

By Senator DiCeglie

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1                   A bill to be entitled  
2       An act relating to ad valorem tax exemptions; amending  
3       s. 196.012, F.S.; revising conditions under which  
4       certain aircraft-related operations are deemed to  
5       serve a governmental, municipal, or public purpose or  
6       function for purposes of ch. 196, F.S.; revising the  
7       definition of the term "owned by the lessee"; amending  
8       s. 196.198, F.S.; adding circumstances under which  
9       property used exclusively for educational purposes is  
10      deemed owned by an educational institution; amending  
11      s. 196.199, F.S.; deleting a requirement for the  
12      property appraiser relating to applications for an  
13      exemption for leasehold interests in government  
14      property; revising and specifying conditions under  
15      which the exemption remains valid for the duration of  
16      the lease; providing an effective date.

17  
18 Be It Enacted by the Legislature of the State of Florida:

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20       Section 1. Subsection (6) of section 196.012, Florida  
21 Statutes, is amended to read:

22       196.012 Definitions.—For the purpose of this chapter, the  
23 following terms are defined as follows, except where the context  
24 clearly indicates otherwise:

25       (6) Governmental, municipal, or public purpose or function  
26 shall be deemed to be served or performed when the lessee under  
27 any leasehold interest created in property of the United States,  
28 the state or any of its political subdivisions, or any  
29 municipality, agency, special district, authority, or other

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30 public body corporate of the state is demonstrated to perform a  
31 function or serve a governmental purpose which could properly be  
32 performed or served by an appropriate governmental unit or which  
33 is demonstrated to perform a function or serve a purpose which  
34 would otherwise be a valid subject for the allocation of public  
35 funds. For purposes of the preceding sentence, an activity  
36 undertaken by a lessee which is permitted under the terms of its  
37 lease of real property designated as an aviation area on an  
38 airport layout plan ~~which has been~~ approved by the Federal  
39 Aviation Administration and which real property is used for the  
40 administration, operation, business offices, and activities  
41 related specifically thereto in connection with the conduct of  
42 an aircraft full service fixed base operation or common carrier  
43 that ~~which~~ provides goods and services to the general aviation  
44 public and in the promotion of air commerce shall be deemed an  
45 activity that ~~which~~ serves a governmental, municipal, or public  
46 purpose or function. Any activity undertaken by a lessee which  
47 is permitted under the terms of its lease of real property  
48 designated as a public airport as defined in s. 332.004(14) by  
49 municipalities, agencies, special districts, authorities, or  
50 other public bodies corporate and public bodies politic of the  
51 state, a spaceport as defined in s. 331.303, or which is located  
52 in a deepwater port identified in s. 403.021(9)(b) and owned by  
53 one of the foregoing governmental units, subject to a leasehold  
54 or other possessory interest of a nongovernmental lessee that is  
55 deemed to perform an aviation, airport, aerospace, maritime, or  
56 port purpose or operation shall be deemed an activity that  
57 serves a governmental, municipal, or public purpose. The use by  
58 a lessee, licensee, or management company of real property or a

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59 portion thereof as a convention center, visitor center, sports  
60 facility with permanent seating, concert hall, arena, stadium,  
61 park, or beach is deemed a use that serves a governmental,  
62 municipal, or public purpose or function when access to the  
63 property is open to the general public with or without a charge  
64 for admission. If property deeded to a municipality by the  
65 United States is subject to a requirement that the Federal  
66 Government, through a schedule established by the Secretary of  
67 the Interior, determine that the property is being maintained  
68 for public historic preservation, park, or recreational purposes  
69 and if those conditions are not met the property will revert  
70 back to the Federal Government, then such property shall be  
71 deemed to serve a municipal or public purpose. The term  
72 "governmental purpose" also includes a direct use of property on  
73 federal lands in connection with the Federal Government's Space  
74 Exploration Program or spaceport activities as defined in s.  
75 212.02(22). Real property and tangible personal property owned  
76 by the Federal Government or Space Florida and used for defense  
77 and space exploration purposes or which is put to a use in  
78 support thereof shall be deemed to perform an essential national  
79 governmental purpose and shall be exempt. "Owned by the lessee"  
80 as used in this chapter does not include personal property,  
81 buildings, or other real property improvements used for the  
82 administration, operation, business offices, and activities  
83 related specifically thereto in connection with the conduct of  
84 an aircraft full service fixed based operation or common carrier  
85 that ~~which~~ provides goods and services to the general aviation  
86 public and ~~in~~ the promotion of air commerce, provided that the  
87 real property is designated as an aviation area on an airport

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88 layout plan approved by the Federal Aviation Administration. For  
89 purposes of determination of "ownership," buildings and other  
90 real property improvements which will revert to the airport  
91 authority or other governmental unit upon expiration of the term  
92 of the lease shall be deemed "owned" by the governmental unit  
93 and not the lessee. Providing two-way telecommunications  
94 services to the public for hire by the use of a  
95 telecommunications facility, as defined in s. 364.02(14), and  
96 for which a certificate is required under chapter 364 does not  
97 constitute an exempt use for purposes of s. 196.199, unless the  
98 telecommunications services are provided by the operator of a  
99 public-use airport, as defined in s. 332.004, for the operator's  
100 provision of telecommunications services for the airport or its  
101 tenants, concessionaires, or licensees, or unless the  
102 telecommunications services are provided by a public hospital.

