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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
03/02/2016	.	
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The Committee on Appropriations (Hays) recommended the following:

1 **Senate Amendment to Amendment (941552) (with title**
2 **amendment)**

3
4 Between lines 4 and 5
5 insert:

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

8 196.1955 Preparing property for educational, literary,
9 scientific, religious, or charitable use.-

10 (1) Property owned by an exempt organization is used for an



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

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

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



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40 become a lien against the identified property.

41 2. Before a lien may be filed, the organization must be
42 given 30 days to pay the taxes and interest.

43 3. 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 4. The 5-year limitation specified in this subsection shall
48 be extended by the property appraiser on an annual basis if the
49 organization continues to take affirmative steps to prepare the
50 property for the purposes specified in this section.

51 (b) This subsection does not apply to property being
52 prepared for use as a house of public worship. The term "public
53 worship" means religious worship services and those activities
54 that are incidental to religious worship services, such as
55 educational activities, parking, recreation, partaking of meals,
56 and fellowship.

57 Section 2. Subsections (3), (4), and (5) of section
58 196.196, Florida Statutes, are amended to read:

59 196.196 Determining whether property is entitled to
60 charitable, religious, scientific, or literary exemption.—

61 ~~(3) Property owned by an exempt organization is used for a~~
62 ~~religious purpose if the institution has taken affirmative steps~~
63 ~~to prepare the property for use as a house of public worship.~~
64 ~~The term "affirmative steps" means environmental or land use~~
65 ~~permitting activities, creation of architectural plans or~~
66 ~~schematic drawings, land clearing or site preparation,~~
67 ~~construction or renovation activities, or other similar~~
68 ~~activities that demonstrate a commitment of the property to a~~



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69 ~~religious use as a house of public worship. For purposes of this~~
70 ~~subsection, the term "public worship" means religious worship~~
71 ~~services and those other activities that are incidental to~~
72 ~~religious worship services, such as educational activities,~~
73 ~~parking, recreation, partaking of meals, and fellowship.~~

74 ~~(3)(4) Except as otherwise provided in this section herein,~~
75 ~~property claimed as exempt for literary, scientific, religious,~~
76 ~~or charitable purposes which is used for profitmaking purposes~~
77 ~~is shall be~~ subject to ad valorem taxation. Use of property for
78 functions not requiring a business or occupational license
79 conducted by the organization at its primary residence, the
80 revenue of which is used wholly for exempt purposes, ~~is shall~~
81 ~~not be~~ considered profitmaking ~~profit-making~~. In this connection
82 the playing of bingo on such property ~~is shall~~ not be considered
83 a use of ~~as using such property which~~ in such a manner as would
84 impair its exempt status.

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

97 ~~(b)1. If property owned by an organization granted an~~



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98 ~~exemption under this subsection is transferred for a purpose~~
99 ~~other than directly providing affordable homeownership or rental~~
100 ~~housing to persons or families who meet the extremely low-~~
101 ~~income, very low income, low income, or moderate income limits,~~
102 ~~as specified in s. 420.0004, or is not in actual use to provide~~
103 ~~such affordable housing within 5 years after the date the~~
104 ~~organization is granted the exemption, the property appraiser~~
105 ~~making such determination shall serve upon the organization that~~
106 ~~illegally or improperly received the exemption a notice of~~
107 ~~intent to record in the public records of the county a notice of~~
108 ~~tax lien against any property owned by that organization in the~~
109 ~~county, and such property shall be identified in the notice of~~
110 ~~tax lien. The organization owning such property is subject to~~
111 ~~the taxes otherwise due and owing as a result of the failure to~~
112 ~~use the property to provide affordable housing plus 15 percent~~
113 ~~interest per annum and a penalty of 50 percent of the taxes~~
114 ~~owed.~~

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

126 ~~3. If an exemption is improperly granted as a result of a~~



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127 ~~clerical mistake or an omission by the property appraiser, the~~
128 ~~organization improperly receiving the exemption shall not be~~
129 ~~assessed a penalty or interest.~~

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

134 Section 3. Section 196.198, Florida Statutes, is amended to
135 read:

136 196.198 Educational property exemption.—

137 (1) Educational institutions within this state and their
138 property used by them or by any other exempt entity or
139 educational institution exclusively for educational purposes are
140 exempt from taxation.

