

JANUARY 24, 2013

BCC - WORKSHOP

THE BOARD OF COUNTY COMMISSIONERS, IN AND FOR WASHINGTON COUNTY MET ON THE ABOVE DATE AT 9:00 A.M. AT THE WASHINGTON COUNTY ANNEX BOARD MEETING ROOM, 1331 SOUTH BOULEVARD, CHIPLEY, FLORIDA WITH COMMISSIONERS CHAIRMAN BUSH, DISTRICT 1, PATE, DISTRICT 2, BROCK, DISTRICT 3, ABBOTT, VICE-CHAIRMAN, DISTRICT 4 AND GOTHARD DISTRICT 5. CLERK COOK, DEPUTY CLERK BRANTLEY, COUNTY MANAGER JOYNER AND COUNTY ATTORNEY GOODMAN WERE ALSO IN ATTENDANCE.

A. CALL TO ORDER - CHAIRMAN BUSH

ATTORNEY GOODMAN ADDRESSED THE BOARD INTRODUCING CRYSTIE VOEHL WHO HAS BEEN TASKED TO REVIEW CURRENT ORDINANCES. SHE HAS WORKED WITH OTHER COUNTIES MSBU'S AND MSTU'S.

MRS. VOEHL PROVIDED THE BOARD WITH A GENERAL OVERVIEW OF THE SUNNY HILLS MSBU STRUCTURE.

A COPY OF THE PRESENTATION IS ATTACHED BELOW.

COMMISSIONER ABBOTT OFFERED A MOTION, SECONDED BY COMMISSIONER PATE AND CARRIED TO ADJOURN.

ATTEST: \_\_\_\_\_

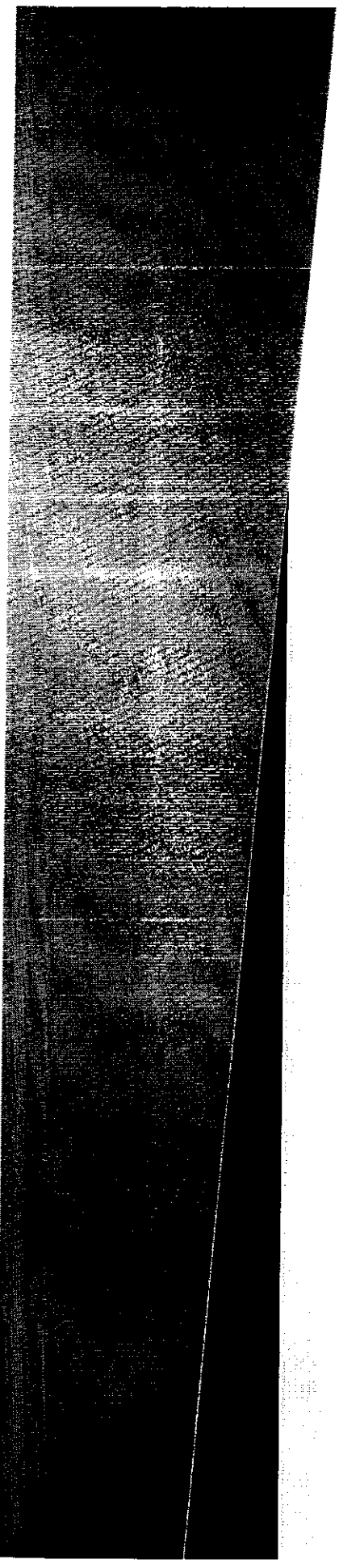
DEPUTY CLERK

CHAIRMAN

# **Sunny Hills Municipal Services Benefit Unit**

Presented by:  
Cristie Voehl  
Jeff Goodman, P.A.

