

West's Florida Statutes Annotated

Title XIV. Taxation and Finance (Chapters 192-221) (Refs & Annos)

Chapter 196. Exemption (Refs & Annos)

West's F.S.A. § 196.1978

196.1978. Affordable housing property exemption

Effective: July 1, 2024

Currentness

(1)(a) Property used to provide affordable housing to eligible persons as defined by [s. 159.603](#) and natural persons or families meeting the extremely-low-income, very-low-income, low-income, or moderate-income limits specified in [s. 420.0004](#), which is owned entirely by a nonprofit entity that is a corporation not for profit, qualified as charitable under [s. 501\(c\)\(3\) of the Internal Revenue Code](#) and in compliance with [Rev. Proc. 96-32, 1996-1 C.B. 717](#), is considered property owned by an exempt entity and used for a charitable purpose, and those portions of the affordable housing property that provide housing to natural persons or families classified as extremely low income, very low income, low income, or moderate income under [s. 420.0004](#) are exempt from ad valorem taxation to the extent authorized under [s. 196.196](#). All property identified in this subsection must comply with the criteria provided under [s. 196.195](#) for determining exempt status and applied by property appraisers on an annual basis. The Legislature intends that any property owned by a limited liability company which is disregarded as an entity for federal income tax purposes pursuant to [Treasury Regulation 301.7701-3\(b\)\(1\)\(ii\)](#) be treated as owned by its sole member. If the sole member of the limited liability company that owns the property is also a limited liability company that is disregarded as an entity for federal income tax purposes pursuant to [Treasury Regulation 301.7701-3\(b\)\(1\)\(ii\)](#), the Legislature intends that the property be treated as owned by the sole member of the limited liability company that owns the limited liability company that owns the property. Units that are vacant and units that are occupied by natural persons or families whose income no longer meets the income limits of this subsection, but whose income met those income limits at the time they became tenants, shall be treated as portions of the affordable housing property exempt under this subsection if a recorded land use restriction agreement in favor of the Florida Housing Finance Corporation or any other governmental or quasi-governmental jurisdiction requires that all residential units within the property be used in a manner that qualifies for the exemption under this subsection and if the units are being offered for rent.

(b) Land that is owned entirely by a nonprofit entity that is a corporation not for profit, qualified as charitable under [s. 501\(c\)\(3\) of the Internal Revenue Code](#) and in compliance with [Rev. Proc. 96-32, 1996-1 C.B. 717](#), and is leased for a minimum of 99 years for the purpose of, and is predominantly used for, providing housing to natural persons or families meeting the extremely-low-income, very-low-income, low-income, or moderate-income limits specified in [s. 420.0004](#) is exempt from ad valorem taxation. For purposes of this paragraph, land is predominantly used for qualifying purposes if the square footage of the improvements on the land used to provide qualifying housing is greater than 50 percent of the square footage of all improvements on the land. This paragraph first applies to the 2024 tax roll and is repealed December 31, 2059.

(2)(a) Notwithstanding [ss. 196.195](#) and [196.196](#), property in a multifamily project that meets the requirements of this subsection is considered property used for a charitable purpose and is exempt from ad valorem tax beginning with the January 1 assessment after the 15th completed year from the earliest of:

1. The effective date of the recorded agreement on those portions of the affordable housing property that provide housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004;
2. The first day of the first taxable year in which the property was placed in service as an affordable housing property that provides housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004; or
3. The date the property received a certificate of occupancy or a certificate of substantial completion, as applicable, allowing the property to be used as an affordable housing property that provides housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004.

(b) The multifamily project must:

1. Contain more than 70 units that are used to provide affordable housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004; and
2. Be subject to an agreement with the Florida Housing Finance Corporation recorded in the official records of the county in which the property is located to provide affordable housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004.

This exemption terminates if the property no longer serves extremely-low-income, very-low-income, or low-income persons pursuant to the recorded agreement.

