

By Senator Gruters

23-01408-20

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1                   A bill to be entitled  
2       An act relating to the educational property tax  
3       exemption; amending s. 196.198, F.S.; exempting land  
4       and real property improvements used exclusively for  
5       educational purposes from ad valorem taxes if an  
6       educational institution, under a ground lease or other  
7       contractual arrangement, meets certain criteria;  
8       providing that the educational institution shall  
9       receive the full benefit from the exemption; requiring  
10      the property owner to make certain disclosures to the  
11      educational institution; providing an effective date.

12  
13 Be It Enacted by the Legislature of the State of Florida:

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15       Section 1. Section 196.198, Florida Statutes, is amended to  
16      read:

17       196.198 Educational property exemption.—Educational  
18      institutions within this state and their property used by them  
19      or by any other exempt entity or educational institution  
20      exclusively for educational purposes are exempt from taxation.  
21      Sheltered workshops providing rehabilitation and retraining of  
22      individuals who have disabilities and exempted by a certificate  
23      under s. (d) of the federal Fair Labor Standards Act of 1938, as  
24      amended, are declared wholly educational in purpose and are  
25      exempt from certification, accreditation, and membership  
26      requirements set forth in s. 196.012. Those portions of property  
27      of college fraternities and sororities certified by the  
28      president of the college or university to the appropriate  
29      property appraiser as being essential to the educational process

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30 are exempt from ad valorem taxation. The use of property by  
31 public fairs and expositions chartered by chapter 616 is  
32 presumed to be an educational use of such property and is exempt  
33 from ad valorem taxation to the extent of such use. Property  
34 used exclusively for educational purposes shall be deemed owned  
35 by an educational institution if the entity owning 100 percent  
36 of the educational institution is owned by the identical persons  
37 who own the property, or if the entity owning 100 percent of the  
38 educational institution and the entity owning the property are  
39 owned by the identical natural persons. Land, buildings, and  
40 other improvements to real property used exclusively for  
41 educational purposes shall be deemed owned by an educational  
42 institution if the entity owning 100 percent of the land is a  
43 nonprofit entity and the land is used, under a ground lease or  
44 other contractual arrangement, by an educational institution  
45 that owns the buildings and other improvements to the real  
46 property, is a nonprofit entity under s. 501(c)(3) of the  
47 Internal Revenue Code, and provides education limited to  
48 students in prekindergarten through grade 8. Land, buildings,  
49 and other improvements to real property used exclusively for  
50 educational purposes are also exempt from ad valorem taxes if an  
51 educational institution, under a ground lease or other  
52 contractual arrangement, owns the buildings and other  
53 improvements to the real property and is responsible for any  
54 taxes owed under the ground lease or contractual arrangement.  
55 For such leasehold properties, the educational institution shall  
56 receive the full benefit from the exemption. The owner of the  
57 property shall disclose to the educational institution the full  
58 amount of the benefit derived from the exemption and the method

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59 for ensuring the educational institution receives the benefit.  
60 If legal title to property is held by a governmental agency that  
61 leases the property to a lessee, the property shall be deemed to  
62 be owned by the governmental agency and used exclusively for  
63 educational purposes if the governmental agency continues to use  
64 such property exclusively for educational purposes pursuant to a  
65 sublease or other contractual agreement with that lessee. If the  
66 title to land is held by the trustee of an irrevocable inter  
67 vivos trust and if the trust grantor owns 100 percent of the  
68 entity that owns an educational institution that is using the  
69 land exclusively for educational purposes, the land is deemed to  
70 be property owned by the educational institution for purposes of  
71 this exemption. Property owned by an educational institution  
72 shall be deemed to be used for an educational purpose if the  
73 institution has taken affirmative steps to prepare the property  
74 for educational use. The term "affirmative steps" means  
75 environmental or land use permitting activities, creation of  
76 architectural plans or schematic drawings, land clearing or site  
77 preparation, construction or renovation activities, or other  
78 similar activities that demonstrate commitment of the property  
79 to an educational use.

80 Section 2. This act shall take effect July 1, 2020.