

1 A bill to be entitled

2 An act relating to affordable housing tax reductions;
3 amending s. 163.31801, F.S.; authorizing counties,
4 municipalities, and special districts to provide an
5 exception or waiver of impact fees for certain not-
6 for-profit corporations for specified purposes;
7 defining the term "supportive housing" for certain
8 purposes; amending s. 196.1978, F.S.; defining terms;
9 providing legislative findings; providing a tax
10 reduction to certain entities that provide affordable
11 housing to identified groups; providing criteria for
12 receiving such reduction; providing a formula for
13 determining the amount of the reduction; requiring a
14 taxpayer to submit a covenant for recording that
15 provides specified information; requiring a taxpayer
16 who receives a tax reduction to file an annual report;
17 providing specifications for such report; authorizing
18 a county to limit the number of qualifying projects
19 that may be approved under specified conditions;
20 providing penalties for falsification of reports;
21 requiring a taxpayer to pay back taxes, penalties, and
22 interest under specified circumstances; providing
23 exceptions; providing an effective date.

24
25 Be It Enacted by the Legislature of the State of Florida:

HB 1459

2020

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Section 1. Subsection (8) of section 163.31801, Florida Statutes, is amended to read:

163.31801 Impact fees; short title; intent; minimum requirements; audits; challenges.—

(8) A county, municipality, or special district may provide an exception or waiver for an impact fee for the development or construction of housing that is affordable, as defined in s. 420.9071, or for the development and construction of supportive housing by a not-for-profit corporation that derives at least 75 percent of its annual revenues from contracts or services provided to a state or federal agency. If a county, municipality, or special district provides such an exception or waiver, it is not required to use any revenues to offset the impact. For purposes of this subsection, the term "supportive housing" means affordable housing for low-income persons and low-income households, as those terms are defined in s. 420.9071(19); that provides treatment for persons who suffer from mental health, substance abuse, or domestic violence; and that provides on-premises social and community support services including, job training, life skills training, alcohol and substance abuse disorder treatment, child care, and client case management services.

Section 2. Subsection (3) is added to section 196.1978, Florida Statutes, to read:

51 196.1978 Affordable housing property exemption; affordable
 52 housing property reductions.—

53 (3) (a) As used in this subsection:

54 1. "Affordable housing project" means a qualifying project
 55 that receives an allocation of low-income housing tax credits
 56 from the corporation pursuant to s. 420.5099 or receives bond
 57 proceeds after July 1, 2020, for a qualifying housing
 58 development from a housing finance authority created pursuant to
 59 s. 159.604.

60 2. "Base tax" means the operating taxes remitted to the
 61 taxing authority in the tax year immediately preceding the
 62 reduction term.

63 3. "Corporation" means the Florida Housing Finance
 64 Corporation.

65 4. "Household" has the same meaning as in s. 196.075(1).

66 5. "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 6. "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 7. "Qualifying project" means an affordable housing
 75 project or workforce housing project that:

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

78 b. Has not received an affordable housing property tax
 79 discount pursuant to subsection (2);

80 c. Has not received any low-income housing tax credits
 81 pursuant to s. 420.5099; and

82 d. Has not received any bond proceeds issued by a housing
 83 finance authority pursuant to s. 159.612.

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

89 9. "Taxpayer" has the same meaning as in s. 192.001.

90 10. "Workforce housing project" means a rental housing
 91 project that provides at least four but not more than 70
 92 dwelling units for natural persons or families and in which:

93 a. At least 10 percent of the rental units are set aside
 94 for one or more natural persons or a family with a total annual
 95 gross household income greater than 60 percent but less than 80
 96 percent of the median annual income adjusted for family size for
 97 households within the metropolitan statistical area, the county,
 98 or the nonmetropolitan median for the state, whichever is
 99 greatest.

100 b. At least 20 percent of the rental units are set aside

101 for one or more natural persons or a family with a total annual
102 gross household income greater than 60 percent but less than 100
103 percent of the median annual income adjusted for family size for
104 households within the metropolitan statistical area, the county,
105 or the nonmetropolitan median for the state, whichever is
106 greatest.

