

By Senator McClain

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A bill to be entitled

An act relating to affordable housing property tax exemptions; amending s. 196.1978, F.S.; defining the term "LURA"; revising the definition of the term "newly constructed"; revising conditions under which multifamily projects are considered property used for a charitable purpose and are eligible to receive an ad valorem property tax exemption; revising the list of units in multifamily projects which property appraisers are required to exempt; providing that certain annual compliance reports and statements from the Florida Housing Finance Corporation are presumptive evidence that certain properties meet certain limitations; authorizing production of the annual compliance report by certain entities; requiring the corporation to review and approve annual compliance reports; requiring that certain property owners receive a specified statement from the corporation upon approval of the compliance report; specifying that certain portions of property are presumed eligible for a specified certification notice upon submission of a certain agreement to the corporation; authorizing certain owners of property to submit a request to the corporation for a certification notice at a specified time; authorizing such owners to specify in the request for certification notice the rent amount that will be charged instead of certain required information; authorizing such owners to submit a LURA instead of

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certain required information; requiring property appraisers to issue verification letters to property owners under certain conditions; specifying requirements for site plans; requiring property appraisers to issue verification letters or provide the reasons for ineligibility under certain circumstances; providing that projects that have received verification letters are exempt from a specified ordinance; providing that property in multifamily projects is eligible to receive an exemption under certain circumstances; revising requirements for taxing authorities electing not to exempt certain property; authorizing property in multifamily projects to receive a tax exemption under certain circumstances; authorizing the Department of Revenue to adopt emergency rules; providing that such rules are effective for a specified timeframe and may be renewed under certain conditions; providing for expiration of such authority; providing applicability; amending s. 420.6075, F.S.; revising the date by which the Shimberg Center for Housing Studies must submit a certain report to the Legislature; providing an effective date.

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

Section 1. Present paragraphs (n) and (o) of subsection (3) of section 196.1978, Florida Statutes, are redesignated as paragraphs (p) and (q), respectively, new paragraphs (n) and (o)

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are added to that subsection, and paragraphs (a), (b), (d), (e), (f), and (l) and present paragraph (o) of that subsection are amended, to read:

196.1978 Affordable housing property exemption.—

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

1. "Corporation" means the Florida Housing Finance Corporation.

2. "LURA" means a land use restriction agreement with a term of not less than 3 years, recorded in the official records of the county in which the property is located, which requires that the property be used to provide housing to natural persons or families meeting the definition of extremely-low-income, very-low-income, low-income, or moderate-income persons as provided in s. 420.0004.

3. "Newly constructed" means an improvement to real property which was substantially completed within 2 5 years before the date of an applicant's first submission of a request for a certification notice pursuant to this subsection.

~~4.3.~~ "Substantially completed" has the same meaning as in s. 192.042(1).

(b) Notwithstanding ss. 196.195 and 196.196, portions of property in a multifamily project are considered property used for a charitable purpose and are eligible to receive an ad valorem property tax exemption if such portions meet all of the following conditions:

1. Provide affordable housing to natural persons or families meeting the income limitations provided in paragraph (d).

2.a. Are within a newly constructed multifamily project

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that contains more than 50 ~~70~~ units dedicated to housing natural persons or families meeting the income limitations provided in paragraph (d); or

b. Are within a newly constructed multifamily project in an area of critical state concern, as designated by s. 380.0552 or chapter 28-36, Florida Administrative Code, which contains more than 10 units dedicated to housing natural persons or families meeting the income limitations provided in paragraph (d).

3. Are rented for an amount that does not exceed the amount as specified by the most recent multifamily rental programs income and rent limit chart posted by the corporation and derived from the Multifamily Tax Subsidy Projects Income Limits published by the United States Department of Housing and Urban Development or 90 percent of the fair market value rent as determined by a rental market study meeting the requirements of paragraph (1), whichever is less.

(d)1. The property appraiser shall exempt units in multifamily projects, as follows:

a. Seventy-five percent of the assessed value of the units in multifamily projects that:

(I) Meet the requirements of this subsection and are used to house natural persons or families whose annual household income is greater than 80 percent but not more than 120 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides; or

(II) For the first taxable year after the property obtains a certificate of occupancy, are subject to a LURA and are

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dedicated to housing natural persons or families whose annual household income is greater than 80 percent but not more than 120 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides. ~~and~~

b. From ad valorem property taxes, the units in multifamily projects that:

(I) Meet the requirements of this subsection and are used to house natural persons or families whose annual household income does not exceed 80 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides; or

(II) For the first taxable year after the property obtains a certificate of occupancy, are subject to a LURA and dedicated to housing natural persons or families whose annual household income does not exceed 80 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides.

