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Alachua County Property Appraiser

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I have had several inquiries since I sent out my request for your participation in the TMA project by executing the MOUs. I have committed one of the cardinal sins of believing you all live my life and know my lexicon. In an effort to atone for this sin I am sending you these responses to questions I have had in the hopes that this will help clarify many of your questions. I am also sending you the underlying service agreement I have with TMA so that you have the total picture and can fully understand that your jurisdiction is not liable for anything.

Let me begin with a few generalized statements and then begin to answer any specific questions.

Personal Property refers to Tangible Personal Business Property, it does not include any of our personal items. This is only property within businesses.

The MOU in front of you tonight has one issue in it. That is, If the research that TMA does results in additional property tax dollars being collected, does the Tax Collector have your permission to distribute a portion of the money that would be normally distributed to you, to TMA?

The current agreements, if fully executed, do nothing to change or transfer any powers, authorities or rights to or from any jurisdictions or individuals.

There is nothing in any of the agreements that will ever cost your jurisdiction, or any other jurisdiction, money. Nor is there anything that would diminish current or future revenue stream by any money. If the program goes forward you will receive, in the first year 70% of a dollar that you would not receive otherwise. In the second and all future years you will receive 100%.

TMA will work under the direction and at the direction of the Property Appraiser at all times. TMA does not become invested with any of the powers, authorities or duties of the Property Appraiser. They become, essentially, Property Appraiser staff. What they bring to the transaction is an ability to process huge data bases that the Property Appraiser will never have access to. From these analysis, they are able to recommend properties to us that they believe should not be receiving homestead exemptions. On the Tangible Property side, they offer the Property Appraiser access to CPAs for short durations to accomplish our statutory responsibilities. They offer us an educated pool of people that we will never be able to afford to hire.

For perspective, TMA tells me that about 1.5% of the homestead properties end up being recommended for further review and potential liens. County wide we have about 50,000 homestead exemptions. The Cities are much smaller for the most part, the following are approximate:

Alachua	2500
Archer	235
Gainesville	15,300

Hawthorne	300
High Springs	1500
Lacrosse	75
Micanopy	150
Newberry	1450
Waldo	200

Now, let's move in to some of the specific questions.

1. My jurisdiction should be copied on the (pending? / already agreed to?) contract between the Property Appraiser's Office and Tax Management Associates.

That contract for services, which is included with this email, deals with an agreement between TMA and the Property Appraiser. It in no way obligates your jurisdiction or anyone else to anything. The failure to include it was my oversight.

2. In the Property Appraisers cover letter he states that he has already entered into an agreement with TMA. In the MOU it states that the agreement is intended. Which is it?

The agreement for services between TMA and the Property Appraiser is completed. The MOUs are not all completed. At this point we have received executed agreements from the School Board, the BOCC, the MSTU, the Library Board and the City of Gainesville. Again, had the BOCC and SBAC not agreed there would have been no point in bringing this agreement to you. The deal would have been dead.

3. Upon cancellation of the contract the liens clause causes any parcel having a lien that has not yet been satisfied to be held by TMA for future collection of fees once the lien is finally satisfied. Is there no limitation that can be set on the time which parcels can be held by TMA after MOU cancellation?

The liens are held by Alachua County. TMA has their agreement for a share of the collection of that lien, if and when it is paid. If that lien is levied prior to any cancellation of agreements, they will always be entitled to payment for the work they have done. Liens and their expiration are a matter of State Statute.

4. If my jurisdiction terminates the MOU, are there any other exceptions that can be held by TMA after termination? (besides the lien issue?)

Your jurisdiction will only have an agreement with the Tax Collector and Property Appraiser. If Your jurisdiction cancels that, TMA is not a party. Therefore, they have no claims.

5. Beyond the stated fees to be collected by TMA, are there any other fees agreed to by the contract between the Property Appraiser's office and TMA?

In the event that the Property Appraiser has requested TMA to do research on a property and TMA does the research, and TMA believes that it is a property that should be lienied and the Property Appraiser decides not to. The Property Appraiser may be liable for a onetime payment to TMA of \$650. There are no other fees.