January 24, 2013



# Overview

## Sunny Hills MSBU Structure

- What is a MSBU?
- Services Provided
- Debt Service

## Governance and Funding Options

- MSBU
- MSTU
- Special District

## Recommendations



# County Revenue Sources

## Taxes

Ad Valorem Taxes

Sales Taxes

Fuel Taxes

Communications Services Tax

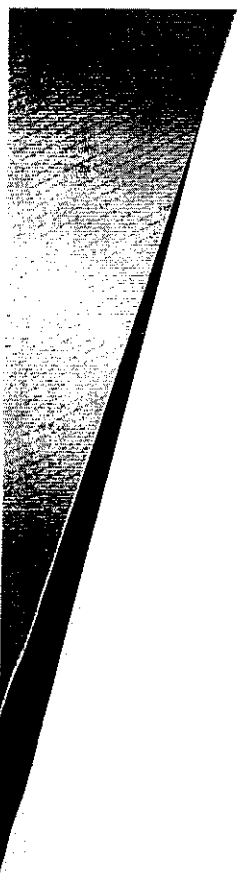
## Fees and Assessments

Special Assessments

Impact Fees

User Fees

## Other Governmental Shared Revenues



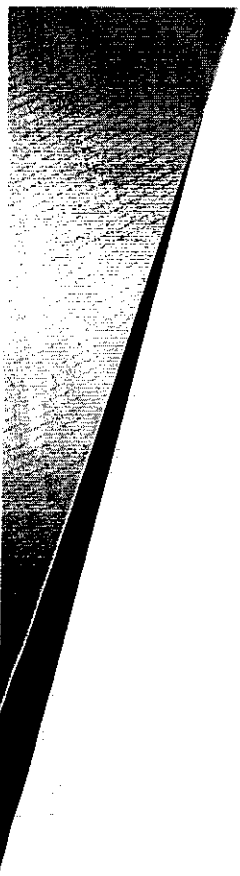
# What is a MSBU?

A funding mechanism available to local governments.

The County establishes a “benefit area” for the properties that will benefit from a service or capital improvement.

The cost of the service or improvement is paid by the benefitted parcels.

The MSBU is not a separate legal entity from the County, this is a funding designation only.



# Sunny Hills MSBU

Sunny Hills MSBU was created by Ordinance Number 2001-04, as amended by 2007-02, 2009-02 and 2011-05.

Collects special assessments of \$31.25 per “developed” residential lot annually on tax bill.

County approves annual budget suggested by Advisory Board

Assessment funds debt service and mowing/maintenance/beautification.



# Issues and Concerns

Usage of Assessment Funds

Ownership of Property

Levels of Service

Future of MSBU



# Governance & Funding Options

Governance

Funding Source

MSTU

Ad Valorem Taxes

MSBU

Special Assessments

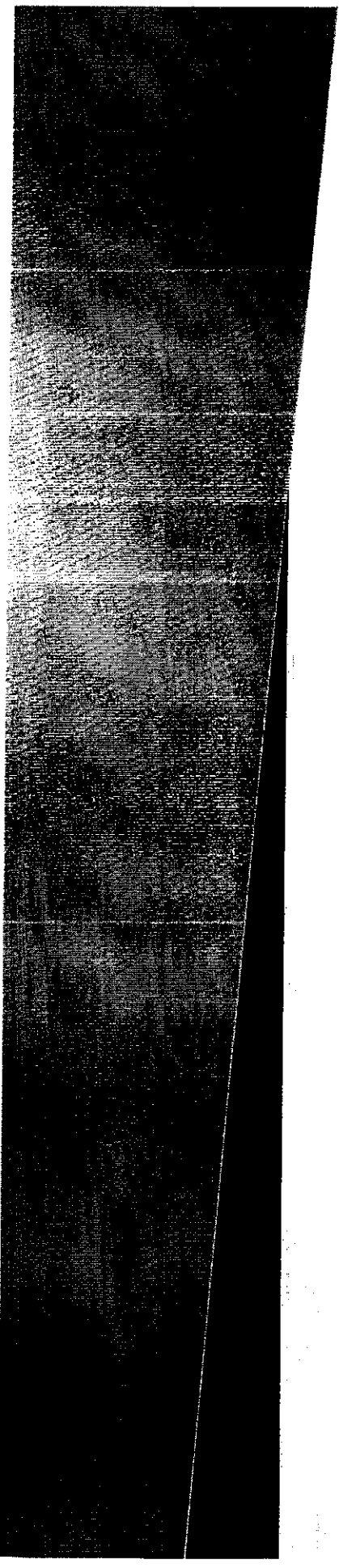
Special District

Ad Valorem Taxes  
and Special  
Assessments



# MSTU

## Municipal Services Taxing Unit



# **Municipal Service Taxing Unit**

**Authorized by Section 125.01(1)(g), Florida Statutes.**

**Counties may establish municipal service taxing units to provide services such as fire protection; law enforcement;..recreation services and facilities;...streets;... and other essential facilities and municipal services.**

**County imposes a special millage within the taxing unit to fund services.**



# MSTU

("Municipal Service Taxing Unit")

The special millage collected can only be used for the defined services within the MSTU and cannot be used elsewhere.

