

1                                   A bill to be entitled  
 2           An act relating to affordable housing tax reductions;  
 3           amending s. 196.1978, F.S.; defining terms; providing  
 4           legislative findings; providing a tax reduction to  
 5           certain entities that provide affordable housing to  
 6           identified groups; providing criteria for receiving  
 7           such reduction; providing a formula for determining  
 8           the amount of the reduction; requiring the taxpayer to  
 9           submit a covenant for recording that provides  
 10          specified information; requiring each taxpayer who  
 11          receives a tax reduction to file an annual report;  
 12          providing specifications for such report; providing  
 13          penalties for falsification of reports; requiring  
 14          specified counties to post certain maps on their  
 15          websites; requiring the Florida Housing Finance  
 16          Corporation to adopt specified rules; requiring the  
 17          taxpayer to pay back taxes, penalties, and interest  
 18          under specified circumstances; providing exceptions;  
 19          providing an effective date.

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

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 23           Section 1. Subsection (3) is added to section 196.1978,  
 24   Florida Statutes, to read:  
 25           196.1978 Affordable housing property exemption; affordable

26 | housing property reductions.-

27 | (3)(a) As used in this subsection:

28 | 1. "Affordable housing project" means a rental housing  
29 | project built after July 1, 2019, that receives a 4-percent low-  
30 | income housing tax credit from the corporation pursuant to s.  
31 | 420.5099, that receives bonds for qualifying housing  
32 | developments from a housing finance authority, and in which:

33 | a. At least 20 percent of the rental units are offered at  
34 | rents affordable to natural persons or households whose annual  
35 | adjusted gross incomes, do not exceed 50 percent of the area  
36 | median income.

37 | b. At least 20 percent of the rental units are offered at  
38 | rents affordable to natural persons or households whose annual  
39 | adjusted gross household incomes, do not exceed 80 percent of  
40 | the area median income.

41 | c. The remaining rental units are offered at rents  
42 | affordable to natural persons or households whose adjusted gross  
43 | incomes do not exceed 120 percent of the area median income.

44 | 2. "Base Tax" means the operating taxes remitted to  
45 | project taxing authority in the tax year immediately preceding  
46 | the reduction term.

47 | 3. "Corporation" means the Florida Housing Finance  
48 | Corporation.

49 | 4. "Elderly housing project" means a rental housing  
50 | project constructed after July 1, 2019, that receives a 4- or 9-

51 percent low-income housing tax credit from the corporation  
52 pursuant to s. 420.5099 and meets the following criteria:

53 a. Reserves occupancy of the rental units exclusively for  
54 natural persons at least 62 years.

55 b. Offers all rental units at rates that are affordable to  
56 natural persons or households whose annual adjusted gross income  
57 are below 120 percent of the area median income.

58 c. Implements the standards and processes to reduce  
59 barriers to rental housing entry adopted by rule of the  
60 corporation.

61 5. "Household " has the same meaning as in s. 196.075(1).

62 6. "Mass transit station" means a station serviced by a  
63 public or private fixed guideway rapid transit system, passenger  
64 rail service, light rail transportation system, or bus rapid  
65 transit system.

66 7. "Operating taxes" means the nonvoted millage portion of  
67 the county millage and the municipal millage as identified in s.  
68 200.001(1)(a) and (2)(a), respectively.

69 8. "Project taxing authority" means a county or  
70 municipality, as those terms are defined in s. 200.001(8)(a) and  
71 (b), respectively, that is authorized to levy operating taxes  
72 against real property in the jurisdiction in which a qualifying  
73 project is located.

74 9. "Qualifying project" means an affordable housing  
75 project, elderly housing project, or workforce housing project

76 that:

77 a. Is located in a county that has a population of 825,000  
 78 or more.

79 b. Is located within one-half mile of a mass transit  
 80 station or within one-quarter mile of a transit corridor.

81 c. Has not received an affordable housing property  
 82 exemption pursuant to s. 196.1978(2).

83 d. Has not received funds from the corporation pursuant to  
 84 s. 420.5087.

85 10. "Reduction term" means the 25-year tax reduction  
 86 period beginning the year in which the qualifying project is  
 87 first assessed under s. 192.042(1) and certified by the county  
 88 property appraiser as eligible to receive a tax reduction in  
 89 operating taxes.

90 11. "Taxpayer" has the same meaning as in s. 192.001(13).

91 12. "Transit corridor" means an area located within one-  
 92 half mile of any road over which a public bus system provides  
 93 service every 30 minutes, on average, between the hours of 8  
 94 a.m. and 6 p.m daily.

95 13. "Workforce housing project" means a rental housing  
 96 project for natural persons and households in which:

97 a. At least 10 percent of the rental units are offered at  
 98 rents affordable to natural persons or households whose annual  
 99 adjusted gross incomes exceed 60 percent but are not more than  
 100 80 percent of the area median income.

101 b. At least 20 percent of the rental units are offered at  
102 rents affordable to natural persons or households whose annual  
103 adjusted gross household incomes exceed 80 percent but are not  
104 more than 100 percent of the area median income.

105 c. The remaining rental units are offered at rates equal  
106 to the prevailing market rates in the natural person's or  
107 household's market area.

