

By Senator Pizzo

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1                   A bill to be entitled  
2           An act relating to an affordable housing tax  
3           reduction; creating s. 196.1979, F.S.; defining terms;  
4           providing legislative findings; providing a reduction  
5           in certain property taxes to taxpayers building or  
6           renovating certain affordable, elderly, or workforce  
7           housing projects; providing qualifying criteria;  
8           specifying the calculation of property assessments  
9           over the reduction term; providing taxpayer  
10          requirements for recording a certain covenant;  
11          providing a requirement for the property appraiser in  
12          applying reductions; specifying an annual reporting  
13          requirement for taxpayers; providing a criminal  
14          penalty; authorizing certain counties to limit the  
15          total number of qualifying projects, subject to  
16          certain requirements; specifying a taxpayer's  
17          liability for back taxes, penalties, interest, and  
18          certain remedies under certain circumstances;  
19          providing an effective date.

20  
21 Be It Enacted by the Legislature of the State of Florida:

22  
23           Section 1. Section 196.1979, Florida Statutes, is created  
24 to read:

25           196.1979 Affordable housing property tax reduction.-

26           (1) As used in this section, the term:

27           (a) "Affordable housing project" means a qualifying housing  
28 development that receives an allocation of 4 percent low-income  
29 housing tax credits from the corporation pursuant to s.

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30 420.5099, receives bonds for qualifying housing developments  
31 from a housing finance authority after July 1, 2020, or both.

32 (b) "Base tax" means the operating taxes remitted to a  
33 project taxing authority in the tax year immediately preceding  
34 the reduction term.

35 (c) "Corporation" means the Florida Housing Finance  
36 Corporation.

37 (d) "Elderly housing project" means a rental housing  
38 project that receives an allocation of 9 percent low-income  
39 housing tax credits from the corporation pursuant to s. 420.5099  
40 and that meets all of the following criteria:

41 1. It reserves at least 80 percent of the rental unit  
42 occupancy in the project for the elderly.

43 2. It offers all rental units to eligible persons.

44 3. It implements the standards and processes adopted by  
45 rule of the corporation to reduce barriers to elderly rental  
46 housing entry.

47 (e) "Household" has the same meaning as in s. 196.075(1).

48 (f) "Operating taxes" means the nonvoted millage portion of  
49 the county millage and the municipal millage as identified in s.  
50 200.001(1)(a) and (2)(a), respectively.

51 (g) "Project taxing authority" means a county or  
52 municipality, as those terms are defined in s. 200.001(8)(a) and  
53 (b), respectively, which is authorized to levy operating taxes  
54 against real property in the jurisdiction in which a qualifying  
55 project is located.

56 (h) "Qualifying project" means an affordable housing  
57 project, elderly housing project, or workforce housing project  
58 that:

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59 1. Is located in a county with a population of 825,000 or  
60 more; and

61 2. Has not received an affordable housing property  
62 exemption pursuant to s. 196.1978(2).

63 (i) "Reduction term" means the 25-year tax reduction period  
64 beginning the year in which the qualifying project is first  
65 assessed under s. 192.042(1) and certified by the county  
66 property appraiser as eligible to receive a reduction in  
67 operating taxes.

68 (j) "Taxpayer" has the same meaning as in s. 192.001(13).

69 (k) "Workforce housing project" means a rental housing  
70 project containing four or more dwelling units for natural  
71 persons and households which has not received from the  
72 corporation an allocation of low-income housing tax credits  
73 pursuant to s. 420.5099, a loan pursuant to s. 420.5087, or bond  
74 proceeds pursuant to s. 159.612, and in which:

75 1. At least 10 percent of the rental units are set aside  
76 for one or more natural persons or a family with a total annual  
77 gross household income greater than 60 percent and up to 80  
78 percent of the median annual income, adjusted for family size,  
79 for households within the metropolitan statistical area, the  
80 county, or the nonmetropolitan areas of this state, whichever is  
81 greatest;

82 2. At least 20 percent of the rental units are set aside  
83 for one or more natural persons or a family with a total annual  
84 gross household income greater than 60 percent and up to 100  
85 percent of the median annual income, adjusted for family size,  
86 for households within the metropolitan statistical area, the  
87 county, or the nonmetropolitan areas of this state, whichever is

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88 greatest; and

89 3. Rents for the rental units set aside under subparagraphs  
90 1. and 2. are set at the applicable income limitations  
91 established by the corporation for the county in which the  
92 rental housing project is located. For rental units within the  
93 project which are not set aside under subparagraphs 1. and 2.,  
94 the taxpayer may offer the units at rents it determines at its  
95 sole discretion.