141 (a) Sheltered workshops providing rehabilitation and
142 retraining of individuals who have disabilities and exempted by
143 a certificate under s. (d) of the federal Fair Labor Standards
144 Act of 1938, as amended, are declared wholly educational in
145 purpose and are exempt from certification, accreditation, and
146 membership requirements set forth in s. 196.012.

147 (b) Those portions of property of college fraternities and
148 sororities certified by the president of the college or
149 university to the appropriate property appraiser as being
150 essential to the educational process are exempt from ad valorem
151 taxation.

152 (c) The use of property by public fairs and expositions
153 chartered by chapter 616 is presumed to be an educational use of
154 such property and is exempt from ad valorem taxation to the
155 extent of such use.



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156 (2) Property used exclusively for educational purposes
157 shall be deemed owned by an educational institution if the
158 entity owning 100 percent of the educational institution is
159 owned by the identical persons who own the property, or if the
160 entity owning 100 percent of the educational institution and the
161 entity owning the property are owned by the identical natural
162 persons.

163 (a) Land, buildings, and other improvements to real
164 property used exclusively for educational purposes shall be
165 deemed owned by an educational institution if the entity owning
166 100 percent of the land is a nonprofit entity and the land is
167 used, under a ground lease or other contractual arrangement, by
168 an educational institution that owns the buildings and other
169 improvements to the real property, is a nonprofit entity under
170 s. 501(c) (3) of the Internal Revenue Code, and provides
171 education limited to students in prekindergarten through grade
172 8.

173 (b) If legal title to property is held by a governmental
174 agency that leases the property to a lessee, the property shall
175 be deemed to be owned by the governmental agency and used
176 exclusively for educational purposes if the governmental agency
177 continues to use such property exclusively for educational
178 purposes pursuant to a sublease or other contractual agreement
179 with that lessee.

180 (c) If the title to land is held by the trustee of an
181 irrevocable inter vivos trust and if the trust grantor owns 100
182 percent of the entity that owns an educational institution that
183 is using the land exclusively for educational purposes, the land
184 is deemed to be property owned by the educational institution



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185 ~~for purposes of this exemption. Property owned by an educational~~
186 ~~institution shall be deemed to be used for an educational~~
187 ~~purpose if the institution has taken affirmative steps to~~
188 ~~prepare the property for educational use. The term "affirmative~~
189 ~~steps" means environmental or land use permitting activities,~~
190 ~~creation of architectural plans or schematic drawings, land~~
191 ~~clearing or site preparation, construction or renovation~~
192 ~~activities, or other similar activities that demonstrate~~
193 ~~commitment of the property to an educational use.~~

194
195 ===== T I T L E A M E N D M E N T =====

196 And the title is amended as follows:

197 Delete line 371

198 and insert:

199 An act relating to taxation; creating s. 196.1955,
200 F.S.; consolidating and revising provisions relating
201 to obtaining an ad valorem exemption for property
202 owned by an exempt organization, including the
203 requirement that the owner of an exempt organization
204 take affirmative steps to demonstrate an exempt use;
205 defining the term "affirmative steps"; requiring the
206 property appraiser to serve a notice of tax lien on
207 exempt property that is not in exempt use after a
208 certain time; providing that the lien attaches to any
209 property owned by the organization identified in the
210 notice of lien; providing that the provisions
211 authorizing the tax lien do not apply to a house of
212 public worship; defining the term "public worship";
213 amending s. 196.196, F.S.; deleting provisions



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214 relating to the exemption as it applies to public
215 worship and affordable housing and provisions
216 incorporated into s. 196.1955, F.S.; amending s.
217 196.198, F.S.; deleting provisions relating to
218 property owned by an educational institution and used
219 for an educational purpose which are incorporated in
220 s. 196.1955, F.S.; amending s. 212.08, F.S.;