

1 A bill to be entitled  
2 An act relating to property prepared for tax-exempt  
3 use; creating s. 196.1955, F.S.; consolidating  
4 provisions relating to obtaining an ad valorem  
5 exemption for property owned by exempt organizations;  
6 requiring the owner of an exempt organization to take  
7 affirmative steps to demonstrate the property's exempt  
8 use; authorizing the property appraiser to serve a  
9 notice of tax lien on exempt property that is not in  
10 actual exempt use after a specified time; providing  
11 that the lien attaches to any property owned by the  
12 organization identified in the notice of lien;  
13 prohibiting a property appraiser from serving a notice  
14 of tax lien on certain property being prepared for use  
15 as a house of public worship; defining the terms  
16 "charitable use," "affirmative steps," and "public  
17 worship"; amending s. 196.196, F.S.; deleting  
18 provisions relating to the exemption as it applies to  
19 public worship and affordable housing and provisions  
20 that have been moved to s. 196.1955, F.S.; amending s.  
21 196.198, F.S.; deleting provisions that have been  
22 moved to s. 196.1955, F.S., relating to property owned  
23 by an educational institution and used for an  
24 educational purpose; providing an effective date.

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

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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 entity is used for an exempt purpose if the owner has taken affirmative steps to prepare the property for an exempt educational, literary, scientific, religious, or charitable use and no portion of the property is being used for a nonexempt purpose. The term "charitable use" means, but is not limited to, the providing of affordable housing to extremely-low-income, very-low-income, low-income, or moderate-income persons and families as defined in s. 420.0004. The term "affirmative steps" means environmental or land use permitting activities, creation of architectural plans or schematic drawings, land clearing or site preparation, construction or renovation activities, or other similar activities that demonstrate a commitment to prepare the property for an exempt use.

(2) (a) If property owned by an organization granted an exemption under this section is transferred for a purpose other than an exempt use or is not in actual exempt use within 5 years after the date the organization is granted an exemption, the property appraiser making such determination may serve upon the organization that received the exemption a notice of intent to record in the public records of the county a notice of tax lien

53 against any property owned by that organization in that county,  
54 and such property must be identified in the notice of tax lien.  
55 The organization owning such property is subject to the taxes  
56 otherwise due as a result of the failure to use the property in  
57 an exempt manner plus 15 percent interest per annum.

58 1. The lien, when filed, attaches to any property  
59 identified in the notice of tax lien owned by the organization  
60 that received the exemption. If the organization no longer owns  
61 property in the county but owns property in any other county in  
62 the state, the property appraiser shall record in each such  
63 county a notice of tax lien identifying the property owned by  
64 the organization in each respective county, which shall become a  
65 lien against the identified property.

66 2. Before such lien may be filed, the organization so  
67 notified must be given 30 days to pay the taxes and interest.

68 3. If an exemption is improperly granted as a result of a  
69 clerical mistake or an omission by the property appraiser, the  
70 organization improperly receiving the exemption may not be  
71 assessed interest.

72 4. The 5-year limitation specified in this subsection may  
73 be extended by the property appraiser if the holder of the  
74 exemption continues to take affirmative steps to develop the  
75 property for the purposes specified in this section.

76 (b) This subsection does not apply to property being  
77 prepared for use as a house of public worship. The term "public  
78 worship" means religious worship services and activities that

79 are incidental to religious worship services, such as  
80 educational activities, parking, recreation, partaking of meals,  
81 and fellowship.

82 Section 2. Subsections (3), (4), and (5) of section  
83 196.196, Florida Statutes, are amended to read:

84 196.196 Determining whether property is entitled to  
85 charitable, religious, scientific, or literary exemption.-

86 ~~(3) Property owned by an exempt organization is used for a~~  
87 ~~religious purpose if the institution has taken affirmative steps~~  
88 ~~to prepare the property for use as a house of public worship.~~

89 ~~The term "affirmative steps" means environmental or land use~~  
90 ~~permitting activities, creation of architectural plans or~~  
91 ~~schematic drawings, land clearing or site preparation,~~  
92 ~~construction or renovation activities, or other similar~~  
93 ~~activities that demonstrate a commitment of the property to a~~  
94 ~~religious use as a house of public worship. For purposes of this~~  
95 ~~subsection, the term "public worship" means religious worship~~  
96 ~~services and those other activities that are incidental to~~  
97 ~~religious worship services, such as educational activities,~~  
98 ~~parking, recreation, partaking of meals, and fellowship.~~

99 (3)(4) Except as otherwise provided in this section  
100 herein, property claimed as exempt for literary, scientific,  
101 religious, or charitable purposes which is used for profitmaking  
102 purposes is ~~shall be~~ subject to ad valorem taxation. Use of  
103 property for functions not requiring a business or occupational  
104 license conducted by the organization at its primary residence,

105 the revenue of which is used wholly for exempt purposes, is  
106 ~~shall not be considered~~ profitmaking ~~profit-making~~. In this  
107 connection, the playing of bingo on such property is ~~shall not~~  
108 ~~be considered as using such property in such a manner as would~~  
109 ~~impair its exempt status.~~

110 ~~(5)(a) Property owned by an exempt organization qualified~~  
111 ~~as charitable under s. 501(c)(3) of the Internal Revenue Code is~~  
112 ~~used for a charitable purpose if the organization has taken~~  
113 ~~affirmative steps to prepare the property to provide affordable~~  
114 ~~housing to persons or families that meet the extremely low-~~  
115 ~~income, very-low-income, low-income, or moderate-income limits,~~  
116 ~~as specified in s. 420.0004. The term "affirmative steps" means~~  
117 ~~environmental or land use permitting activities, creation of~~  
118 ~~architectural plans or schematic drawings, land clearing or site~~  
119 ~~preparation, construction or renovation activities, or other~~  
120 ~~similar activities that demonstrate a commitment of the property~~  
121 ~~to providing affordable housing.~~

