

# Financial Policy

## Citizen Initiated MSBU Publically Owned Roads

Resolution Number 2023-08  
Board Approved: February 28, 2023  
Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions.

### **CITIZEN-INITIATED MSBU PROGRAM FOR CAPITAL IMPROVEMENTS AND MAINTENANCE FOR PUBLICALLY OWNED ROADS**

**Purpose:** To provide Alachua County Citizens and the Board of County Commissioners (Board) a mechanism to receive and provide municipal services and improvements for benefitting properties within the unincorporated area of Alachua County.

The Program is responsible for coordinating the public services and capital improvements funded by non-ad valorem assessments requested by the property owners of the benefitting properties. Administration of each assessment district (MSBU) shall include financial management of the fund; ensuring assessments are levied accurately per local and state requirements; monitoring service contracts; maintaining records for active and closed MSBUs, and responding to property owner interests and inquiries.

The Citizens-Initiated MSBU Program outlines the administration of non-ad valorem assessments levied for publically owned roads, road related capital improvements, and periodic maintenance of included roads.

**Policy:** To provide an orderly and efficient method for utilizing the statutory authority given to the Alachua County Board of County Commissioners by Florida Statue 125.01(1)(q) and Alachua County Code Chapter 37 to create a Municipal Services Benefit Unit (MSBU) Program, driven by citizen request, within the unincorporated area of Alachua County. It is the intention of this Administrative Procedure to supplement the established Florida Statutes and Alachua County Code; therefore, any perceived contradictions or omissions shall cede to these controlling entities.

This hereby establishes a policy for the creation of citizen initiated MSBU's along with the procedures for levying, collecting, adjusting, supporting, and enforcing created MSBU's.

#### **Definitions:**

Assessment Roll – Area or group of properties assigned a pro-rata amount to fund an essential public service or improvement offering benefit to those properties.

Benefit – Direct or indirect assistance or advantage.

Assessment/Benefit Unit – Equitable base or measure used for allocating cost, such as parcel, acreage, or dwelling.

Capital Improvement Assessment/Assessable Cost – Amount levied for a constructed improvement for which the amount is levied once but may be repaid in annual installments over a period of years.

Fee (Petition) – A non-refundable amount which must be included with the initial Citizen-Initiated MSBU Petition for administration and review of the request.

Liaison – Applicant or person that voluntarily serves as a spokesperson for the community during the various phases of the MSBU process. The liaison acts as a go-between for the benefitting property owners and the County and is authorized to request or approve minor changes in services or project(s) scope (increase in annual cost and/or assessments of no more than 10%) without Board action.

Lien – A legal claim upon property to secure the payment of a debt or obligation.

Municipal Service – Assistance or improvement provided by a local government to serve a public purpose.

Municipal Services Benefit Unit (MSBU) – An assessment district created to fund a localized public service.

Non-Ad Valorem Assessment – Amount levied on a property by criteria other than property value; typically assigned by units of benefit.

Ordinance – An authoritative order or legislation enacted by a municipal authority such as the Alachua County Board of County Commissioners.

Petition (MSBU Petition) – Document originated by citizens in the form of a request for an MSBU which should include general scope of services or project(s), a map depicting the proposed Unit boundaries, and the level of benefitting property owner’s support for its creation. The Petition is then further processed within the MSBU Program to determine a “honed” MSBU scope and cost including:

- Project analysis
- Engineering/design
- Construction
- Contracted services.
- Equipment Installation
- Utilities
- Administration
- Financing
- Reserves
- Contingencies
- Other direct and indirect costs

Pro-rata – A proportionate allocation.

Public Purpose – Available or pertinent to the people as a whole; open to all members of a community; may be provided by local authorities and supported by money from taxes, fees, or assessment.

Public Hearing – A special meeting which allows the public to comment on proposed plans and projects before the local government makes a final decision.

Public Service – Essential service provided by a government to people living within its jurisdiction.

Special Assessment District (SAD) – Also known as MSBU.

Unincorporated Area – A region of land outside the taxing boundary of a city; governed by the County.

Variable Rate Assessment – An amount levied annually to fund an ongoing service for which the service cost may change each year.