6. Are there any fees that could be collected by TMA that would continue in following years, or for the duration of the contract?

No, when a lien is filed that is it. TMA's percentage will come out of that lien and have no claim to future revenues from that property.

7. My jurisdiction appears to lose authority via this MOU to render decisions on liens and exemptions with regard to parcels within my jurisdiction. Although exemptions are handled by the Property Appraiser's office and liens are filed through them, my jurisdiction may find itself in a position of wanting to make a determination on a particular parcel and this contract may get in the way. Is this a possibility?

Your jurisdiction has no current authority in these matters. This is the sole area of the Property Appraiser. The administration and enforcement of Homestead Exemption is a duty of the PA.

8. Is the Property Appraiser's office relieving itself of duties assigned it by Florida Statute?

Not at all. In fact, the opposite is true. The Property Appraiser is trying to increase his ability to perform his statutory responsibilities with a minimal cost to the taxpayers of Alachua County. To attempt to hire the staff required to do what we can accomplish would take several million dollars, annually.

9. Where is the listing of fines and penalties that TMA will be imposing on our property owners?

TMA will not be fining and liening our people. Alachua County will be doing that per the same schedule that we are currently operating under. The fines and penalties are State law.

10. What entity will receive interest paid for fraudulent exemptions that were claimed, possibly for many years.

Interest is included along with the penalties in any lien. The payments are distributed the same way property taxes are.

11. . How many years back will TMA analyze and assess fines and penalties?

The law provides that we can go back up to 10 years. Again, it will not be TMA doing the fines and penalties. It will be Alachua County.

12. What is the process for TMA employees to analyze personal property on parcels? How are responses from Property Owners handled and by whom?

Those business accounts to be audited are determined by the Property Appraiser. Whether a book audit, physical inspection or both are indicated will depend upon circumstances. The process will be the same as it is today.

13. Does TMA have the authority to place a lien on a parcel?

No, this will be done by the Property Appraiser.

14. Can properties be sold for unpaid taxes, penalties, fines after the standard 3 years?

Liens do not currently come under the same provisions of collection as the taxes. Property Owners with a large amount due may not be able to satisfy the debt within a three-year time frame. Time frames are a matter of State law. The Tax Collector will deal with these issues. Personally, if you have had no problem asking your neighbor taxpayers of Alachua County to pick up and pay part of your share for non-legal reasons, you really shouldn't have a problem when those people ask you to pay them back.

15. Why does the Property Appraiser need 100% of the County to sign on to this MOU? If one municipality were to opt out, would that negate the contract between the Property Appraiser and TMA? Or is this merely a statement of incentive to sign? Again, my jurisdiction should have the ability to analyze that background contract.

Taxes in Alachua County are paid based upon a combined millage rate. We cannot elect to pay your jurisdiction taxes but not our BOCC. As such any lien filed will include all the millages applicable to that property. The Tax Collector cannot disperse funds other than by State Statutes, unless the taxing authorities authorizes him to do so. Should monies be collected as a result of TMA's efforts and not everyone had agreed to pay them, then only those that had agreed would have to pay the entirety of the bill. The ones that didn't agree would get a free ride. That's not fair to anyone. So, it is 100% or nothing out of fairness to all.

16. With regard to the Property Appraiser and TMA contract, if amended in the future by those two parties, where is the process in this MOU for presentation and acceptance by each opt-in entity prior to enforcement?

If any amendments are made the Property Appraiser will notify your jurisdiction. The opportunity to amend the MOU or to cancel the agreement will be yours.

17. On page 3, paragraph 2 of the MOU, fees will be generated for TMA exclusively from collections related to removal of ad valorem exemptions. What about discoveries of additional personal property

that was never entered into the Property Appraiser's records? Where is the fee structure for these additions to the tax record?

The personal property process follows a different path. It does not end in a lien. It ends in a back assessment. The assessment is appeal-able and follows a course similar to ordinary property taxes.