Not a special district or a separate legal body. MSTU can be collected in an area defined by the County which may be countywide or limited to a single neighborhood.

Tax Equity Tool to place burden of taxes on the area receiving benefit of particular services or facilities.



# **MSTU Millage**

(“Municipal Service Taxing Unit”)

Fire Protection

Law Enforcement

Roadway Maintenance and Improvements

Recreational Amenities

**\*No special benefit requirement for millage so long as tax is uniform within the MSTU, for a public purpose, and within the power of the Florida Legislature to prescribe.**



# **MSTU Procedures**

(“Municipal Service Taxing Unit”)

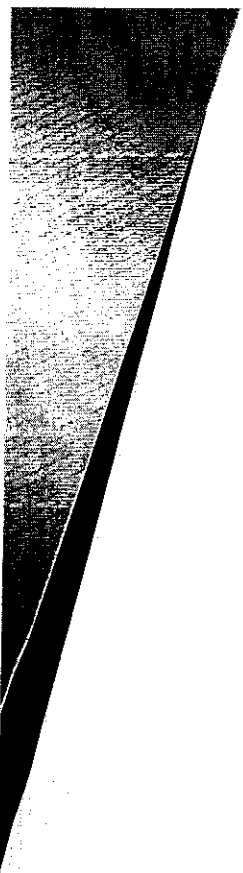
Create taxing unit in accordance with  
Section 200.066, Florida Statutes

Establish budget for services or facilities  
Set appropriate millage during county  
budget cycle.

Aggregation with County millage.

Imposed January 1 of year following  
imposition.

Ensure revenues are restricted to providing  
identified services within the MSTU area.



# MSBU Municipal Services Benefit Unit

# Municipal Service Benefit Unit

Section 125.01(1)(g), Florida Statutes,  
provides authority for county to “[e]stablish,  
and subsequently merge or abolish those  
created hereunder, municipal service  
benefit units...within which may be  
provided fire protection; law  
enforcement;...recreation services and  
facilities;...streets;... and other essential  
facilities and municipal services from funds  
derived from service charges, special  
assessments, ...within such unit only.”



# MSBU

(“Municipal Service Benefit Unit”)

Not a special district or separate legal body.

MSBU is a mechanism by which a county can fund a particular service or facility that provides a special benefit to property from a levy of special assessments.

Funding Equity Tool to place burden of paying for services or facilities on the area receiving benefit.





# Special Assessment v. Taxes

Property receives special benefit

Must benefit property not people.

Apportioned fairly and reasonably generally based on use of property.

Can be collected on tax bill.

▶ No benefit requirement.

▶ Must be used for municipal purpose only.

▶ Uniformly imposed and based on value of property.

▶ Can be collected on tax bill

Ad Valorem Taxes  
MSTU

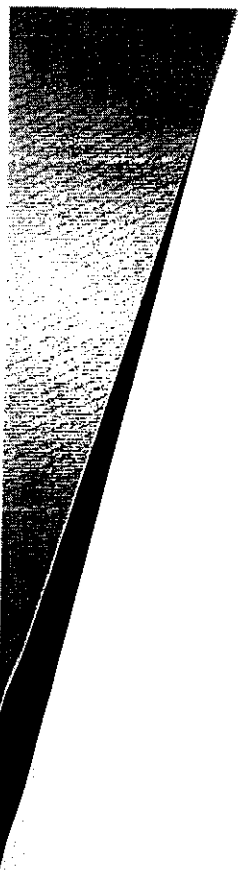
# **Special Assessments**

**Legal Sufficiency Test:**

**Special Benefit to Property;**

**And**

**Fairly and Reasonably Apportioned Among the  
Benefitted Properties**



# **Special Benefit to Property**

Potential increase in value of property or preservation of value.

