New Seller Disclosure Takes Effect on June 14
For Residential Properties within Miami-Dade Special Taxing Districts

Special Taxing Districts are created at the request of residents or developers to provide public improvements and special services. In Miami-Dade County, there are currently 990 active districts providing the following services:

1. **Street Lighting** – provides lighting along the public right-of-way (843 districts);
2. **Security Guard** – provides stationary and/or roving patrols staffed by off-duty police offices or commercial guards (27 districts);
3. **Multipurpose Maintenance** – includes, but not limited to, maintenance of landscaping, bodies of water, swales, walls, and graffiti abatement for walls within or abutting the public right-of-way (118 districts); and,
4. **Capital Improvement/Road Maintenance** – provides for upgrades or improvements within public right-of-way; examples include water/sewer, drainage, utilities and other roadway improvements (2 districts).

Collectively, the districts affect 256,651 properties in Miami-Dade and will generate just over $26 million in revenue for FY 2019-2020 via non ad valorem property tax assessments.

**HISTORY**

By law, each district is responsible for funding its own services. In 2014, one county commissioner questioned if the special taxing districts in his area were covering services for other districts. The county conducted an internal audit in 2015 (the first since 1996) and it revealed that 94% of the districts had budget surpluses, resulting in $4.36 million being refunded to over 12,000 property owners. Sixty-eight districts had budget deficiencies, yet were still receiving services. To rectify this, properties within these districts were assessed a one-time adjustment to cover all previous years’ shortfalls, plus a rate increase for FY 2016 operating expenses. In the end, 477 districts representing 149,034 properties received an increase for FY 2016-2017 for accuracy.

Between Aug. 2016 and Apr. 2017, county commissioners received thousands of phone calls and emails from constituents expressing their discontent. Many claimed they didn’t know their property was located in a special taxing district or that they had just bought the home and thought the previous owner should be responsible. This prompted the commissioners to approve Ordinance 18-12, requiring sellers to disclose if the property was located within a special taxing district on the instrument conveying title and record the notarized statement with the Clerk of the Court.

MIAMI REALTORS® successfully lobbied to remove the disclosure requirement from sale and purchase contracts from that ordinance in February 2018, but this soon presented another issue. Buyers are not listed as a party on the deed, so the commissioners reversed their earlier position and passed Ordinance 19-18, placing the requirement in residential sales contracts.

Starting June 14, 2019, sellers will be required to disclose that their property is located within a special taxing district via an addendum to the residential contract for sale and purchase, which can be found in Form Simplicity.
SUCCESSES IN LOBBYING

Even though the commissioners reversed their position and passed a new ordinance requiring this disclosure in residential sales and purchase contracts, we were successful in lobbying to remove three provisions from the original proposal:
1. Sellers do not have to disclose any dollar amounts;
2. Sellers do not have to disclose if there are any pending petitions to create a new special taxing district, as developers have been required to do since June 20, 1989. If the special taxing district does not appear on the previous year’s tax bill, the seller does not have to disclose it.
3. Sellers do not have to record the disclosure with the Clerk of the Court and pay a recording fee.

WHAT’S NEXT – STARTING JUNE 14, 2019

Step 1: Determine if this disclosure (addendum) is even needed. Disclosure is only required if the previous year’s property tax bill listed a taxing district under non-ad valorem taxes. You can find the property tax bill on the property appraiser’s website: miamidade.gov/pa, but there is an easier way.
1. After conducting a property search on the property appraiser’s site, you can click on “Special Taxing District and Other Non-Ad Valorem Assessment” under “Featured Online Tools”, instead of multiple clicks to find the tax bill, or
2. Visit https://gisweb.miamidade.gov/communityservices/, type in the address and click on “Assessment Districts”. I prefer this one because it clearly outlines the purpose and names of each special taxing district, which the seller will need for the next part. You could use this as part of your listing presentation.

Step 2: If needed, download the corresponding form* from Form Simplicity or check with your broker for your company’s version.

Step 3: Seller should complete the required disclosure language below with the information found.

NEW SPECIAL TAXING DISTRICT DISCLOSURE LANGUAGE

THE PROPERTY WHICH IS THE SUBJECT OF THIS TRANSACTION IS LOCATED WITHIN (Insert Name of Special Taxing District) SPECIAL TAXING DISTRICT(S) CREATED BY MIAMI-DADE COUNTY FOR THE PURPOSE OF PROVIDING LOCAL IMPROVEMENTS AND SERVICES IN THE NATURE OF (Insert Street Lighting, Security Guard, Multipurpose, Capital Improvement and/or Road Maintenance as the purpose. Community Development Districts have a different disclosure form required by the State, which is also in Form Simplicity). THE COSTS FOR PROVIDING SUCH IMPROVEMENTS AND SERVICES SHALL BE PAID BY SPECIAL ASSESSMENTS LEVIED AGAINST PROPERTIES WITHIN THE DISTRICT. SAID SPECIAL ASSESSMENTS MAY BE COLLECTED AT THE SAME TIME AND IN THE SAME MANNER AS AD VALOREM TAXES.

In closing, I want to inform you that beginning in 2016, special taxing district audits are now required annually and due each May to the commission to prevent erroneous assessments in the future.

If you have any further questions, please contact Danielle Blake with MIAMI REALTORS® at danielle@miamire.com or (305) 468-7015. Thank you for being a MIAMI member.

*Forms should be approved by Florida REALTORS® soon and will be available before June 14. More details to follow.