103 Section 2. Section 196.198, Florida Statutes, is amended to  
104 read:

105 196.198 Educational property exemption.—Educational  
106 institutions within this state and their property used by them  
107 or by any other exempt entity or educational institution  
108 exclusively for educational purposes are exempt from taxation.  
109 Sheltered workshops providing rehabilitation and retraining of  
110 individuals who have disabilities and exempted by a certificate  
111 under s. (d) of the federal Fair Labor Standards Act of 1938, as  
112 amended, are declared wholly educational in purpose and are  
113 exempt from certification, accreditation, and membership  
114 requirements set forth in s. 196.012. Those portions of property  
115 of college fraternities and sororities certified by the  
116 president of the college or university to the appropriate

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117 property appraiser as being essential to the educational process  
118 are exempt from ad valorem taxation. The use of property by  
119 public fairs and expositions chartered by chapter 616 is  
120 presumed to be an educational use of such property and is exempt  
121 from ad valorem taxation to the extent of such use. Property  
122 used exclusively for educational purposes shall be deemed owned  
123 by an educational institution if the entity owning 100 percent  
124 of the educational institution is owned by the identical persons  
125 who own the property, ~~or~~ if the entity owning 100 percent of the  
126 educational institution and the entity owning the property are  
127 owned by the identical natural persons, or if the educational  
128 institution is a lessee that owns, for a nominal amount per  
129 year, the leasehold interest in a bona fide lease having an  
130 original term of 98 years or more. Land, buildings, and other  
131 improvements to real property used exclusively for educational  
132 purposes shall be deemed owned by an educational institution if  
133 the entity owning 100 percent of the land is a nonprofit entity  
134 and the land is used, under a ground lease or other contractual  
135 arrangement, by an educational institution that owns the  
136 buildings and other improvements to the real property, is a  
137 nonprofit entity under s. 501(c)(3) of the Internal Revenue  
138 Code, and provides education limited to students in  
139 prekindergarten through grade 8. Land, buildings, and other  
140 improvements to real property used exclusively for educational  
141 purposes are deemed owned by an educational institution if the  
142 educational institution that currently uses the land, buildings,  
143 and other improvements for educational purposes is an  
144 educational institution described in s. 212.0602, and, under a  
145 lease, the educational institution is responsible for any taxes

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146 owed and for ongoing maintenance and operational expenses for  
147 the land, buildings, and other improvements. For such leasehold  
148 properties, the educational institution shall receive the full  
149 benefit of the exemption. The owner of the property shall  
150 disclose to the educational institution the full amount of the  
151 benefit derived from the exemption and the method for ensuring  
152 that the educational institution receives the benefit.

153 Notwithstanding ss. 196.195 and 196.196, property owned by a  
154 house of public worship and used by an educational institution  
155 for educational purposes limited to students in preschool  
156 through grade 8 shall be exempt from ad valorem taxes. If legal  
157 title to property is held by a governmental agency that leases  
158 the property to a lessee, the property shall be deemed to be  
159 owned by the governmental agency and used exclusively for  
160 educational purposes if the governmental agency continues to use  
161 such property exclusively for educational purposes pursuant to a  
162 sublease or other contractual agreement with that lessee. If the  
163 title to land is held by the trustee of an irrevocable inter  
164 vivos trust and if the trust grantor owns 100 percent of the  
165 entity that owns an educational institution that is using the  
166 land exclusively for educational purposes, the land is deemed to  
167 be property owned by the educational institution for purposes of  
168 this exemption. Property owned by an educational institution  
169 shall be deemed to be used for an educational purpose if the  
170 institution has taken affirmative steps to prepare the property  
171 for educational use. The term "affirmative steps" means  
172 environmental or land use permitting activities, creation of  
173 architectural plans or schematic drawings, land clearing or site  
174 preparation, construction or renovation activities, or other

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175 similar activities that demonstrate commitment of the property  
176 to an educational use.

177 Section 3. Subsection (5) of section 196.199, Florida  
178 Statutes, is amended to read:

179 196.199 Government property exemption.—

180 (5) Leasehold interests in governmental property are ~~shall~~  
181 not ~~be~~ exempt pursuant to this subsection unless an application  
182 for exemption has been filed on or before March 1 with the  
183 property appraiser. ~~The property appraiser shall review the~~  
184 ~~application and make findings of fact which shall be presented~~  
185 ~~to the value adjustment board at its convening, whereupon the~~  
186 ~~board shall take appropriate action regarding the application.~~  
187 If the property appraiser or the value adjustment board grants  
188 the exemption in whole or in part is granted, or the exemption  
189 is established by judicial proceeding, it shall remain valid for  
190 the duration of the lease, including extensions of the lease  
191 which were contemplated in the original lease, unless the lessee  
192 changes its use, in which case the lessee shall again submit an  
193 application for exemption. If the operations of the lessee do  
194 not change after the exemption is granted, the lessee shall not  
195 be required to submit any further applications for exemption for  
196 the duration of the lease, including extensions thereof which  
197 were contemplated in the original lease. The requirements set  
198 forth in s. 196.194 shall apply to all applications made under  
199 this subsection.

200 Section 4. This act shall take effect July 1, 2023.