

By the Committee on Community Affairs; and Senator Gruters

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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 certain
6 criteria are met; providing that the educational
7 institution shall receive the full benefit from the
8 exemption; requiring the property owner to make
9 certain disclosures to the educational institution;
10 providing an effective date.

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

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

16 196.198 Educational property exemption.—Educational
17 institutions within this state and their property used by them
18 or by any other exempt entity or educational institution
19 exclusively for educational purposes are exempt from taxation.
20 Sheltered workshops providing rehabilitation and retraining of
21 individuals who have disabilities and exempted by a certificate
22 under s. (d) of the federal Fair Labor Standards Act of 1938, as
23 amended, are declared wholly educational in purpose and are
24 exempt from certification, accreditation, and membership
25 requirements set forth in s. 196.012. Those portions of property
26 of college fraternities and sororities certified by the
27 president of the college or university to the appropriate
28 property appraiser as being essential to the educational process
29 are exempt from ad valorem taxation. The use of property by

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30 public fairs and expositions chartered by chapter 616 is
31 presumed to be an educational use of such property and is exempt
32 from ad valorem taxation to the extent of such use. Property
33 used exclusively for educational purposes shall be deemed owned
34 by an educational institution if the entity owning 100 percent
35 of the educational institution is owned by the identical persons
36 who own the property, or if the entity owning 100 percent of the
37 educational institution and the entity owning the property are
38 owned by the identical natural persons. Land, buildings, and
39 other improvements to real property used exclusively for
40 educational purposes shall be deemed owned by an educational
41 institution if the entity owning 100 percent of the land is a
42 nonprofit entity and the land is used, under a ground lease or
43 other contractual arrangement, by an educational institution
44 that owns the buildings and other improvements to the real
45 property, is a nonprofit entity under s. 501(c)(3) of the
46 Internal Revenue Code, and provides education limited to
47 students in prekindergarten through grade 8. Land, buildings,
48 and other improvements to real property used exclusively for
49 educational purposes shall also be exempt from ad valorem taxes
50 if, under a lease, the educational institution is responsible
51 for any taxes owed and for ongoing maintenance and operational
52 expenses for the land and buildings under the lease and if the
53 real property has been used for educational purposes and has
54 been receiving the exemption under this section for at least 10
55 years. For such leasehold properties, the educational
56 institution shall receive the full benefit from the exemption.
57 The owner of the property shall disclose to the educational
58 institution the full amount of the benefit derived from the

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

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