



Legislative Changes Applicable to the 2024 Tax Roll

Affordable Housing Property Exemption (s. 196.1978(3), F.S.): Sections 13 and 15 Chapter 2024-158 and Sections 4 and 6 Chapter 2024-188

Effective upon becoming law, May 7, 2024, sections 13 and 15 of Chapter 2024-158 (HB 7073) and effective upon becoming law, May 16, 2024, sections 4 and 6 of Chapter 2024-188 (SB 328), Laws of Florida, amend subsection 196.1978(3), Florida Statutes (F.S.), provide clarification on certain requirements for multifamily project properties.

The amendments to subsection 196.1978(3), F.S. apply retroactively to January 1, 2024, and to the 2024 tax roll and include:

- “Newly constructed”, as defined in 196.1978(3)(a)2., F.S., is amended to mean an improvement to real property which was substantially completed within five years before the date of an applicant’s first submission of a request for a certification notice.
- The list of conditions for portions of property used for a charitable purpose to be eligible to receive a property tax exemption under 196.1978(3)(b) is amended to add portions of property that 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, containing more than 10 units dedicated to housing persons or families meeting the income limitations found in s. 196.1978(3)(d).
- Direction that the property appraiser shall exempt:
 - 75 percent of the assessed value of the units in multifamily projects meeting the requirements of subsection 196.1978(3) and used to house 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
 - From ad valorem property taxes, the units in multifamily projects meeting the requirements of subsection 196.1978(3), 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.
- When determining the value of a unit for purposes of applying an exemption, the property appraiser must include in his or her valuation the proportionate share of the residential common areas, including the land, that are attributable to the unit.
- The property appraiser shall review the application and determine whether the applicant meets all requirements of s. 196.1978(3), F.S. and is entitled to the exemption. The property appraiser may request additional information necessary to make his or her determination and grant an exemption

only for a property for which the Florida Housing Finance Corporation has issued a certification notice and which the property appraiser determines is entitled to an exemption.

- The Florida Housing Finance Corporation reviews a request for a certification notice and certifies whether a property meets the criteria of subsections 196.1978(3)(b) and (c). This determination by the Florida Housing Finance Corporation does not constitute a grant of an exemption or final agency action pursuant to Chapter 120, F.S.
- Units used as a transient public lodging establishment as defined in s. 509.013 are not eligible for an affordable housing exemption.

**County and Municipal Affordable Housing Property Exemption (s. 196.1979, F.S.):
Sections 14 and 15, Chapter 2024-158 and Sections 5 and 6 of Chapter 2024-188**

Effective upon becoming law, May 7, 2024, sections 14, and 15 of Chapter 2024-158 and effective upon becoming law, May 16, 2024, sections 5 and 6 of Chapter 2024-188, Laws of Florida, amend section 196.1979, F.S. and provide clarification on certain requirements for the county and municipal affordable housing exemptions.

The amendments to section 196.1979, F.S., apply retroactively to January 1, 2024, and the 2024 tax roll and include:

- If 100 percent of the multifamily project's residential units are used to provide affordable housing meeting the requirements of s. 196.1979, F.S., up to 100 percent of the assessed value of each residential unit used to provide affordable housing may receive a property tax exemption.
- Provides that any ordinance adopted under this section must be delivered to the property appraiser and the department within 10 days after its adoption but no later than January 1 of the year such exemption will take effect.
- The property appraiser shall review the application and determine whether the applicant meets all requirements of s. 196.1979, F.S. and is entitled to the exemption. The property appraiser may request additional information necessary to make his or her determination and grant an exemption only for a property for which the local entity has certified as qualified property and which the property appraiser determines is entitled to an exemption.
- When determining the value of a unit for purposes of applying an exemption, the property appraiser must include in his or her valuation the proportionate share of the residential common areas, including the land, that are attributable to the unit.
- Subsection 196.1979(6), F.S., is created stating a property appraiser reviews each application for exemption and determines whether the applicant is entitled to the exemption. A property appraiser may request and review additional information necessary to make the determination. A property appraiser may grant an exemption only for a property for which the local entity has certified as qualified property and which the property appraiser determines is entitled to the exemption.

- Subsection 196.1979(7), F.S., is created stating that when determining the value of a unit for purposes of applying an exemption, the property appraiser must include the proportionate share of the residential common areas, including land attributable to the unit.