107 c. Rents for the rental units set aside pursuant to sub-
108 subparagraphs a. and b. comply with the income limitations
109 established by the corporation for the county in which the
110 rental units are located. Rents for the rental units within the
111 project that are not subject to the set-asides may be offered at
112 rents determined by the taxpayer in his or her sole discretion.

113 (b) The Legislature finds that property used to provide
114 affordable and workforce housing to natural persons and
115 households that meet the low-income or moderate-income limits is
116 a charitable purpose. Therefore, notwithstanding s. 196.195(4),
117 a taxpayer who builds or renovates a qualifying project after
118 July 1, 2021, may receive a tax reduction in operating taxes
119 that would otherwise be assessed if the following criteria are
120 met:

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

125 2. The taxpayer records a covenant running with the land

126 that restricts the rents of rental units within the qualifying
 127 project in accordance with the requirements set forth in
 128 subparagraph (a)1., subparagraph (a)4., or subparagraph (a)10.

129 (c) For the first 16 years of the reduction term, a
 130 qualifying project shall be assessed operating taxes in an
 131 amount equal to the base tax for the qualifying project.
 132 Beginning in the 17th year, the operating taxes shall be reduced
 133 annually in an amount equal to 2.5 percent of the base tax or
 134 the Consumer Price Index for the county in which the qualifying
 135 project is located, whichever is less. After the first 16 years
 136 of the reduction term, the qualifying project shall be assessed
 137 as follows:

<u>Year of Tax</u>	<u>Affordable Housing</u>	<u>Workforce Housing</u>
<u>Reduction</u>	<u>Reduction Percentages</u>	<u>Reduction Percentages</u>
<u>1-16</u>	<u>100 percent</u>	<u>100 percent</u>
<u>17</u>	<u>90 percent</u>	<u>100 percent</u>
<u>18</u>	<u>80 percent</u>	<u>90 percent</u>
<u>19</u>	<u>70 percent</u>	<u>85 percent</u>

144	<u>20</u>	<u>60 percent</u>	<u>75 percent</u>
145	<u>21</u>	<u>50 percent</u>	<u>60 percent</u>
146	<u>22</u>	<u>40 percent</u>	<u>50 percent</u>
147	<u>23</u>	<u>30 percent</u>	<u>40 percent</u>
148	<u>24</u>	<u>20 percent</u>	<u>25 percent</u>
149	<u>25</u>	<u>10 percent</u>	<u>15 percent</u>

150 (d) If the property appraiser approves the application,
 151 the taxpayer must record the covenant. The property appraiser
 152 shall apply the authorized tax reductions beginning in the
 153 appropriate tax year. The taxpayer is responsible for the cost
 154 of recording the covenant.

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

163 775.083, or s. 775.084.

164 (f) Each county may limit the total number of qualifying
165 projects that the property appraiser may approve annually if:

166 1. It conducts a public hearing noticed in a newspaper of
167 general circulation.

168 2. It adopts a resolution that finds and is supported by
169 competent substantial evidence that a limitation is necessary to
170 avoid the substantial impairment of the taxing authority's
171 ability to meet its financial obligations to fund other public
172 services that are necessary to ensure the public safety and
173 welfare.

174 (g)1. If the property appraiser determines that a
175 qualifying project that was granted a tax reduction has failed
176 to offer rents as required in the recorded covenant and as set
177 forth in this subsection, the taxpayer shall be liable for the
178 payment of any back taxes, penalties, and interest, as well as
179 any other remedies authorized pursuant to s. 193.092.

180 2. If the property appraiser improperly grants a tax
181 reduction as a result of a clerical mistake or an omission, the
182 taxpayer improperly receiving the reduction shall not be
183 assessed back taxes, penalties, or interest, or be held liable
184 for any other remedies authorized under s. 193.092.

185 Section 3. This act shall take effect July 1, 2020.