96 (2) The Legislature finds that property used to provide  
97 affordable, elderly, and workforce housing to natural persons  
98 and households that meet the low-income or moderate-income  
99 limits is a charitable purpose. Notwithstanding s. 196.195(4), a  
100 taxpayer who builds or renovates a qualifying project after July  
101 1, 2020, may receive a reduction in operating taxes that would  
102 otherwise be assessed, if both of the following criteria are  
103 met:

104 (a) The taxpayer timely files an application for the tax  
105 reduction with the property appraiser no later than March 1 of  
106 the year immediately after the year in which the qualifying  
107 project is first assessed under s. 192.042(1).

108 (b) The taxpayer records a covenant running with the land  
109 which restricts the rents of units within the qualifying project  
110 in accordance with the criteria under paragraph (1)(a),  
111 paragraph (1)(d), or paragraph (1)(k), as applicable.

112 (3) For the first 16 years of the reduction term, a  
113 qualifying project shall be assessed operating taxes in an  
114 amount equal to the base tax, subject to an annual adjustment  
115 equal to 2.5 percent beginning in year 2 of the reduction term  
116 or the percentage change in the Consumer Price Index for the

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117 county in which the qualifying project is located, whichever is  
 118 less. After the first 16 years of the reduction term, the  
 119 qualifying project shall be assessed as follows:  
 120

<u>Year of Tax</u>	<u>Affordable Housing</u>	<u>Workforce Housing</u>
<u>Reduction</u>	<u>Reduction Percentage</u>	<u>Reduction Percentage</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>
<u>20</u>	<u>60 percent</u>	<u>75 percent</u>
<u>21</u>	<u>50 percent</u>	<u>60 percent</u>
<u>22</u>	<u>40 percent</u>	<u>50 percent</u>
<u>23</u>	<u>30 percent</u>	<u>40 percent</u>
<u>24</u>	<u>20 percent</u>	<u>25 percent</u>
<u>25</u>	<u>10 percent</u>	<u>15 percent</u>

131  
 132 (4) If the property appraiser approves the application, the

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133 taxpayer must submit the covenant under paragraph (2)(b) for  
134 recording. The property appraiser shall apply the authorized tax  
135 reductions beginning in the same tax year. The taxpayer  
136 submitting the application is responsible for the cost of  
137 recording the covenant.

138 (5) A taxpayer who receives a tax reduction is required to  
139 submit a report annually to the property appraiser confirming  
140 his or her compliance with the rent restrictions required for  
141 the receipt of the reduction. The report must be executed by the  
142 taxpayer or an authorized representative of the taxpayer and  
143 must include the written declaration set forth in s. 92.525(2).  
144 A taxpayer who falsifies the written declaration commits a  
145 felony of the third degree, punishable as provided in s.  
146 775.082, s. 775.083, or s. 775.084.

147 (6) Each county described in s. 420.5087(1)(a) where a  
148 qualifying project may be located may, by the adoption of an  
149 ordinance and after conducting a public hearing noticed in a  
150 newspaper of general circulation, limit the total number of  
151 qualifying projects the property appraiser may approve annually,  
152 upon a finding supported by competent substantial evidence that  
153 such a limitation is necessary in order to avoid a substantial  
154 impairment of the taxing authority's ability to meet its  
155 financial obligations to fund other public services that are  
156 necessary to ensure the public safety and welfare.

157 (7)(a) If the property appraiser determines that a  
158 qualifying project that was granted a tax reduction failed to  
159 offer rents as required in the recorded covenant and as set  
160 forth in this section, the taxpayer is liable for the payment of  
161 any back taxes, penalties, and interest, as well as any other

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162 remedies authorized pursuant to s. 193.092.

163 (b) If a property appraiser improperly grants a tax  
164 reduction as a result of a clerical mistake or an omission, the  
165 taxpayer improperly receiving the reduction shall not be  
166 assessed back taxes, penalties, or interest, or liable for any  
167 other remedies authorized under s. 193.092.

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