

By Senator Bennett

21-03161-08

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1 A bill to be entitled

2 An act relating to affordable housing property tax
3 exemptions; amending s. 196.196, F.S.; providing
4 additional criteria for determining whether certain
5 affordable housing property owned by certain exempt
6 organizations is entitled to an exemption; providing a
7 definition; amending s. 196.1978, F.S.; specifying
8 criteria and requirements for revoking the affordable
9 housing property exemption; subjecting organizations
10 owning certain property to ad valorem taxation under
11 certain circumstances; providing for tax liens; providing
12 for penalties and interest; providing an exception;
13 providing notice requirements; providing an effective
14 date.

15
16 Be It Enacted by the Legislature of the State of Florida:

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18 Section 1. Subsection (5) is added to section 196.196,
19 Florida Statutes, to read:

20 196.196 Determining whether property is entitled to
21 charitable, religious, scientific, or literary exemption.--

22 (5) Property owned by an exempt organization qualified as
23 charitable under s. 501(c)(3) of the Internal Revenue Code is
24 used for a charitable purpose if the organization has taken
25 affirmative steps to prepare the property to provide affordable
26 housing to persons or families who meet the extremely-low, very-
27 low, low, or moderate income limits, as specified in s. 420.0004.
28 The term "affirmative steps" means environmental or land use
29 permitting activities, creation of architectural plans or

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30 schematic drawings, land clearing or site preparation,
31 construction or renovation activities, or other similar
32 activities that demonstrate a commitment of the property to
33 providing affordable housing.

34 Section 2. Section 196.1978, Florida Statutes, is amended
35 to read:

36 196.1978 Affordable housing property exemption.--

37 (1) Property used to provide affordable housing serving
38 eligible persons as defined by s. 159.603(7) and persons meeting
39 income limits specified in s. 420.0004(8), (10), (11), and (15),
40 which property is owned entirely by a nonprofit entity which is
41 qualified as charitable under s. 501(c)(3) of the Internal
42 Revenue Code and which complies with Rev. Proc. 96-32, 1996-1
43 C.B. 717, shall be considered property owned by an exempt entity
44 and used for a charitable purpose, and those portions of the
45 affordable housing property which provide housing to individuals
46 with incomes as defined in s. 420.0004(10) and (15) shall be
47 exempt from ad valorem taxation to the extent authorized in s.
48 196.196. All property identified in this section shall comply
49 with the criteria for determination of exempt status to be
50 applied by property appraisers on an annual basis as defined in
51 s. 196.195. The Legislature intends that any property owned by a
52 limited liability company which is disregarded as an entity for
53 federal income tax purposes pursuant to Treasury Regulation
54 301.7701-3(b)(1)(ii) shall be treated as owned by its sole
55 member.

56 (2) If property owned by an organization granted an
57 exemption under s. 196.196(5) is transferred for a purpose other
58 than directly providing affordable homeownership or rental

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59 housing to persons or families who meet the extremely-low, very-
60 low, low, or moderate income limits, as specified in s. 420.0004,
61 or is not in actual use to provide such affordable housing within
62 5 years after the date the organization is granted the exemption,
63 the property appraiser making such determination shall serve upon
64 the organization that illegally or improperly received the
65 exemption a notice of intent to record in the public records of
66 the county a notice of tax lien against any property owned by
67 that organization in the county, and such property shall be
68 identified in the notice of tax lien. The organization owning
69 such property is subject to the taxes otherwise due and owing as
70 a result of the failure to use the property to provide affordable
71 housing plus 15 percent interest per annum and a penalty of 50
72 percent of the taxes owed. Such lien, when filed, attaches to any
73 property identified in the notice of tax lien owned by the
74 organization that illegally or improperly received the exemption.
75 If such organization no longer owns property in the county but
76 owns property in any other county in the state, the property
77 appraiser shall record in each such other county a notice of tax
78 lien identifying the property owned by such organization in such
79 county which shall become a lien against the identified property.
80 If an exemption is improperly granted as a result of a clerical
81 mistake or an omission by the property appraiser, the
82 organization improperly receiving the exemption shall not be
83 assessed penalty and interest. Before any such lien may be filed,
84 the organization so notified must be given 30 days to pay the
85 taxes, penalties, and interest. The 5-year limitation specified
86 in this subsection may be extended provided the holder of the

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87 | exemption continues to take affirmative steps to develop the
88 | property for the purposes specified in this subsection.

89 | Section 3. This act shall take effect upon becoming a law.