(c) To receive the exemption under paragraph (a), a qualified applicant must submit an application to the county property appraiser by March 1.

(d) The property appraiser shall apply the exemption to those portions of the affordable housing property that provide housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004 before certifying the tax roll to the tax collector.

<Subsection (3) is repealed by its own terms on December 31, 2059, unless reviewed and saved from repealed by the Legislature.>

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

1. “Corporation” means the Florida Housing Finance Corporation.

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

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 that contains more than 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 (l), whichever is less.

(c) If a unit that in the previous year received the exemption under this subsection and was occupied by a tenant is vacant on January 1, the vacant unit is eligible for the exemption if the use of the unit is restricted to providing affordable housing that would otherwise meet the requirements of this subsection and a reasonable effort is made to lease the unit to eligible persons or families.

(d) 1. The property appraiser shall exempt:

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

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

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) 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, 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.

(f) To receive a certification notice, a property owner must submit a request to the corporation on a form provided by the corporation which includes all of the following:

1. The most recently completed rental market study meeting the requirements of paragraph (l).

2. A list of the units for which the property owner seeks an exemption.

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

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

(g) The corporation shall review the request for a certification notice and certify whether a property meets the criteria of paragraphs (b) and (c). A determination by the corporation regarding a request for a certification notice does not constitute a grant of an exemption pursuant to this subsection or final agency action pursuant to chapter 120.

1. If the corporation determines that the property meets the criteria, the corporation must send a certification notice to the property owner and the property appraiser.

2. If the corporation determines that the property does not meet the criteria, the corporation must notify the property owner and include the reasons for such determination.

(h) The corporation shall post on its website the deadline to submit a request for a certification notice. The deadline must allow adequate time for a property owner to submit a timely application for exemption to the property appraiser.

(i) If the property appraiser determines that for any year during the immediately previous 10 years a person who was not entitled to an exemption under this subsection was granted such an exemption, the property appraiser must serve upon the owner a notice of intent to record in the public records of the county a notice of tax lien against any property owned by that person in the county, and that property must be identified in the notice of tax lien. Any property owned by the taxpayer and situated in this state is subject to the taxes exempted by the improper exemption, plus a penalty of 50 percent of the unpaid taxes for each year and interest at a rate of 15 percent per annum. If an exemption is improperly granted as a result of a clerical mistake or an omission by the property appraiser, the property owner improperly receiving the exemption may not be assessed a penalty or interest.

(j) Units subject to an agreement with the corporation pursuant to chapter 420 recorded in the official records of the county in which the property is located to provide housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004 are not eligible for this exemption.

(k) Property receiving an exemption pursuant to s. 196.1979 or units used as a transient public lodging establishment as defined in s. 509.013 are not eligible for this exemption.

(l) A rental market study submitted as required by 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.

(m) The corporation may adopt rules to implement this section.

(n) This subsection first applies to the 2024 tax roll and is repealed December 31, 2059.

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

2. A taxing authority must make a finding in the ordinance or resolution that the most recently published Shimberg Center for Housing Studies Annual Report, prepared pursuant to s. 420.6075, identifies that a county that is part of the jurisdiction of the taxing authority is within a metropolitan statistical area or region where the number of affordable and available units in the metropolitan statistical 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 second January 1 after the January 1 in which the ordinance or resolution takes effect. The ordinance or resolution may be renewed prior to its expiration pursuant to this paragraph.

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, a property owner of a multifamily project who was granted 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 property owner applies for and is granted the exemption.

(4)(a) Notwithstanding ss. 196.195 and 196.196, property in a multifamily project that meets the requirements of this subsection is considered property used for a charitable purpose and is exempt from ad valorem tax beginning with the January 1 assessment immediately succeeding the date the property was placed in service allowing the property to be used as an affordable housing property that provides housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004.

