENATE SUMMARY

20 Revises provisions concerning ad valorem taxation of
21 property that is used to provide affordable housing.
22 Defines the term "community land trust." Provides
23 criteria governing assessment of the value of
24 improvements on certain lands that a community land trust
25 uses to provide affordable housing. Requires that the
26 exemption from property tax for affordable housing extend
27 to certain lands that are used by a community land trust
28 to provide affordable housing and that are subject to a
29 long-term lease.
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