122 ~~(b)1. If property owned by an organization granted an~~  
123 ~~exemption under this subsection is transferred for a purpose~~  
124 ~~other than directly providing affordable homeownership or rental~~  
125 ~~housing to persons or families who meet the extremely low-~~  
126 ~~income, very-low-income, low-income, or moderate-income limits,~~  
127 ~~as specified in s. 420.0004, or is not in actual use to provide~~  
128 ~~such affordable housing within 5 years after the date the~~  
129 ~~organization is granted the exemption, the property appraiser~~  
130 ~~making such determination shall serve upon the organization that~~

131 ~~illegally or improperly received the exemption a notice of~~  
132 ~~intent to record in the public records of the county a notice of~~  
133 ~~tax lien against any property owned by that organization in the~~  
134 ~~county, and such property shall be identified in the notice of~~  
135 ~~tax lien. The organization owning such property is subject to~~  
136 ~~the taxes otherwise due and owing as a result of the failure to~~  
137 ~~use the property to provide affordable housing plus 15 percent~~  
138 ~~interest per annum and a penalty of 50 percent of the taxes~~  
139 ~~owed.~~

140 ~~2. Such lien, when filed, attaches to any property~~  
141 ~~identified in the notice of tax lien owned by the organization~~  
142 ~~that illegally or improperly received the exemption. If such~~  
143 ~~organization no longer owns property in the county but owns~~  
144 ~~property in any other county in the state, the property~~  
145 ~~appraiser shall record in each such other county a notice of tax~~  
146 ~~lien identifying the property owned by such organization in such~~  
147 ~~county which shall become a lien against the identified~~  
148 ~~property. Before any such lien may be filed, the organization so~~  
149 ~~notified must be given 30 days to pay the taxes, penalties, and~~  
150 ~~interest.~~

151 ~~3. If an exemption is improperly granted as a result of a~~  
152 ~~clerical mistake or an omission by the property appraiser, the~~  
153 ~~organization improperly receiving the exemption shall not be~~  
154 ~~assessed a penalty or interest.~~

155 ~~4. The 5-year limitation specified in this subsection may~~  
156 ~~be extended if the holder of the exemption continues to take~~

157 ~~affirmative steps to develop the property for the purposes~~  
 158 ~~specified in this subsection.~~

159 Section 3. Section 196.198, Florida Statutes, is amended  
 160 to read:

161 196.198 Educational property exemption.—

162 (1) Educational institutions within this state and their  
 163 property used by them or by any other exempt entity or  
 164 educational institution exclusively for educational purposes are  
 165 exempt from taxation.

166 (a) Sheltered workshops providing rehabilitation and  
 167 retraining of individuals who have disabilities and exempted by  
 168 a certificate under s. (d) of the federal Fair Labor Standards  
 169 Act of 1938, as amended, are declared wholly educational in  
 170 purpose and are exempt from certification, accreditation, and  
 171 membership requirements set forth in s. 196.012.

172 (b) Those portions of property of college fraternities and  
 173 sororities certified by the president of the college or  
 174 university to the appropriate property appraiser as being  
 175 essential to the educational process are exempt from ad valorem  
 176 taxation.

177 (c) The use of property by public fairs and expositions  
 178 chartered by chapter 616 is presumed to be an educational use of  
 179 such property and is exempt from ad valorem taxation to the  
 180 extent of such use.

181 (2) Property used exclusively for educational purposes  
 182 shall be deemed owned by an educational institution if the

183 entity owning 100 percent of the educational institution is  
184 owned by the identical persons who own the property, or if the  
185 entity owning 100 percent of the educational institution and the  
186 entity owning the property are owned by the identical natural  
187 persons.

188 (a) Land, buildings, and other improvements to real  
189 property used exclusively for educational purposes shall be  
190 deemed owned by an educational institution if the entity owning  
191 100 percent of the land is a nonprofit entity and the land is  
192 used, under a ground lease or other contractual arrangement, by  
193 an educational institution that owns the buildings and other  
194 improvements to the real property, is a nonprofit entity under  
195 s. 501(c)(3) of the Internal Revenue Code, and provides  
196 education limited to students in prekindergarten through grade  
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198 (b) If legal title to property is held by a governmental  
199 agency that leases the property to a lessee, the property shall  
200 be deemed to be owned by the governmental agency and used  
201 exclusively for educational purposes if the governmental agency  
202 continues to use such property exclusively for educational  
203 purposes pursuant to a sublease or other contractual agreement  
204 with that lessee.

205 (c) If the title to land is held by the trustee of an  
206 irrevocable inter vivos trust and if the trust grantor owns 100  
207 percent of the entity that owns an educational institution that  
208 is using the land exclusively for educational purposes, the land



209 is deemed to be property owned by the educational institution  
210 for purposes of this exemption. ~~Property owned by an educational~~  
211 ~~institution shall be deemed to be used for an educational~~  
212 ~~purpose if the institution has taken affirmative steps to~~  
213 ~~prepare the property for educational use. The term "affirmative~~  
214 ~~steps" means environmental or land use permitting activities,~~  
215 ~~creation of architectural plans or schematic drawings, land~~  
216 ~~clearing or site preparation, construction or renovation~~  
217 ~~activities, or other similar activities that demonstrate~~  
218 ~~commitment of the property to an educational use.~~

219 Section 4. This act shall take effect July 1, 2015.