

By Senator Harrell

25-01074A-22

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1                   A bill to be entitled  
2           An act relating to exemption from taxation for  
3           educational properties; amending s. 196.198, F.S.;  
4           exempting from taxation property used by an  
5           educational institution that holds a leasehold  
6           interest in certain leases exceeding a specified  
7           number of years; providing an effective date.

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

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11           Section 1. Section 196.198, Florida Statutes, is amended to  
12           read:

13           196.198 Educational property exemption.—Educational  
14           institutions within this state and their property used by them  
15           or by any other exempt entity or educational institution  
16           exclusively for educational purposes are exempt from taxation.  
17           Sheltered workshops providing rehabilitation and retraining of  
18           individuals who have disabilities and exempted by a certificate  
19           under s. (d) of the federal Fair Labor Standards Act of 1938, as  
20           amended, are declared wholly educational in purpose and are  
21           exempt from certification, accreditation, and membership  
22           requirements set forth in s. 196.012. Those portions of property  
23           of college fraternities and sororities certified by the  
24           president of the college or university to the appropriate  
25           property appraiser as being essential to the educational process  
26           are exempt from ad valorem taxation. The use of property by  
27           public fairs and expositions chartered by chapter 616 is  
28           presumed to be an educational use of such property and is exempt  
29           from ad valorem taxation to the extent of such use. Property

25-01074A-22

20221126\_\_

30 used exclusively for educational purposes shall be deemed owned  
31 by an educational institution if the entity owning 100 percent  
32 of the educational institution is owned by the identical persons  
33 who own the property, ~~or~~ if the entity owning 100 percent of the  
34 educational institution and the entity owning the property are  
35 owned by the identical natural persons, or if the educational  
36 institution is a lessee that owns the leasehold interest in a  
37 bona fide lease for a nominal amount per year having an original  
38 term of 98 years or more. Land, buildings, and other  
39 improvements to real property used exclusively for educational  
40 purposes shall be deemed owned by an educational institution if  
41 the entity owning 100 percent of the land is a nonprofit entity  
42 and the land is used, under a ground lease or other contractual  
43 arrangement, by an educational institution that owns the  
44 buildings and other improvements to the real property, is a  
45 nonprofit entity under s. 501(c)(3) of the Internal Revenue  
46 Code, and provides education limited to students in  
47 prekindergarten through grade 8. Land, buildings, and other  
48 improvements to real property used exclusively for educational  
49 purposes are deemed owned by an educational institution if the  
50 educational institution that currently uses the land, buildings,  
51 and other improvements for educational purposes is an  
52 educational institution described in s. 212.0602, and, under a  
53 lease, the educational institution is responsible for any taxes  
54 owed and for ongoing maintenance and operational expenses for  
55 the land, buildings, and other improvements. For such leasehold  
56 properties, the educational institution shall receive the full  
57 benefit of the exemption. The owner of the property shall  
58 disclose to the educational institution the full amount of the

25-01074A-22

20221126\_\_

59 benefit derived from the exemption and the method for ensuring  
60 that the educational institution receives the benefit.  
61 Notwithstanding ss. 196.195 and 196.196, property owned by a  
62 house of public worship and used by an educational institution  
63 for educational purposes limited to students in preschool  
64 through grade 8 shall be exempt from ad valorem taxes. If legal  
65 title to property is held by a governmental agency that leases  
66 the property to a lessee, the property shall be deemed to be  
67 owned by the governmental agency and used exclusively for  
68 educational purposes if the governmental agency continues to use  
69 such property exclusively for educational purposes pursuant to a  
70 sublease or other contractual agreement with that lessee. If the  
71 title to land is held by the trustee of an irrevocable inter  
72 vivos trust and if the trust grantor owns 100 percent of the  
73 entity that owns an educational institution that is using the  
74 land exclusively for educational purposes, the land is deemed to  
75 be property owned by the educational institution for purposes of  
76 this exemption. Property owned by an educational institution  
77 shall be deemed to be used for an educational purpose if the  
78 institution has taken affirmative steps to prepare the property  
79 for educational use. The term "affirmative steps" means  
80 environmental or land use permitting activities, creation of  
81 architectural plans or schematic drawings, land clearing or site  
82 preparation, construction or renovation activities, or other  
83 similar activities that demonstrate commitment of the property  
84 to an educational use.

85 Section 2. This act shall take effect July 1, 2022.