108 (b) The Legislature finds that property used to provide  
109 affordable, elderly, and workforce housing to natural persons  
110 and households that meet the low-income or moderate-income  
111 limits is a charitable purpose. Therefore, notwithstanding s.  
112 196.195(4), a taxpayer who builds a qualifying project after  
113 July 1, 2019, may receive a tax reduction in operating taxes  
114 that would otherwise be assessed, if the following criteria are  
115 met:

116 1. The taxpayer timely files an application for the tax  
117 reduction with the property appraiser no later than March 1 of  
118 the year immediately following the year in which the qualifying  
119 project is first assessed under s. 192.042(1).

120 2. The taxpayer records a covenant running with the land  
121 that restricts the rents of units within the qualifying project  
122 in accordance with the requirements set forth in subparagraph  
123 (a)1., subparagraph (a)4., or subparagraph (a)13.

124 (c) For the first 16 years of the reduction term, a  
125 qualifying project shall be assessed operating taxes in an

126 amount equal to the base tax, subject to an annual adjustment  
 127 equal to 2.5 percent beginning in year 2 of the reduction term,  
 128 or the percent by which new residential construction grew as  
 129 determined annually by the United States Census Bureau,  
 130 whichever is less. After the first 16 years of the reduction  
 131 term, the qualifying project shall be assessed as follows:  
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<u>Year of</u> <u>Tax</u> <u>Reduction</u>	<u>Affordable</u> <u>Reduction</u> <u>Percentages</u>	<u>Workforce</u> <u>Housing</u> <u>Reduction</u> <u>Percentages</u>	<u>Elderly Housing</u> <u>9-Percent Tax</u> <u>Credit Reduction</u> <u>Percentages</u>
<u>1-16</u>	<u>100 percent</u>	<u>100 percent</u>	<u>20 percent</u>
<u>17</u>	<u>90 percent</u>	<u>100 percent</u>	<u>18 percent</u>
<u>18</u>	<u>80 percent</u>	<u>90 percent</u>	<u>16 percent</u>
<u>19</u>	<u>70 percent</u>	<u>85 percent</u>	<u>14 percent</u>
<u>20</u>	<u>60 percent</u>	<u>75 percent</u>	<u>12 percent</u>
<u>21</u>	<u>50 percent</u>	<u>60 percent</u>	<u>10 percent</u>

<u>22</u>	<u>40 percent</u>	<u>50 percent</u>	<u>10 percent</u>
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<u>23</u>	<u>30 percent</u>	<u>40 percent</u>	<u>5 percent</u>
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<u>24</u>	<u>20 percent</u>	<u>25 percent</u>	<u>5 percent</u>
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<u>25</u>	<u>10 percent</u>	<u>15 percent</u>	<u>5 percent</u>
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(d) If the property appraiser approves the application, the taxpayer must submit the covenant for recording. The property appraiser shall apply the authorized tax reductions beginning in the same tax year. The taxpayer submitting the application is responsible for the cost of recording the covenant.

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(e) Each taxpayer who receives a tax reduction is required to submit a report annually to the property appraiser confirming his or her compliance with the rent restrictions required for the receipt of the reduction. The report must be executed by the taxpayer or an authorized representative of the taxpayer, and must include the written declaration set forth s. 92.525(2). A taxpayer who falsifies the written declaration commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

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(f) By November 1, 2019, each county described in s.

162 420.5087(1) (a) shall post on its website maps of the areas  
 163 within its respective geographic limits that meet the criteria  
 164 set forth in sub-subparagraph (a)9.b. to identify where  
 165 qualifying projects may be located. Each county shall update  
 166 each map annually by November 1 and notify the county property  
 167 appraiser once the maps are posted on its website.

168 (g) The corporation shall adopt rules pursuant to ss.  
 169 120.536 and 120.54 to implement standards and processes to  
 170 reduce barriers to rental housing that, at a minimum, shall:

171 1. Encourage or require qualifying projects to adopt  
 172 income eligibility requirements as part of the application  
 173 process for a natural person or household that require no more  
 174 than a 2:1 rent income-to-income ratio to expand access to  
 175 rental housing.

176 2. Incorporate applicant credit history standards that:

177 a. Do not authorize a look-back period of more than 5  
 178 years for prior evictions.

179 b. Eliminate cable and Internet service payment history  
 180 from consideration during credit checks.

181 3. For elderly housing projects, develop tenant rent  
 182 standards that expand access to rental housing for natural  
 183 persons at least 62 years old or household in which the person  
 184 resides and that reduce the total rent if the person or  
 185 household:

186 a. Receives a recurring source of retirement income, such

187 as social security benefits or a fixed-income annuity, if the  
188 person or household has consistently received the income for  
189 more than 12 months.

190 b. Has consistently paid monthly rents in another housing  
191 unit for at least 18 months that were at least 110 percent of  
192 the elderly housing project monthly rents.

193 4. Require qualifying projects to provide written notice  
194 to each natural person or household of an eligibility  
195 determination within 3 business days after making the  
196 determination.

197 (h)1. If the property appraiser determines that a  
198 qualifying project that was granted a tax reduction has failed  
199 to offer rents as required in the recorded covenant and as set  
200 forth in this subsection, the taxpayer shall be liable for the  
201 payment of any back taxes, penalties, and interest, as well as  
202 any other remedies authorized pursuant to s. 193.092.

203 2. If a property appraiser improperly grants a tax  
204 reduction as a result of a clerical mistake or an omission, the  
205 taxpayer improperly receiving the reduction shall not be  
206 assessed back taxes, penalties, or interest, or liable for any  
207 other remedies authorized under s. 193.092.

208 Section 2. This act shall take effect July 1, 2019.