

# CREATING AN MSBU

## 5 - STEP PROCESS

STEP	ACTIVITIES
<b>1 Apply</b>	<p>A. Potential Applicant contacts MSBU Program to gain understanding about offered services, assessment funding, and the process of creating an MSBU.</p> <p>B. Applicant receives and circulates Survey of Interest [SOI] to confirm other property owners are interested in creation of the proposed MSBU. Applicant receives and reviews application packet.</p> <p>C. Applicant completes and submits application with the qualifying SOI, processing fee and other required documentation.</p>
<b>2 Define</b>	<p>A. MSBU Program consults with the County department designated to manage the requested service to develop the best method for approaching the service.</p> <p>B. Designated service department prepares service scope and obtains cost estimates. When applicable, MSBU Program is notified of analysis and/or preliminary engineering fees to be collected from applicant in prepayment for these services.</p> <p>C. County recommendations and service details are reviewed with applicant, liaison and owners of property included in the proposed assessment boundary.</p>
<b>3 Petition</b>	<p>A. MSBU Program coordinates the MSBU Petition process to determine percentage of community support for creating the requested.</p> <p>B. The community is responsible for encouraging owners to register petition response.</p> <p>C. When applicable, Applicant obtains and submits required easement, dedication and/or agreement documents.</p>
<b>4 Create</b>	<p>A. Notice of Public Hearing is mailed to property owners.</p> <p>B. The Board of County Commissioners [BCC] conducts a public hearing to receive comment from the community and to consider accepting the proposed project and creating the requested MSBU.</p> <p>C. If approved, the MSBU is established via a governing ordinance and the initial assessment roll is adopted.</p>
<b>5 Implement</b>	<p>A. Service is initiated by County department assigned to manage the assessment-funded service.</p> <p>B. Collection of a variable rate assessment begins with the 1<sup>st</sup> available property tax bill.</p> <p>C. Collection of a capital assessment (and/or installment billing) is delayed until the capital service is completed and a second public hearing is held to finalize the assessment based on actual project cost. Installments are collected via the 1<sup>st</sup> available property tax bill following project completion.</p>

### RELATED TERMINOLOGY

**Assessment District** - group of properties assigned a pro-rata amount to fund an essential public service offering special benefit to those properties

**Benefit** - direct or indirect assistance or advantage

**Benefit Unit** - equitable base or measure used for allocating cost; such as parcel, acreage, or dwelling

**Capital Assessment** - amount levied for a public service for which the amount is levied once but may be repaid in annual installments over a period of years

**Liaison** - applicant or person that voluntarily serves as a spokesperson for the community during the various phases of the MSBU process

**Lien** - a legal claim upon property to secure the payment of a debt or obligation

**Municipal Service** - public assistance or improvement provided by a government to serve a public purpose

**Municipal Services Benefit Unit [MSBU]** - an assessment district created to fund a public service

**Non-Ad Valorem Assessment [NAVA]** - amount levied on a property by criteria other than property value; allocated by units of benefit

**Ordinance** - an authoritative order or legislation enacted by a municipal authority such as the Seminole County BCC

**Petition [MSBU]** - document prepared by the MSBU Program and used to determine level of community support for creating an MSBU

**Pro-rata** - a proportionate allocation

**Public Hearing** - meeting which allows the public to comment on proposed plans before final decision is made by government

**Public Purpose** - essential to public health, safety or welfare; may be provided by government and funded by taxes, fees or assessment

**Public Service** - essential service provided by a government

**Service Provider** - the designated County entity responsible for providing and managing a public service

**Survey of Interest** - informal pre-application tool used to confirm general level of interest prior to acceptance of application

**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

For additional information, contact:

#### MSBU Program

msbuprogram@seminolecountyfl.gov

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or visit: [www.seminolecountyfl.gov/msbu](http://www.seminolecountyfl.gov/msbu)



## WHAT IS AN MSBU?

An Option to Make Improvements to Your Community



### Municipal Services Benefit Unit Program

Seminole County Government

Department of Resource Management

June 2018

## What is an MSBU?

A **Municipal Service Benefit Unit (MSBU)** is an assessment district created to fund a one-time and/or ongoing essential public service.

