

**MEMORANDUM OF UNDERSTANDING FOR USE OF PROPERTY TAX  
COLLECTIONS TO FUND CERTAIN AD VALOREM TAX  
EXEMPTION AUDIT SERVICES**

**THIS MEMORANDUM OF UNDERSTANDING ("MOU")** is made and entered into as of this 10<sup>th</sup> day of December, 2018, by and between the ALACHUA COUNTY PROPERTY APPRAISER ("PROPERTY APPRAISER"), ALACHUA COUNTY TAX COLLECTOR ("TAX COLLECTOR"), and the CITY OF ALACHUA ("TAXING AUTHORITY"). Collectively, the PROPERTY APPRAISER, the TAX COLLECTOR and the TAXING AUTHORITY are referred to herein as the "Parties."

**WHEREAS**, the PROPERTY APPRAISER is responsible under Florida law for the administration of ad valorem property tax exemptions, including homestead exemption, and the preparing and filing of tax liens for back taxes related to the removal of undeserved exemptions; and

**WHEREAS**, the PROPERTY APPRAISER is responsible under Florida law for the accurate and complete listing and valuation of tangible personal property; and **WHEREAS**, the TAX COLLECTOR is responsible under Florida law for the collection and distribution of ad valorem property taxes, including back taxes and tax liens, and associated penalties, fees, and interest; and

**WHEREAS**, the TAXING AUTHORITY receives local property tax revenue to fund essential public services; and

**WHEREAS**, the Parties to this MOU recognize that there may be property owners on the Alachua County tax roll claiming undeserved and/or fraudulent personal exemptions from ad valorem property tax, which reduces property tax revenue and unfairly shifts the property tax burden to other property owners; specifically: (i) homestead exemption granted pursuant to Article VII, section 6 of the Florida Constitution, and Sections 196.031, Florida Statutes, and (ii) that there may be property owners on the Alachua County tax roll who are not reporting or under reporting the value of their tangible personal property (hereinafter, the exemption referred to in subparagraph (i) is referred to as the "Homestead Exemption," the audit program referred to in subparagraph (ii) is referred to as the "Tangible Audit." and both exemptions are collectively referred to as the "Ad Valorem Exemptions"); and

**WHEREAS**, the PROPERTY APPRAISER intends to enter into a contract with TAX MANAGEMENT ASSOCIATES, INC. ("TMA") for audit services to identify properties with undeserved Ad Valorem Exemptions for the purpose of collecting taxes due on those properties, which funds would otherwise be unavailable to the TAXING AUTHORITY (hereinafter the "TMA Audit Agreement"); and

**WHEREAS**, TMA shall provide said audit services in exchange for the fees established in the TMA Audit Agreement, which generally consists of: (i) an amount equal to thirty percent (30%) of any tax, penalties, and interest collected from back taxes assessed or tax liens filed by the PROPERTY APPRAISER on parcels identified through a TMA audit as having undeserved Homestead Exemption(s), and (ii) an amount equal to thirty-five percent (35%)

of any tax, penalties, and interest collected from taxes assessed by the PROPERTY APPRAISER on parcels identified through a TMA audit of tangible personal property as more particularly described in the TMA Audit Agreement (hereinafter, collectively referred to as "TMA's Fee"); and

**WHEREAS**, TMA's Fee shall be paid exclusively from the taxes, penalties, and interest collected in relation to the removal of Ad Valorem Exemptions as a result of audits performed by TMA, and shall not constitute a pledge or general obligation of tax funds or create an obligation on the TAXING AUTHORITY to appropriate or make monies available for the purpose of this MOU beyond the fiscal year in which this MOU is executed; and

**NOW, THEREFORE**, the PROPERTY APPRAISER, TAX COLLECTOR, and undersigned TAXING AUTHORITY, for and in consideration of the mutual promises, covenants, and conditions herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, agree as follows:

### **TERMS**

- 1) Incorporation of Recitals. The recitals set forth above are hereby incorporated into and deemed a part of this MOU.
- 2) Authorization of Reduced Collections for Fee Payment:
  - a) The undersigned TAXING AUTHORITY authorizes the TAX COLLECTOR to deduct its proportionate share of TMA's Fee, as established in the TMA Audit Agreement, from the total property tax, penalties and interest collected as the result of the removal of Ad Valorem Exemption(s) pursuant to TMA audits. The TAX COLLECTOR shall distribute the remaining tax revenue to the undersigned TAXING AUTHORITY according to governing Florida law.
  - b) This MOU does not constitute a pledge or general obligation of ad valorem taxation, or create any obligation on any TAXING AUTHORITY to appropriate or make monies available for any tax year, and does not create the right in any party to compel the exercise of the ad valorem taxing power of any TAXING AUTHORITY.
  - c) The TAX COLLECTOR may, upon request, make available to the TAXING AUTHORITY an accounting of all tax proceeds collected pursuant to the TMA Audit Agreement, TMA's Fees paid to TMA, and the total funds distributed to each taxing authority within the geographic boundary of Alachua County, Florida.
- 3) Term & Termination: This MOU shall be effective as of the date of execution for an initial term of eighteen (18) months. Thereafter, this MOU shall renew automatically on an annual basis until such time as the TMA Audit Agreement is terminated or

otherwise expires, except for such provisions as survive termination as further agreed herein.