**Procedure:**

1. Creating and establishing an MSBU
  - A. It shall be the policy of the Board of County Commissioners to require an MSBU Petition and associated fee for consideration of a new MSBU. Such petition will define the general parameters of the MSBU, however; the Board, at its discretion, may establish a minimum service area requirement.
  - B. Petitions must be submitted by February in the year prior to the targeted beginning of MSBU revenue collections.
  - C. A petition process is used in establishing MSBUs to ensure community awareness and involvement in the decision-making process. This also increases recognition of the public nature of the improvements and the responsibility of property owners for payment of the assessments.
  - D. MSBUs must be created and utilized to provide road related services and/or infrastructure in accordance with Florida Statute 125.01(1)(q).
  - E. The Board will determine the best course of financing, including whether to provide initial internal or external funding, on a case-by-case basis.
  - F. If it is determined that outside funding (e.g., loans and bonds) is necessary to fund a requested MSBU the Board will absorb any issuance costs.
  - G. Each MSBU shall be maintained and managed individually in accordance with established “best practices” and Generally Accepted Accounting Principles (GAAP).
2. Processing requests

- A.** Citizen requests should be sent to the County Manager (CM) in the form of a Petition for initial recording and collection of the associated fee. The County Manager shall then forward the request to County staff (“staff”) to continue formulating the MSBU request. It is the responsibility of the citizens to:
  - I.** Organize support for the MSBU.
  - II.** Develop a general scope of work and/or services.
  - III.** Prepare the petition for submittal to the Board via the Deputy CM
  - IV.** Designate a liaison.
- B.** Once the completed petition and associated fee is submitted, staff will prepare a cost estimate for the proposed improvements using current County standards. Estimates may also include eventual replacement and ongoing maintenance costs. Estimate(s) will then be presented to the Board no later than May in the year prior to the targeted beginning of MSBU revenue collections.
- C.** The Board may choose to conduct a Property Owner Interest Poll and send a letter and vote card, via First Class Mail, to the benefitting property owners. The letter shall describe the proposed improvement, the area to be specially benefitted, the estimated improvement cost, and the allocation of the cost to each property owner.
- D.** The vote card must be signed and returned within 45 days of the date of the letter. The vote cards will be verified to determine that at least 50% of the responding benefitting property owners within the proposed unit boundaries signed in favor of the petition. For proposed improvements to unpaved roads owners representing at least 60% of the benefitting property must respond and of those responses at least 75% must be in support of creating the MSBU.
- E.** Such verification shall be accomplished by comparing the vote card with the existing tax rolls of the Property Appraiser and voter registration rolls if applicable. The Board may also, at its discretion, increase the required percentage of signatures on a letter/vote card.
- F.** Upon verification that the appropriate percent of benefitting property owners signed in favor of the MSBU, staff shall proceed with scheduling the MSBU creation.
  - I.** Staff shall abide by Florida Statute 197.3632 and Sections 37.10 thru 37.14 of the Alachua County Code.
  - II.** Staff shall prepare ordinances and resolutions.

**III.** Staff shall publish required legal and display notices.

**IV.** Staff shall mail each benefitting property owner a first-class notice advising them of the date and time of the public hearing for the purpose of adopting the ordinance creating the MSBU.

**G.** If the required percentage is not obtained within the 45-day period, the application will be deemed invalid, and a letter will be mailed to the applicant to notify them that the requested MSBU has not met the signature requirement.

**H.** The Board of County Commissioners reserves the right to approve, deny, or modify MSBU requests.

**3.** Adopting MSBU budgets and assessment rolls

**A.** Prior to January 1<sup>st</sup> of each year, the department will submit the proposed non-ad valorem assessment roll as part of a public hearing for adoption of each new MSBU created during the preceding year as prescribed in Florida Statute 197.3632(3)(a) through (4)(b).

**B.** Prior to January 1 of each year, the Board of County Commissioners may adopt a resolution at a public hearing stating its intent to utilize the uniform method of collection of non-ad valorem assessments for all new MSBU's created during the preceding calendar year.

**C.** All costs associated with publishing the public hearing notice will be divided equally among the MSBUs being brought to the Board and charged to the appropriate MSBU Fund and paid for by the non-ad valorem assessment levied against the benefitting property owners and included on the annual tax bill.

