

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.

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 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.
 28 420.0004. The term "affirmative steps" means environmental or

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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

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84 interest. Before any such lien may be filed, the organization so
85 notified must be given 30 days to pay the taxes, penalties, and
86 interest. The 5-year limitation specified in this subsection may
87 be extended provided the holder of the exemption continues to
88 take affirmative steps to develop the property for the purposes
89 specified in this subsection.

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