Added use and enjoyment of property.

Need not be direct or immediate, but achieved in a reasonable time.

Establish through legislative findings.



# Special Benefit to Property

Fire Protection/Fire  
and Rescue  
Roadway Maintenance  
and Improvements  
Certain Recreational  
Amenities  
Solid Waste  
Sewer Improvements  
Stormwater  
Streetlighting

- ▶ Public Hospitals
- ▶ Public Health Units
- ▶ Emergency Medical  
Services
  - Small counties may  
impose EMS Tax
- ▶ Assessment instead  
Law Enforcement

Benefit to Property

Benefit to Persons

# **Fair and Reasonable Apportionment**

- The assessment must be fairly and reasonably apportioned among properties.

Does the method of apportionment make sense in terms of what is being provided?

There is no one right way to apportion an assessment.

Deference is granted to legislative determinations of County.



# **MSBU Procedures**

**(“Municipal Service Benefit Unit”)**

- **Adopt Resolution of Intent pursuant to Section 197.3632, Florida Statutes**
- **Home Rule Procedural Ordinance**
- **Establish budget for services or facilities**
- **Rate Study for Apportioning Budgeted Costs**
- **Implementing Resolutions**
- **Statutorily Noticed Public Hearing**
- **Certify Final Assessment Roll no later than September 15**



# Special District

Section 189.403, Florida Statutes, defines a special district as “a local unit of special purpose, as opposed to general purpose, government within a limited boundary, created by general law, special act, local ordinance, or by rule of the Governor and Cabinet. The special purpose or purposes of special districts are implemented by specialized functions and related prescribed powers....”



# Special District

## Dependent District:

- (1) Governing Body identical to county; or
  - (2) Members appointed by the county; or
  - (3) Members can be removed by the county; or
  - (4) Budget approved or vetoed by county.
- Independent District: one not classified as “dependent.”





# Special District

- Limited forms of government created by either local ordinance or by Florida Legislature to perform specialized functions.
- No home rule power.
- Only have powers expressly provided or those that can be reasonably implied from the authority granted in the charter.



# Special District

Charter must specify authority and funding sources.

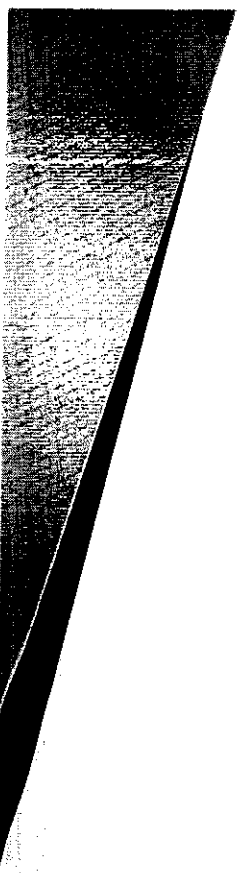
Could include both special assessments and millage to provide:

Fire Protection

Roadway Maintenance and Improvements

Law Enforcement

Recreational Amenities



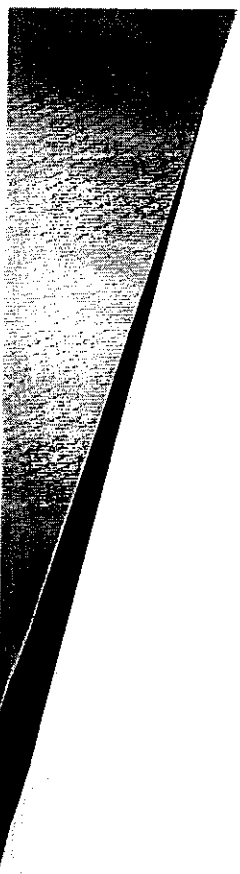
# Special District Procedures

Charter adopted by special act in accordance with Section 189.404, Florida Statutes.

Millage subject to elector approval.

Be aware of legislative deadlines!

Implement authorized funding sources in accordance with previous procedures discussed for millage and special assessments.



# Recommendations

What's next?

# Questions?

