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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/09/2014	.	
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Appropriations Subcommittee on Finance and Tax (Altman)
recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 196.1955, Florida Statutes, is created
to read:

196.1955 Preparing property for educational, literary,
scientific, religious, or charitable use.—

(1) Property owned by an exempt organization is used for an
exempt purpose if the owner has taken affirmative steps to



11 prepare the property for an exempt educational, literary,
12 scientific, religious, or charitable use and no portion of the
13 property is being used for a nonexempt purpose. The term
14 "affirmative steps" means environmental or land use permitting
15 activities, creation of architectural plans or schematic
16 drawings, land clearing or site preparation, construction or
17 renovation activities, or other similar activities that
18 demonstrate a commitment to prepare the property for an exempt
19 use.

20 (2) If property owned by an organization granted an
21 exemption under this section is transferred for a purpose other
22 than an exempt use or is not in actual exempt use within 5 years
23 after the date the organization is granted an exemption, the
24 property appraiser making such determination shall serve upon
25 the organization that received the exemption a notice of intent
26 to record in the public records of the county a notice of tax
27 lien against any property owned by that organization in the
28 county, and such property must be identified in the notice of
29 tax lien. The organization owning such property is subject to
30 the taxes otherwise due and owing as a result of the failure to
31 use the property in an exempt manner plus 15 percent interest
32 per annum.

33 (a) The lien, when filed, attaches to any property
34 identified in the notice of tax lien owned by the organization
35 that received the exemption. If the organization no longer owns
36 property in the county but owns property in any other county in
37 the state, the property appraiser shall record in each such
38 county a notice of tax lien identifying the property owned by
39 the organization in each respective county, which shall become a



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40 lien against the identified property.

41 (b) Before such lien may be filed, the organization so
42 notified must be given 30 days to pay the taxes and interest.

43 (c) If an exemption is improperly granted as a result of a
44 clerical mistake or an omission by the property appraiser, the
45 organization improperly receiving the exemption may not be
46 assessed interest.

47 (d) The 5-year limitation specified in this subsection may
48 be extended if the holder of the exemption continues to take
49 affirmative steps to develop the property for the purposes
50 specified in this subsection.

51 Section 2. Subsections (3), (4), and (5) of section
52 196.196, Florida Statutes, are amended to read:

53 196.196 Determining whether property is entitled to
54 charitable, religious, scientific, or literary exemption.—

55 ~~(3) Property owned by an exempt organization is used for a~~
56 ~~religious purpose if the institution has taken affirmative steps~~
57 ~~to prepare the property for use as a house of public worship.~~
58 ~~The term "affirmative steps" means environmental or land use~~
59 ~~permitting activities, creation of architectural plans or~~
60 ~~schematic drawings, land clearing or site preparation,~~
61 ~~construction or renovation activities, or other similar~~
62 ~~activities that demonstrate a commitment of the property to a~~
63 ~~religious use as a house of public worship. For purposes of this~~
64 ~~subsection, the term "public worship" means religious worship~~
65 ~~services and those other activities that are incidental to~~
66 ~~religious worship services, such as educational activities,~~
67 ~~parking, recreation, partaking of meals, and fellowship.~~

68 (3)(4) Except as otherwise provided in this section herein,



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69 property claimed as exempt for literary, scientific, religious,
70 or charitable purposes which is used for profitmaking purposes
71 is ~~shall be~~ subject to ad valorem taxation. Use of property for
72 functions not requiring a business or occupational license
73 conducted by the organization at its primary residence, the
74 revenue of which is used wholly for exempt purposes, is ~~shall~~
75 not ~~be~~ considered profitmaking ~~profit making~~. In this connection
76 the playing of bingo on such property is ~~shall~~ not ~~be~~ considered
77 as using such property in such a manner as would impair its
78 exempt status.

79 ~~(5)(a) Property owned by an exempt organization qualified~~
80 ~~as charitable under s. 501(c)(3) of the Internal Revenue Code is~~
81 ~~used for a charitable purpose if the organization has taken~~
82 ~~affirmative steps to prepare the property to provide affordable~~
83 ~~housing to persons or families that meet the extremely-low-~~
84 ~~income, very-low-income, low-income, or moderate-income limits,~~
85 ~~as specified in s. 420.0004. The term "affirmative steps" means~~
86 ~~environmental or land use permitting activities, creation of~~
87 ~~architectural plans or schematic drawings, land clearing or site~~
88 ~~preparation, construction or renovation activities, or other~~
89 ~~similar activities that demonstrate a commitment of the property~~
90 ~~to providing affordable housing.~~

91 ~~(b)1. If property owned by an organization granted an~~
92 ~~exemption under this subsection is transferred for a purpose~~
93 ~~other than directly providing affordable homeownership or rental~~
94 ~~housing to persons or families who meet the extremely-low-~~
95 ~~income, very-low-income, low-income, or moderate-income limits,~~
96 ~~as specified in s. 420.0004, or is not in actual use to provide~~
97 ~~such affordable housing within 5 years after the date the~~



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98 ~~organization is granted the exemption, the property appraiser~~
99 ~~making such determination shall serve upon the organization that~~
100 ~~illegally or improperly received the exemption a notice of~~
101 ~~intent to record in the public records of the county a notice of~~
102 ~~tax lien against any property owned by that organization in the~~
103 ~~county, and such property shall be identified in the notice of~~
104 ~~tax lien. The organization owning such property is subject to~~
105 ~~the taxes otherwise due and owing as a result of the failure to~~
106 ~~use the property to provide affordable housing plus 15 percent~~
107 ~~interest per annum and a penalty of 50 percent of the taxes~~
108 ~~owed.~~