**D.** The content of the resolution and conduct of the public hearing must be in accordance with F.S. Chapter 197.3632(3)(a).

**E.** First class mail notice shall be sent to each person owning property within the proposed MSBU boundaries.

**F.** A public hearing will be required in following years whenever there are changes in the boundaries or the purpose of the MSBU as outlined in F.S. Chapter 197.3632(4)(a).

**G.** Any proposed revision resulting in an increase or decrease in the services provided by the MSBU shall be reviewed by County staff. If the revision cost is 10% or below the Board approved amount the approval authority is with the MSBU's Citizen Liaison. Any changes above 10% require Board approval via the Public Hearing Process.

- H. Staff shall prepare the budgets for their MSBUs during the annual budget process. The Office of Management & Budget shall prepare the resolutions documenting the Board’s approval of the MSBU budgets at the public hearing adopting the County-wide budget and its corresponding resolutions.
  - I. Staff shall prepare the MSBU assessment rolls annually and submit them to the Office of Management and Budget so they may be included for adoption at the same time as the MSBU and County-wide budget resolutions go before the Board.
  - J. Staff will ensure that the assessment roll certifications are submitted to the Property Appraiser and Tax Collector for billing and collection as set forth by Florida Statute 197.
4. Levy and collecting MSBU assessments
- A. An MSBU may be created at any time during the fiscal year as long as previously described deadlines have been met. However, implementation shall coincide with the adoption of the annual County budget beginning October 1.
  - B. All new MSBUs must be created (resolution adopted) by January 1 of each year in order to be implemented the following October.
  - C. The Board will levy the special assessment to be collected through the Uniform Method of Collection authorized by Florida Statute 197.3632.
  - D. In the case when an individual MSBU is closed out, residual monies remaining in the Fund totaling 5% or more of the original Board approved budget shall be refunded back to the property’s current owner of record on a pro rata share as originally assessed. Any residual monies remaining in the fund totaling less than 5% of the original budget will be transferred to the responsible department’s primary fund.
5. Contract and Purchasing  
All contract and purchasing scenarios must be processed and managed by the responsible department in accordance with existing County policies and procedures.
6. Property Appraiser  
  
The Property Appraiser will be asked to provide a section map(s) detailing the proposed MSBU area, the benefitting property owner’s name, address, property value, and applicable frontage as well as the size and type of property structures.
7. Tax Collector

- A. The Tax Collector is responsible for the annual billing and collection of the non-ad valorem assessments in the same fashion as the tax rolls are billed and collected each year.
  - B. Assessments become delinquent after April 1, and failure to pay may result in a lien levied against the property and may result in the sale of a tax certificate in accordance with Florida Statute 197.432.
8. Clerk of Court  
The Clerk is responsible for recording and, when required, the administering of liens on unpaid non-ad valorem assessments.
9. Processing appeals of assessments.
- A. Property owners wishing to appeal or request a review of their initial assessment may contact the responsible department to document the nature of the request.
  - B. All requests received prior to the deadline set forth by Florida Statutes (30 days after certification of the tax roll) each year shall be handled so as to allow payment of taxes before they become delinquent.
  - C. Staff shall investigate the request in consultation with the Property Appraiser and make a determination as to whether or not an adjustment is warranted.
  - D. In the event an adjustment to the initial assessment is warranted, staff shall prepare a “Certificate of Correction” and submit it to the Tax Collector and Property Appraiser. If a determination of adjustment is made prior to payment of the current tax bill, a revised tax bill will be sent by the Tax Collector reflecting the adjusted assessment. If a determination of adjustment is made after payment of the current tax bill, the property owner may request a reimbursement for the assessment overpayment; otherwise, the overpayment will be reflected on the following year’s tax bill.
  - E. Adjustments to initial assessments resulting from appeal/review requests received after the deadline will be documented on a “Certificate of Correction” by the responsible department and reflected on the following year’s tax bill.
    - I. Reimbursement will only be made on assessments paid within the previous three years.
    - II. Reimbursement will be reviewed and processed by the responsible department with the funding source being the appropriate MSBU Fund.

AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS  
**RESOLUTION 2023-08 DATED 02/28/2023.**

History: Resolution 19-37 Dated 10/01/2019.