2. When determining the value of a unit for purposes of applying an exemption pursuant to this paragraph, the property appraiser must include in such valuation the proportionate share of the residential common areas, including the land, fairly attributable to such unit.

(e)1. To be eligible to receive an exemption under this subsection, a property owner must submit an application on a form prescribed by the department by March 1 for the exemption,

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accompanied by a certification notice from the corporation to the property appraiser. The property appraiser shall review the application and determine whether the applicant meets all of the requirements of this subsection and is entitled to an exemption. A property appraiser may request and review additional information necessary to make such determination. A property appraiser may grant an exemption only for a property for which the corporation has issued a certification notice and which the property appraiser determines is entitled to an exemption.

2. For portions of property subject to a LURA and used to house natural persons or families meeting the income limits specified in paragraph (d) and rented for an amount meeting the limits specified in subparagraph (b)3., an annual compliance report and statement from the corporation meeting the requirements of this subparagraph are presumptive evidence that such portions of property meet the income limits of paragraph (d) and the rent limits of subparagraph (b)3. The annual compliance report may be produced by a county, municipality, or other entity approved by the corporation to produce reports for the purpose of determining compliance with LURAs for affordable multifamily rental housing developments. The corporation shall review and approve such annual compliance reports. A property owner seeking an exemption pursuant to this subsection must receive a statement from the corporation upon approval of the compliance report specifying the number of units on January 1 that were used to house natural persons or families meeting the income limits of sub-subparagraph (d)1.a. or sub-subparagraph (d)1.b. and complying with the rent limits of subparagraph (b)3.

(f)1. To receive a certification notice, a property owner

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175 must submit a request to the corporation on a form provided by
176 the corporation which includes all of the following:

177 ~~a.1.~~ The most recently completed rental market study
178 meeting the requirements of paragraph (1).

179 ~~b.2.~~ A list of the units for which the property owner seeks
180 an exemption.

181 ~~c.3.~~ The rent amount received by the property owner for
182 each unit for which the property owner seeks an exemption. If a
183 unit is vacant and qualifies for an exemption under paragraph
184 (c), the property owner must provide evidence of the published
185 rent amount for each vacant unit.

186 ~~d.4.~~ A sworn statement, under penalty of perjury, from the
187 applicant restricting the property for a period of not less than
188 3 years to housing persons or families who meet the income
189 limitations under this subsection.

190 2.a. Portions of property that are subject to a LURA and
191 are specified in the LURA as dedicated to providing housing to
192 natural persons or families meeting the income limits specified
193 in paragraph (d) and to being rented for an amount meeting the
194 limits specified in subparagraph (b)3., are presumed eligible
195 for a certification notice for the term of the agreement upon
196 submission of such agreement to the corporation with the request
197 for certification.

198 b. For the first request for a certification notice after
199 receiving a certificate of occupancy, an owner of portions of
200 property meeting the requirements of sub-subparagraph a. may
201 submit a request to the corporation for a certification notice
202 immediately after the date on which the property obtains a
203 certificate of occupancy and is placed in service. In the

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request for a certification notice pursuant to this sub-subparagraph, the owner of the property may specify the rent amount that will be charged upon occupancy for each unit dedicated to housing natural persons or families meeting the income limits specified in paragraph (d) instead of the information required by sub-subparagraph 1.c.

c. The owner of portions of property meeting the requirements of sub-subparagraph a. may submit a LURA with the request for a certification notice instead of the information required by sub-subparagraph 1.d.

(1) A rental market study submitted as required by sub-subparagraph (f)1.a. ~~subparagraph (f)1.~~ must identify the fair market value rent of each unit for which a property owner seeks an exemption. Only a certified general appraiser as defined in s. 475.611 may issue a rental market study. The certified general appraiser must be independent of the property owner who requests the rental market study. In preparing the rental market study, a certified general appraiser shall comply with the standards of professional practice pursuant to part II of chapter 475 and use comparable property within the same geographic area and of the same type as the property for which the exemption is sought. A rental market study must have been completed within 3 years before submission of the application.