Legislative Changes Applicable to the 2025 Tax Roll

Affordable Housing Property Exemption (s. 196.1978(3), F.S.): Section 16 Chapter 2024-158

Effective July 1, 2024, Section 16 of Chapter 2024-158, Laws of Florida, creates paragraph 196.1978(3)(o), Florida Statutes (F.S.). Beginning with the 2025 tax roll, a taxing authority may elect, upon a two-thirds vote of the governing body, to adopt an ordinance or resolution not to exempt ad valorem property tax levies for certain multifamily project properties under s. 196.1978(3)(d)1.a., F.S., located in a county specified under s. 196.1978(3)(d)2., F.S.

In order to make this election, certain criteria are required to be met. The taxing authority must

- make a finding in the ordinance or resolution regarding the availability of affordable housing in the region, as specified in s. 196.1978(3)(o)2., F.S.
- advertise the ordinance or resolution pursuant to s. 50.011(1), F.S. prior to adoption, and
- provide the adopted ordinance or resolution or renewal to the property appraiser by the effective date.

The ordinance or resolution must take effect on January 1 immediately following adoption and will expire on the second January 1 after the first effective January 1, unless it is renewed prior to its expiration. A property owner of a multifamily project who received an exemption under s. 196.1978(3)(d)1.a., F.S., prior to the adoption of the ordinance or resolution may continue to receive the exemption for each subsequent, consecutive year they apply for and are granted the exemption.

Legislative Changes Applicable to the 2026 Tax Roll

Affordable Housing Property Exemption (s. 196.1978(4), F.S.):

Section 16 Chapter 2024-158

Effective July 1, 2024, Section 16 of Chapter 2024-158, Laws of Florida, creates paragraph 196.1978(4), F.S. Beginning with the 2026 tax roll, multi-family project property that meets the requirements of this new subsection is considered property used for a charitable purpose and is exempt from ad valorem taxation beginning the first January 1 after the property was placed into service. The multifamily project must:

- Be an improvement to land where the improvement did not previously exist or be a new improvement where an old one was removed and was substantially completed within 2 years before the first submission of an application for this exemption.
- Contain more than 70 units for affordable housing.
- Be subject to a land use agreement with the Florida Housing Finance Corporation which requires the property to be used for affordable housing for 99 years and the agreement must include a penalty for ceasing to provide affordable housing before the end of the agreement term.
- Require the property owner to submit an application to the property appraiser by March 1. The property appraiser must review the application and make a determination of eligibility and may request additional information as necessary.

The property appraiser applies the exemption to those portions of the project that provide affordable housing before certifying the tax roll to the tax collector. The exempt value of the portion of property providing affordable housing must include the proportionate share of the common areas, including the land fairly attributable to the property.

If the property appraiser determines that an exemption was received for any year or years that a person was not entitled to, the property appraiser must serve a notice of intent to record a tax lien against any property owned by that person in the county and such property must be identified in the notice. Any property owned by the taxpayer and situated in Florida is subject to any of the taxes exempted by the improper exemption, plus a penalty and interest for each year. If such an error is the result of the property appraiser's mistake or omission, no penalty or interest will be assessed.

Property receiving the affordable housing exemptions in s. 196.1978(3) or s. 196.1979, F.S. is not eligible for this exemption.

Affected Rule and Form:

The following rule and form will be affected based on the law change.

- Rule 12D-16.002, F.A.C., *Index to Forms*
- Form DR-504AFH, *Ad Valorem Tax Exemption Application and Return for Multifamily Project and Affordable Housing Property*

Information about the status of the Department's rulemaking is available at <https://floridarevenue.com/rules>.

Questions

This bulletin is provided by the Department of Revenue for your general information. For questions, please email **DORPTO@floridarevenue.com**.

Reference

The full text of the implementing laws (chapter 2024-158 and chapter 2024-188, Laws of Florida) are available at <https://laws.flrules.org/2024/158> and <https://laws.flrules.org/2024/188>.

Implementing Date

Sections 13, 14, 15 and 16 of Chapter 2024-158 L.O.F. and sections 4, 5 and 6 of Chapter 2024-188, L.O.F. are effective upon becoming law, and are remedial and clarifying in nature and apply retroactively to January 1, 2024, and the 2024 tax roll.

Section 16 of Chapter 2024-158 L.O.F. creating subsection 196.1978(3)(o), F.S., is effective July 1, 2024, and first applies to the 2025 tax roll.

Section 16 of Chapter 2024-158 L.O.F. creating subsection 196.1978(4), F.S., is effective July 1, 2024, and first applies to the 2026 tax roll.