

To: Property Appraisers, Tax Collectors, Clerks of the Court, Board of  
County Commissioners, Taxing Authorities, and Interested Parties  
From: James McAdams  
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Bulletin: PTO 14-03

**FLORIDA DEPARTMENT OF REVENUE  
PROPERTY TAX INFORMATIONAL BULLETIN**

**Economic Development Ad Valorem Tax Exemption**

The 2014 Legislature enacted Chapter 2014-40, Laws of Florida, (HB 7081) effective May 12, 2014. This law revises the procedures local governments may use to authorize ad valorem exemptions for economic development.

Section 1. This act amends subsection (5) of section 196.1995, Florida Statutes, to read (words ~~stricken~~ are deletions; words underlined are additions):

**196.1995 Economic development ad valorem tax exemption.—**

(5) Upon a majority vote in favor of such authority, the board of county commissioners or the governing authority of the municipality, at its discretion, by ordinance may exempt from ad valorem taxation up to 100 percent of the assessed value of all improvements to real property made by or for the use of a new business and of all tangible personal property of such new business, or up to 100 percent of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and of the net increase in all tangible personal property acquired to facilitate such expansion of an existing business. To qualify for this exemption, provided that the improvements to real property ~~must be~~ are made or the tangible personal property ~~must be~~ is added or increased after approval by motion or resolution of the local governing body, subject to ordinance adoption or on or after the day the ordinance is adopted. However, if the authority to grant exemptions is approved in a referendum in which the ballot question contained in subsection (3) appears on the ballot, the authority of the board of county commissioners or the governing authority of the municipality to grant exemptions is limited solely to new businesses and expansions of existing businesses that are located in an enterprise zone or brownfield area. Property acquired to replace existing property shall not be considered to facilitate a business expansion. The exemption applies only to taxes levied by the respective unit of government granting the exemption. The exemption does not apply, however, to taxes levied for the payment of bonds or to taxes authorized by a vote of the electors pursuant to s. 9(b) or s. 12, Art. VII of the State Constitution. Any such exemption shall remain in effect for up to 10 years with respect to any particular facility, regardless of any change in the authority of the county or municipality to grant such exemptions. The

**exemption shall not be prolonged or extended by granting exemptions from additional taxes or by virtue of any reorganization or sale of the business receiving the exemption.**

Section 14 of Chapter 2014-40, Laws of Florida, is created to read (words ~~stricken~~ are deletions; words underlined are additions):

**Section 14. A local ordinance enacted pursuant to s. 196.1995, Florida Statutes, before the effective date of this act shall not be invalidated on the ground that improvements to real property were made or that tangible personal property was added or increased before the date that such ordinance was adopted, as long as the local governing body acted substantially in accordance with s. 196.1995(5), Florida Statutes, as amended by this act.**

The full text of the changes is available at <http://laws.flrules.org/2014/40>.

The Department of Revenue has provided this bulletin for your general information. If you wish to discuss this matter, you may send your questions to [DORPTO@dor.state.fl.us](mailto:DORPTO@dor.state.fl.us).