

By Senator Pizzo

38-01547-19

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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, which receives a 4-percent

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30 low-income housing tax credit from the corporation pursuant to
31 s. 420.5099, which 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 the
40 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 the
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 project
50 constructed after July 1, 2019, which receives a 4- or 9-percent
51 low-income housing tax credit from the corporation pursuant to
52 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 of age.

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

58 c. Implements the standards and processes to reduce

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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, which 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 subsection (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 period
86 beginning the year in which the qualifying project is first
87 assessed under s. 192.042(1) and certified by the county

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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 to
106 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

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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:

<u>Year of</u>	<u>Affordable</u>	<u>Workforce</u>	<u>Elderly Housing</u>
<u>Tax</u>	<u>Reduction</u>	<u>Housing</u>	<u>9-Percent Tax</u>
<u>Reduction</u>	<u>Percentages</u>	<u>Reduction</u>	<u>Credit Reduction</u>
		<u>Percentages</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>

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<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>
<u>23</u>	<u>30 percent</u>	<u>40 percent</u>	<u>5 percent</u>
<u>24</u>	<u>20 percent</u>	<u>25 percent</u>	<u>5 percent</u>
<u>25</u>	<u>10 percent</u>	<u>15 percent</u>	<u>5 percent</u>

(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.

(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 in 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.

(f) By November 1, 2019, each county described in s. 420.5087(1)(a) shall post on its website maps of the areas within its respective geographic limits that meet the criteria

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161 set forth in sub-subparagraph (a)9.b. to identify where
162 qualifying projects may be located. Each county shall update
163 each map annually by November 1 and notify the county property
164 appraiser once the maps are posted on its website.

165 (g) The corporation shall adopt rules pursuant to ss.
166 120.536 and 120.54 to implement standards and processes to
167 reduce barriers to rental housing that, at a minimum, shall:

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

172 2. Incorporate applicant credit history standards that:

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

175 b. Eliminate cable and Internet service payment history
176 from consideration during credit checks.

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

182 a. Receives a recurring source of retirement income, such
183 as social security benefits or a fixed-income annuity, if the
184 person or household has consistently received the income for
185 more than 12 months.

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

189 4. Require qualifying projects to provide written notice to

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190 each natural person or household of an eligibility determination
191 within 3 business days after making the determination.

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

198 2. If a property appraiser improperly grants a tax
199 reduction as a result of a clerical mistake or an omission, the
200 taxpayer improperly receiving the reduction shall not be
201 assessed back taxes, penalties, or interest, or liable for any
202 other remedies authorized under s. 193.092.

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