(n) Upon the request of a property owner, the property appraiser must issue a letter to verify that a multifamily project, if constructed and leased as described in the site plan, qualifies for the exemption under this subsection. To qualify, the site plan must specify requirements for use of the property which match the requirements for the exemption under

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233 this subsection, including the number of units dedicated to
234 housing natural persons and families meeting the income limits
235 of subparagraph (d) and the rent amounts that will be charged
236 upon occupancy for such units. Within 30 days after receipt of
237 the request described in this paragraph, the property appraiser
238 shall issue a verification letter or provide the reasons the
239 project is ineligible for the exemption. A project that has
240 received a verification letter before the adoption of the
241 ordinance described in paragraph (q) is exempt from the
242 ordinance.

243 (o) Property in a multifamily project which received an
244 exemption pursuant to subparagraph (d)1. is eligible to receive
245 such exemption for each subsequent consecutive year that the
246 property meets the criteria of paragraph (b) and the successive
247 owner applies for and receives the exemption.

248 (q)1.~~(o)1.~~ Beginning with the 2025 tax roll, a taxing
249 authority may elect, upon adoption of an ordinance or resolution
250 approved by a two-thirds vote of the governing body, not to
251 exempt property under sub-subparagraph (d)1.a. located in a
252 county specified pursuant to subparagraph 2., subject to the
253 conditions of this paragraph.

254 2. A taxing authority must make a finding in the ordinance
255 or resolution that annual housing reports ~~the most recently~~
256 published by the Shimberg Center for Housing Studies Annual
257 Report, prepared pursuant to s. 420.6075 identify, ~~identifies~~
258 that a county that is part of the jurisdiction of the taxing
259 authority is within a metropolitan statistical area or region
260 where, for each of the previous 3 years, the number of
261 affordable and available units in the metropolitan statistical

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area or region is greater than the number of renter households in the metropolitan statistical area or region for the category entitled "0-120 percent AMI."

3. An election made pursuant to this paragraph may apply only to the ad valorem property tax levies imposed within a county specified pursuant to subparagraph 2. by the taxing authority making the election.

4. The ordinance or resolution must take effect on the January 1 immediately succeeding adoption and shall expire on the following ~~second~~ January 1 ~~after the January 1 in which the ordinance or resolution takes effect~~. The ordinance or resolution may be renewed before ~~prior to~~ its expiration pursuant to this paragraph if the taxing authority makes the same finding required in subparagraph 2.

5. The taxing authority proposing to make an election under this paragraph must advertise the ordinance or resolution or renewal thereof pursuant to the requirements of s. 50.011(1) prior to adoption.

6. The taxing authority must provide to the property appraiser the adopted ordinance or resolution or renewal thereof by the effective date of the ordinance or resolution or renewal thereof.

7. Notwithstanding an ordinance or resolution or renewal thereof adopted pursuant to this paragraph:7

a. Property in a multifamily project that received an exemption pursuant to sub-subparagraph (d)1.a. before the adoption or renewal of such ordinance or resolution may continue to receive such exemption for each subsequent consecutive year that the same owner or each successive owner applies for and is

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granted the exemption.

b. Property in a multifamily project for which the first certification notice request was submitted before adoption or renewal of such ordinance or resolution, and which would have otherwise received the exemption if such ordinance or resolution had not been adopted or renewed, may receive the exemption for the year the owner applies for and is granted the exemption, and for each subsequent consecutive year that the same owner or each successive owner applies for and is granted the exemption.

Section 2. (1) The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules under s. 120.54(4), Florida Statutes, for the purpose of implementing the amendments to s. 196.1978, Florida Statutes, made by this act. Notwithstanding any other law, emergency rules adopted under this section are effective for 6 months after adoption, and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

(2) This section expires July 1, 2028.

Section 3. The amendments made by this act to s. 196.1978, Florida Statutes, first apply to the 2027 tax roll.

Section 4. Subsection (2) of section 420.6075, Florida Statutes, is amended to read:

420.6075 Research and planning for affordable housing; annual housing report.—

(2) By September 30 ~~December 31~~ of each year, the Shimberg Center for Housing Studies shall submit to the Legislature an updated housing report describing the supply of and need for affordable housing. This annual housing report must ~~shall~~

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include:

(a) A synopsis of training and technical assistance activities and community-based organization housing activities for the year.

(b) A status report on the degree of progress toward meeting the housing objectives of the department's agency functional plan.

(c) Recommended housing initiatives for the next fiscal year and recommended priorities for assistance to the various target populations within the spectrum of housing need.

Section 5. This act shall take effect July 1, 2026.