



356214

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/25/2016	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Simpson) 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



356214

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 activities that demonstrate a
18 commitment to prepare the property for an exempt use.

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

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



356214

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

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

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

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

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

58 196.196 Determining whether property is entitled to
59 charitable, religious, scientific, or literary exemption.—

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



356214

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

73 ~~(3)(4) Except as otherwise provided in this section herein,~~
74 ~~property claimed as exempt for literary, scientific, religious,~~
75 ~~or charitable purposes which is used for profitmaking purposes~~
76 ~~is shall be~~ subject to ad valorem taxation. Use of property for
77 functions not requiring a business or occupational license
78 conducted by the organization at its primary residence, the
79 revenue of which is used wholly for exempt purposes, ~~is shall~~
80 ~~not be~~ considered profitmaking ~~profit-making~~. In this connection
81 the playing of bingo on such property ~~is shall~~ not be considered
82 a use of as using such property that in such a manner as would
83 impair its exempt status.

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

96 ~~(b)1. If property owned by an organization granted an~~
97 ~~exemption under this subsection is transferred for a purpose~~



356214

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

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

125 ~~3. If an exemption is improperly granted as a result of a~~
126 ~~clerical mistake or an omission by the property appraiser, the~~



356214

127 ~~organization improperly receiving the exemption shall not be~~
128 ~~assessed a penalty or interest.~~

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

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

135 196.198 Educational property exemption.—

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

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

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

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

155 (2) Property used exclusively for educational purposes



356214

156 shall be deemed owned by an educational institution if the
157 entity owning 100 percent of the educational institution is
158 owned by the identical persons who own the property, or if the
159 entity owning 100 percent of the educational institution and the
160 entity owning the property are owned by the identical natural
161 persons.

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

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

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



356214

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

193 Section 4. This act shall take effect July 1, 2016.

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 everything before the enacting clause
198 and insert:

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



356214

214 196.196, F.S.; deleting provisions relating to the
215 exemption as it applies to public worship and
216 affordable housing and provisions incorporated into s.
217 196.1955, F.S.; amending s. 196.198, F.S.; deleting
218 provisions relating to property owned by an
219 educational institution and used for an educational
220 purpose which are incorporated in s. 196.1955, F.S.;
221 providing an effective date.