109 ~~2. Such lien, when filed, attaches to any property~~
110 ~~identified in the notice of tax lien owned by the organization~~
111 ~~that illegally or improperly received the exemption. If such~~
112 ~~organization no longer owns property in the county but owns~~
113 ~~property in any other county in the state, the property~~
114 ~~appraiser shall record in each such other county a notice of tax~~
115 ~~lien identifying the property owned by such organization in such~~
116 ~~county which shall become a lien against the identified~~
117 ~~property. Before any such lien may be filed, the organization so~~
118 ~~notified must be given 30 days to pay the taxes, penalties, and~~
119 ~~interest.~~

120 ~~3. If an exemption is improperly granted as a result of a~~
121 ~~clerical mistake or an omission by the property appraiser, the~~
122 ~~organization improperly receiving the exemption shall not be~~
123 ~~assessed a penalty or interest.~~

124 ~~4. The 5-year limitation specified in this subsection may~~
125 ~~be extended if the holder of the exemption continues to take~~
126 ~~affirmative steps to develop the property for the purposes~~



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127 ~~specified in this subsection.~~

128 Section 3. Section 196.198, Florida Statutes, is amended to
129 read:

130 196.198 Educational property exemption.—

131 (1) Educational institutions within this state and their
132 property used by them or by any other exempt entity or
133 educational institution exclusively for educational purposes are
134 exempt from taxation.

135 (a) Sheltered workshops providing rehabilitation and
136 retraining of individuals who have disabilities and exempted by
137 a certificate under s. (d) of the federal Fair Labor Standards
138 Act of 1938, as amended, are declared wholly educational in
139 purpose and are exempt from certification, accreditation, and
140 membership requirements set forth in s. 196.012.

141 (b) Those portions of property of college fraternities and
142 sororities certified by the president of the college or
143 university to the appropriate property appraiser as being
144 essential to the educational process are exempt from ad valorem
145 taxation.

146 (c) The use of property by public fairs and expositions
147 chartered by chapter 616 is presumed to be an educational use of
148 such property and is exempt from ad valorem taxation to the
149 extent of such use.

150 (2) Property used exclusively for educational purposes
151 shall be deemed owned by an educational institution if the
152 entity owning 100 percent of the educational institution is
153 owned by the identical persons who own the property, or if the
154 entity owning 100 percent of the educational institution and the
155 entity owning the property are owned by the identical natural



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156 persons.

157 (a) Land, buildings, and other improvements to real
158 property used exclusively for educational purposes shall be
159 deemed owned by an educational institution if the entity owning
160 100 percent of the land is a nonprofit entity and the land is
161 used, under a ground lease or other contractual arrangement, by
162 an educational institution that owns the buildings and other
163 improvements to the real property, is a nonprofit entity under
164 s. 501(c)(3) of the Internal Revenue Code, and provides
165 education limited to students in prekindergarten through grade
166 8.

167 (b) If legal title to property is held by a governmental
168 agency that leases the property to a lessee, the property shall
169 be deemed to be owned by the governmental agency and used
170 exclusively for educational purposes if the governmental agency
171 continues to use such property exclusively for educational
172 purposes pursuant to a sublease or other contractual agreement
173 with that lessee.

174 (c) If the title to land is held by the trustee of an
175 irrevocable inter vivos trust and if the trust grantor owns 100
176 percent of the entity that owns an educational institution that
177 is using the land exclusively for educational purposes, the land
178 is deemed to be property owned by the educational institution
179 for purposes of this exemption. ~~Property owned by an educational~~
180 ~~institution shall be deemed to be used for an educational~~
181 ~~purpose if the institution has taken affirmative steps to~~
182 ~~prepare the property for educational use. The term "affirmative~~
183 ~~steps" means environmental or land use permitting activities,~~
184 ~~creation of architectural plans or schematic drawings, land~~



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185 ~~clearing or site preparation, construction or renovation~~
186 ~~activities, or other similar activities that demonstrate~~
187 ~~commitment of the property to an educational use.~~

188 Section 4. This act shall take effect July 1, 2014.

189

190 ===== T I T L E A M E N D M E N T =====

191 And the title is amended as follows:

192 Delete everything before the enacting clause
193 and insert:

194 A bill to be entitled
195 An act relating to property prepared for a tax-exempt
196 use; creating s. 196.1955, F.S.; consolidating
197 provisions relating to obtaining an ad valorem
198 exemption for property owned by an exempt
199 organization, including the requirement that the owner
200 of an exempt organization take affirmative steps to
201 demonstrate an exempt use; authorizing the property
202 appraiser to serve a notice of tax lien on exempt
203 property that is not in actual exempt use after a
204 certain time; providing that the lien attaches to any
205 property owned by the organization identified in the
206 notice of lien; amending s. 196.196, F.S.; deleting
207 provisions relating to the exemption as it applies to
208 public worship and affordable housing and provisions
209 that have been moved to s. 196.1955, F.S.; amending s.
210 196.198, F.S.; deleting provisions relating to
211 property owned by an educational institution and used
212 for an educational purpose that is included in s.
213 196.1955, F.S.; providing an effective date.