

By the Committee on Community Affairs; and Senator Pizzo

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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 which
15 provides specified information; requiring a taxpayer
16 who receives a tax reduction to file an annual report;
17 providing specifications for such report; providing
18 penalties for falsification of reports; authorizing a
19 county to limit the number of qualifying projects that
20 may be approved under specified conditions; requiring
21 a taxpayer to pay back taxes, penalties, and interest
22 under specified circumstances; providing exceptions;
23 providing an effective date.

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

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

29 163.31801 Impact fees; short title; intent; minimum

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30 requirements; audits; challenges.-

31 (8) A county, municipality, or special district may provide
32 an exception or waiver for an impact fee for the development or
33 construction of housing that is affordable, as defined in s.
34 420.9071, or for the development and construction of supportive
35 housing by a not-for-profit corporation that derives at least 75
36 percent of its annual revenues from contracts or services
37 provided to a state or federal agency. If a county,
38 municipality, or special district provides such an exception or
39 waiver, it is not required to use any revenues to offset the
40 impact. For purposes of this subsection, the term "supportive
41 housing" means affordable housing for low-income persons and
42 low-income households, as those terms are defined in s.
43 420.9071(19), which provides treatment for persons who suffer
44 from mental health, substance abuse, or domestic violence, which
45 provides on-premises social and community support services,
46 including job training, life skills training, alcohol and
47 substance abuse disorder treatment, child care, and client case
48 management services.

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

51 196.1978 Affordable housing property exemption; workforce
52 housing property reductions.-

53 (3) (a) As used in this subsection, the term:

54 1. "Base tax" means the operating taxes remitted to the
55 taxing authority in the tax year immediately preceding the
56 reduction term.

57 2. "Corporation" means the Florida Housing Finance
58 Corporation.

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59 3. "Household" has the same meaning as in s. 196.075(1).

60 4. "Operating taxes" means the nonvoted millage portion of
61 the county millage and the municipal millage as identified in s.
62 200.001(1)(a) and (2)(a), respectively.

63 5. "Project taxing authority" means a county or
64 municipality, as those terms are defined in s. 200.001(8)(a) and
65 (b), respectively, which is authorized to levy operating taxes
66 against real property in the jurisdiction in which a qualifying
67 project is located.

68 6. "Qualifying project" means a workforce housing project
69 that:

70 a. Is located in a county that has a population of 825,000
71 or more; and

72 b. Has not received a property tax discount pursuant to
73 subsection (2).

74 7. "Reduction term" means the 25-year tax reduction period
75 beginning the year in which the qualifying project is first
76 assessed under s. 192.042(1) and certified by the county
77 property appraiser as eligible to receive a tax reduction in
78 operating taxes.

79 8. "Taxpayer" has the same meaning as in s. 192.001.

80 9. "Workforce housing project" means a rental housing
81 project that provides at least 4 but not more than 70 dwelling
82 units for natural persons or families and in which:

83 a. At least 10 percent of the rental units are set aside
84 for one or more natural persons or a family with a total annual
85 gross household income greater than 60 percent but less than 80
86 percent of the median annual income adjusted for family size for
87 households within the metropolitan statistical area, the county,

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88 or the nonmetropolitan median for the state, whichever is
89 greatest.

90 b. At least 20 percent of the rental units are set aside
91 for one or more natural persons or a family with a total annual
92 gross household income greater than 60 percent but less than 100
93 percent of the median annual income adjusted for family size for
94 households within the metropolitan statistical area, the county,
95 or the nonmetropolitan median for the state, whichever is
96 greatest.

97 c. Rents for the rental units set aside pursuant to sub-
98 subparagraphs a. and b. comply with the income limitations
99 established by the corporation for the county in which the
100 rental units are located. Rents for the rental units within the
101 project that are not subject to the set-asides may be offered at
102 rents determined by the taxpayer in his or her sole discretion.

103 (b) The Legislature finds that property used to provide
104 workforce housing to natural persons and households that meet
105 the low-income or moderate-income limits is a charitable
106 purpose. Therefore, notwithstanding s. 196.195(4), a taxpayer
107 who builds or renovates a qualifying project after July 1, 2021,
108 may receive a tax reduction in operating taxes that would
109 otherwise be assessed if the following criteria are met:

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

114 2. The taxpayer records a covenant running with the land
115 that restricts the rents of rental units within the qualifying
116 project in accordance with the requirements set forth in

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117 subparagraph (a)9.

118 (c) For the first 16 years of the reduction term, a
 119 qualifying project shall be assessed operating taxes in an
 120 amount equal to the base tax for the qualifying project, which
 121 base tax shall be increased annually thereafter by 2.5 percent
 122 or the Consumer Price Index for the county in which the
 123 qualifying project is located, whichever is less. Beginning in
 124 Year 17 of the reduction term, the property appraiser shall
 125 determine the assessed value of the qualifying project and
 126 reduce the assessed value of the property in accordance with the
 127 percentages set forth below:

<u>Year of Tax Reduction</u>	<u>Workforce Housing Reduction Percentage</u>
<u>17</u>	<u>90 percent</u>
<u>18</u>	<u>80 percent</u>
<u>19</u>	<u>70 percent</u>
<u>20</u>	<u>60 percent</u>
<u>21</u>	<u>50 percent</u>
<u>22</u>	<u>40 percent</u>
<u>23</u>	<u>30 percent</u>

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24 20 percent

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25 10 percent

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139 (d) If the property appraiser approves the application, the
 140 taxpayer must record the covenant. The property appraiser shall
 141 apply the authorized tax reductions beginning in the appropriate
 142 tax year. The taxpayer is responsible for the cost of recording
 143 the covenant.

144 (e) Each taxpayer who receives a tax reduction must submit
 145 a report annually to the property appraiser confirming his or
 146 her compliance with the rent restrictions required for the
 147 receipt of the reduction. The report must be executed by the
 148 taxpayer or an authorized representative of the taxpayer, and
 149 must include the written declaration set forth in s. 92.525(2).
 150 A taxpayer who falsifies the written declaration commits a
 151 felony of the third degree, punishable as provided in s.
 152 775.082, s. 775.083, or s. 775.084.

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

155 1. It conducts a public hearing noticed in a newspaper of
 156 general circulation.

157 2. It adopts a resolution that finds and is supported by
 158 competent substantial evidence that a limitation is necessary to
 159 avoid the substantial impairment of the taxing authority's
 160 ability to meet its financial obligations to fund other public
 161 services that are necessary to ensure the public safety and
 162 welfare.

163 (g)1. If the property appraiser determines that a

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164 qualifying project that was granted a tax reduction has failed
165 to offer rents as required in the recorded covenant and as set
166 forth in this subsection, the taxpayer shall be liable for the
167 payment of any back taxes, penalties, and interest, as well as
168 any other remedies authorized pursuant to s. 193.092.

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

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