- a) The TAXING AUTHORITY may opt out of this MOU provided it notifies the PROPERTY APPRAISER and TAX COLLECTOR in writing at least ninety (90) days prior to October 1. This option shall become effective upon October 1 of the year following the initial term delineated above .
  - b) The Parties acknowledge that TMA audit services shall not be provided for any parcel in the TAXING AUTHORITY'S specific taxing district if the TAXING AUTHORITY does not sign, or subsequently withdraws from, this MOU for use of property tax collections to fund Ad Valorem Exemption Audit Services.
  - c) Upon termination of this MOU, TMA's Fees for all audits completed by TMA in the TAXING AUTHORITY'S tax districts up to the date of termination shall be payable in accordance with the terms provided by the MOU and the TMA Audit Agreement. Because tax liens may not be paid within the term of this MOU, the authorization of reduced collections for TMA's Fee payment shall survive the termination of this MOU, and shall terminate upon the later of the collection and payment of all liens related to TMA audits, or the expiration of such liens as a matter of Florida law.
- 4) Severability: Should any provision, portion, or application thereof of this MOU or the TMA Audit Agreement be determined by a court of competent jurisdiction to be illegal, unenforceable, or in conflict with any applicable law or constitutional provision, or should future changes to Florida law conflict with any portion of this MOU or the TMA Audit Agreement, the Parties shall, in good faith, attempt to negotiate an equitable adjustment in the affected provisions of this MOU with a view toward effecting the purpose of this MOU, and the validity and enforceability of the remaining provisions, portions, or applications thereof, shall not be impaired. If a future change to Florida law conflicts with or preempts the entirety of this MOU, this MOU will be immediately terminated, subject to the termination provisions herein.
- 5) Public Records: The Parties are public agencies subject to Florida's public records laws, including records retention, production, and confidentiality provisions. The PROPERTY APPRAISER and TAX COLLECTOR agree to retain all records maintained by their agencies and associated with the performance of this MOU in compliance with applicable Florida records retention schedules, and to make all non-confidential or exempt records available for inspection or copying upon request and in compliance with Florida's public records laws.
- 6) Liability: The PROPERTY APPRAISER retains sole discretion and authority to grant, deny or remove exemptions, or file liens for undeserved Ad Valorem Exemptions in accordance with Florida law. All legal costs involving appeals of the removal of Ad Valorem Exemptions and resulting from audits shall be the responsibility of the PROPERTY APPRAISER. The undersigned TAXING AUTHORITY has no decision-making authority in relation to exemptions or liens

under this MOU and assumes no liability for any claims, damages, losses, or expenses, direct, indirect or consequential, arising out of or resulting from the actions of TMA, the PROPERTY APPRAISER, or the TAX COLLECTOR under this MOU or the TMA Audit Agreement.

- 7) Notice: Any notices to be given or submitted by any Party to the other Parties pursuant to this MOU shall be made in writing and sent by first class mail, postage paid or by hand delivery to:

PROPERTY APPRAISER:  
ALACHUA COUNTY PROPERTY APPRAISER  
515 N. Main Street  
Suite 200  
Gainesville, FL 32601

TAX COLLECTOR:  
ALACHUA COUNTY TAX COLLECTOR  
12 SE 1<sup>st</sup> Street  
Gainesville, FL 32601

TAXING AUTHORITY:  
CITY OF ALACHUA  
P O Box 9  
ALACHUA FL 32616

- 8) Applicable Law: The terms and conditions of this MOU shall be governed by the laws of the State of Florida. Sole and exclusive venue for any action arising under this MOU shall be in Alachua County, Florida.
- 9) No Third-Party Beneficiaries: This MOU is for the sole benefit of the Parties hereto, and in no event, shall this MOU be construed to be for the benefit of any third party, nor shall any party hereto be liable for any loss, liability, damages or expenses to any person not a party to this MOU.
- 10) Amendment: This MOU may be amended only by a written agreement executed by all Parties hereto.
- 11) Headings: The subject headings of the paragraphs are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions. This MOU shall be deemed to have been drafted by all Parties, and no purposes of interpretation shall be made to the contrary.
- 12) Execution in Counterparts: This MOU, and any Amendments thereto, may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by email delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the Party executing

or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page is an original thereof.

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be executed by the proper officer of each, as of the date first written above.

**EXECUTED AND ENTERED INTO BY THE PARTIES HERETO.**

ACCEPTED:

ALACHUA COUNTY  
PROPERTY APPRAISER  
515 NORTH MAIN STREET, SUITE 200  
GAINESVILLE, FL 32601

AUTHORIZED SIGNATURE:



ED CRAPO  
PROPERTY APPRAISER

DATE: 6/14/18

ACCEPTED:

ALACHUA COUNTY  
TAX COLLECTOR  
12 SE 1<sup>ST</sup> STREET  
GAINESVILLE, FL 32601

AUTHORIZED SIGNATURE:



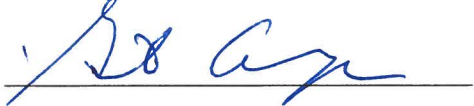
JOHN POWER  
TAX COLLECTOR

DATE: 6/14/18

ACCEPTED:

CITY OF ALACHUA  
P O Box 9  
Alachua FL 32616

AUTHORIZED SIGNATURE:



GIB COERPER  
MAYOR

DATE: 12/10/18