(b) The multifamily project must:

1. Be composed of an improvement to land where an improvement did not previously exist or the construction of a new improvement where an old improvement was removed, which was substantially completed within 2 years before the first submission of an application for exemption under this subsection. For purposes of this subsection, the term “substantially completed” has the same definition as in [s. 192.042\(1\)](#).
2. Contain more than 70 units that are used to provide affordable housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in [s. 420.0004](#).
3. Be subject to a land use restriction agreement with the Florida Housing Finance Corporation recorded in the official records of the county in which the property is located that requires that the property be used for 99 years to provide affordable housing to natural persons or families meeting the extremely-low-income, very-low-income, low-income, or moderate-income limits specified in [s. 420.0004](#). The agreement must include a provision for a penalty for ceasing to provide affordable housing under the agreement before the end of the agreement term that is equal to 100 percent of the total amount financed by the corporation multiplied by each year remaining in the agreement. The agreement may be terminated or modified without penalty if the exemption under this subsection is repealed.

The property is no longer eligible for this exemption if the property no longer serves extremely-low-income, very-low-income, or low-income persons pursuant to the recorded agreement.

(c) To be eligible to receive the exemption under this subsection, the property owner must submit an application to the property appraiser by March 1. 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.

(d) 1. The property appraiser shall apply the exemption to those portions of the affordable housing property that provide housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in [s. 420.0004](#) before certifying the tax roll to the tax collector.

2. When determining the value of the portion of property used to provide affordable housing for purposes of applying an exemption pursuant to this subsection, the property appraiser must include in such valuation the proportionate share of the residential common areas, including the land, fairly attributable to such portion of property.

(e) If the property appraiser determines that for any year a person who was not entitled to an exemption under this subsection was granted such an exemption, the property appraiser must serve upon the owner a notice of intent to record in the public records of the county a notice of tax lien against any property owned by that person in the county, and that property must be identified in the notice of tax lien. Any property owned by the taxpayer and situated in this state is subject to the taxes exempted by the improper exemption, plus a penalty of 50 percent of the unpaid taxes for each year and interest at a rate of 15 percent per annum. If an exemption is improperly granted as a result of a clerical mistake or an omission by the property

appraiser, the property owner improperly receiving the exemption may not be assessed a penalty or interest.

(f) Property receiving an exemption pursuant to subsection (3) or s. 196.1979 is not eligible for this exemption.

(g) This subsection first applies to the 2026 tax roll.

Credits

Added by Laws 1999, c. 99-378, § 15, eff. July 1, 1999. Amended by Laws 2000, c. 2000-353, § 9, eff. June 21, 2000; Laws 2006, c. 2006-69, § 29, eff. July 1, 2006; Laws 2009, c. 2009-96, § 18, eff. June 1, 2009; Laws 2011, c. 2011-15, § 4, eff. April 27, 2011; Laws 2013, c. 2013-72, § 11, eff. July 1, 2013; Laws 2013, c. 2013-83, § 3, eff. May 30, 2013; Laws 2017, c. 2017-36, § 6, eff. Jan. 1, 2018; Laws 2020, c. 2020-10, § 10, eff. April 8, 2020; Laws 2020, c. 2020-10, § 11, eff. Jan. 1, 2021; Laws 2021, c. 2021-31, § 10, eff. July 1, 2021; Laws 2022, c. 2022-97, § 10, eff. July 1, 2022; Laws 2023, c. 2023-17, § 8, eff. Jan. 1, 2024; Laws 2024, c. 2024-158, § 13, eff. May 7, 2024; Laws 2024, c. 2024-158, § 16, eff. July 1, 2024; Laws 2024, c. 2024-188, § 4, eff. May 16, 2024.

Footnotes

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The word “or” was inserted by the Division of Law Revision.

West’s F. S. A. § 196.1978, FL ST § 196.1978

Current with laws, joint and concurrent resolutions and memorials through July, 1 2024, in effect from the 2024 first regular session. Some statute sections may be more current, see credits for details. The statutes are subject to change as determined by the Florida Revisor of Statutes. (These changes will be incorporated later this year.)

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