## What public services are offered?

The Seminole County Board of County Commissioners [BCC] offers non-ad valorem assessment funding opportunity for several public services deemed essential to public health, safety, and welfare. These opportunities are intended to benefit residential communities in unincorporated areas of the County. Examples of offered services include:

- **Street lighting:** Installation and operation of public utility owned equipment that provides enhanced lighting for roadways.
- **Natural waterbody services:** Restoration and ongoing services focused on aquatic weed control, environmental qualities and utility of a waterbody.
- **Construction:** Road paving, installation of County utility infrastructure for metered water and wastewater conveyance, retention pond renovation, reconstruction subdivision wall and sidewalk services.

## What are the basic requirements?

The BCC will consider creation of an MSBU when the following standards are met:

- Service requested is deemed essential for public health, safety or welfare and authorized for assessment funding.
- Two or more parcels are included in the proposed assessment boundary, all parcels are in Seminole County, and all parcels are within the unincorporated taxing district or designated assessable by the city taxing authority.
- Location where public service is to occur is legally secured and accessible for rendering the service.
- Applicable County and MSBU Program policies and procedures are followed.

## Who provides these public services?

The public services funded by assessment are directed and managed by Seminole County using contracted service providers. The County department managing the service is determined by the type of service requested. The County department responsible for the service is the point of contact on service related issues. Contracted services are selected through the County's standard procurement process.

## Who provides financial management?

The MSBU Program provides financial and assessment management for all MSBUs created by the BCC. The MSBU Program coordinates the application process from inquiry through to consideration of the request by the BCC. Following creation of an MSBU, the MSBU Program is the point of contact for assessment related issues.

## Who may request the MSBU creation?

An application for assistance may be submitted by a property owner, a homeowner association or other entity representing an established community. A Survey of Interest [SOI] substantiating that the owners of at least 35% of the properties to be specially benefitted are interested in funding the proposed services by assessment is a prerequisite to applying. The SOI form is prepared by the MSBU Program and circulated for signature by the potential applicant.

## What are the application requirements?

Application includes a completed application form, a qualifying Survey of Interest, and payment of the non-refundable application processing fee. Other requirements may be service specific and will be noted at time of inquiry. Provisions are available for crediting the prepayment of application or engineering fees if the MSBU is created and the work is completed.

## Who do I contact if I am interested in an MSBU?

Detailed information about the MSBU process for each project type is readily available - simply contact an MSBU Program representative at (407) 665-7178 to discuss your project.

## When are service scope and cost defined?

Following receipt of application, the MSBU Program coordinates with the designated service department to review the application and to determine the best approach for offering the requested service.

## What costs are funded by assessment?

All or part of the cost to provide the services is funded by the assessment. Assessment may include costs such as site analysis, design, contracted services, project management, utilities, administration, financing and other direct and indirect costs. Cost estimates are provided at various stages in the MSBU process. For most services, an estimated cost is identified and project continuance is subject to not exceeding a specific amount.

## How are service costs allocated?

The costs of providing an assessment-funded service is allocated equitably to all property specially benefitted by the designated public service. Most MSBU-funded services have a standard "unit of benefit" (such as per parcel, per dwelling or frontage). The assessment boundary and method of allocation are defined during application processing.

## How is community support determined?

After an application is accepted and the service scope and costs are defined, a formal Petition to Create an MSBU is distributed by the MSBU Program to owners of property in the proposed assessment boundary. The Petition includes important details about the proposed services and MSBU. Property owners are asked to register their preference about creation of the MSBU by returning a signed petition to the MSBU Program. Owners may register "For" or "Against" the creation. Street lighting petitions require at least 55% "For" support before proceeding to a public hearing; all other services 65%. The MSBU Program posts petition results online.

## CREATION OF AN MSBU

### A 5-Step Process

- (1) Apply
- (2) Define
- (3) Petition
- (4) Create
- (5) Implement

Each step requires community involvement and support.

## How will the public hearing be noticed?

When sufficient support is demonstrated by petition, a public hearing is scheduled to provide opportunity for the public to address the Board of County Commissioners before the Board make a decision. Notice of the hearing is mailed to property owners.

## When are assessments collected?

Payment of assessment takes place after the MSBU is created. For services funded by capital assessment, property owners can choose to pay the assessment in full any time after the service has been completed or via annual installments billed via the property tax bill. Variable rate assessments begin in the first available tax year following creation of the MSBU.

## What is the lien process?

An assessment is recorded in land records as a lien on a property. A variable rate assessment is processed as a temporary lien that is satisfied annually when the property tax bill is paid. A capital assessment lien is satisfied when the assessment is paid in full. The County does not require satisfaction of an assessment lien at the time of property sale; however, lending institutions often require clear title status.