



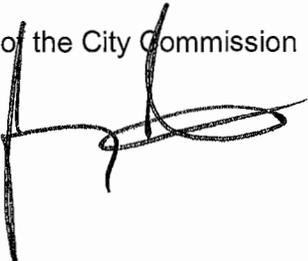
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CITY CLERK'S OFFICE

OFFICE OF THE CITY MANAGER

NO. LTC# 393-2014

LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: November 20, 2014
SUBJECT: **TRIM COMPLIANCE FINDING**



On November 17, 2014, the Florida Department of Revenue (DOR) officially notified the City of Miami Beach that we are not in compliance with Truth-in-Millage (TRIM) law due to an error in the Notice of Proposed Tax Increase posted in the Miami Herald on September 25, 2014. Compliance is required in order to be eligible to receive state-shared revenues. According to DOR to date, we are one of 17 taxing jurisdictions cited this year.

The advertisement properly notified taxpayers of a proposed tax increase and TRIM notices sent to each property owner in the city were correct. However, the ad valorem proceeds for the Center City Redevelopment Area were calculated using less than 95 percent of the gross taxable value, instead of at 95 percent as required by s. 200.065(2)(a)1., F.S. The number used was more conservative than required by statute because it is net of an annual adjustment from Miami-Dade County made for properties re-valued in a prior year and reflects what the City will actually receive in revenue.

In order to correct the violation, DOR requires the following:

- 1) The City must re-advertise the Notice of Proposed Tax Increase within 15 calendar days of receipt of DOR's certified letter
- 2) A budget hearing similar to the second public hearing held on September 30, 2014, must be held within 2 to 5 days following publication of the advertisement
- 3) The City must re-certify compliance with DOR

To comply with the finding, I will be requesting a special Commission meeting to hold the required budget hearing on December 2, 2014, to re-adopt the FY 2014/15 budget. I have reviewed the matter with the City's budget staff and feel that their intent was to be more accurate than TRIM law currently provides. Unfortunately TRIM law is very specific when it comes to numbers advertised as part of the annual budget process. Accordingly, I have suspended John Woodruff, Budget Director, for three days without pay effective tomorrow. The salary savings from the suspension more than cover the necessary advertising costs. To prevent non-compliance in the future, budget staff will be sending the budget advertisement to DOR in advance of publication to ensure compliance with TRIM law.

JLM/JW





Executive
Director
Marshall Stranburg

CITY MANAGER'S OF

17 NOV
RECEIVED

November 14, 2014

Jimmy L. Morales, City Manager
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 32339

Re: Truth in Millage (TRIM) Certification

Dear Mr. Morales:

The Department of Revenue has reviewed the millage certification documents your taxing authority submitted under sections 200.065 and 200.068, F.S. The following errors are violations of the TRIM law. Your taxing authority must correct these errors immediately, or you will be subject to the loss of revenue sharing and the loss of ad valorem revenues from millage in excess of the rolled-back rate.

FINDINGS OF FACT

The ad valorem proceeds in the Budget Summary advertisement were calculated using less than 95 percent of the gross taxable value, as s. 200.065(2)(a)1., F.S., requires. The ad valorem proceeds were understated by approximately \$1,129,987 (see attached copy for correct calculations).

CONCLUSIONS OF LAW

Section 200.065(2)(a)1., F.S., requires each taxing authority, in calculating the millage, to use not less than 95 percent of taxable value the property appraiser certified. This is 95 percent of the gross taxable value appearing on line 4 of Form DR-420. The taxing authority must apply the millage to at least 95 percent of the taxable value, and the tentative advertised budget must be at least 95 percent of actual proceeds. Your use of less than 95 percent of the gross taxable value constitutes non-compliance with s. 200.065(2)(a)1. and (3)(l), F.S., as well as Rule 12D-17.005 (2)(c)3., F.A.C..

Child Support Enforcement – Ann Coffin, Director • General Tax Administration – Maria Johnson, Director
Property Tax Oversight – Howard Moyes, Interim Director • Information Services – Damu Kutlikrishnan, Director

www.myflorida.com/dor
Tallahassee, Florida 32399-0100

Jimmy L. Morales, City Manager
City of Miami Beach
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OPPORTUNITY TO REMEDY

The law gives you the opportunity to correct these violations by advertising the Notice of Proposed Tax Increase advertisements and holding your hearings again, and re-certifying compliance under section 200.065(13), F.S.

Within 15 days of receipt of this notice, you will need to advertise your:

- ① Notice of Proposed Tax Increase with applicable violation clause and
- ② Budget Summary advertisements.

Section 200.065(13)(b) and (c), F.S., establishes the requirements of this letter. Section 200.065(12), F.S., requires you to hold a new millage and budget hearing two to five days following publication of the advertisement.

After you have advertised the notices again and held the new final hearing, please forward to this office copies of the advertisements (full page from newspaper) with proofs of publication; a copy of the resolution/ordinance adopting the millage; a copy of the resolution/ordinance adopting the budget; and your Form DR-487, Certification of Compliance.

By copy of this notice, we are notifying and directing the tax collector to withhold ad valorem tax revenue collected in excess of the rolled-back rate until the taxing authority has met the requirements of law.

By copy of this notice, we are notifying the Refunds and Revenue Distribution Process of the General Tax Administration Program to proceed consistently with sections 200.065(13)(a), 218.23(1), and 218.63(2), F.S., and Rule Chapter 12-10, F.A.C., to withhold revenue sharing funds until the taxing authority corrects its noncompliance or, if not corrected, for the 12 months following the department's determination of noncompliance. If the taxing authority does not correct its noncompliance, the department will deposit these withheld funds into the General Revenue Fund.

If you fail to correct these violations in the manner section 200.065(13), F.S., describes and to re-certify compliance to the department after re-advertising and re-holding the hearings, you will forfeit your state revenue sharing funds and ad valorem proceeds in excess of the rolled-back rate. If you re-certify compliance and the department determines your re-certification is not in compliance with section 200.065, F.S., the same consequences will occur.

Jimmy L. Morales, City Manager
City of Miami Beach
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This determination applies only to the TRIM certification requirements and we will send a determination regarding the maximum millage levy requirements of section 200.065(5), F.S., in a separate notice.

If you believe the certification you submitted does not support the department's determination, please consider the following notice.

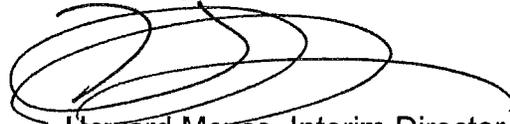
NOTICE OF RIGHTS

The determination in this matter is not subject to review under Chapter 120, F.S. Under section 200.065, F.S., mediation is not available in any administrative dispute of the type of agency action this notice announces.

You may also have the right to adjudicate this matter before a circuit court under Chapter 86, Florida Statutes, and applicable Florida law.

You have the right to seek judicial review of this order under section 120.68, F.S. As Rule 9.110, Florida Rules of Appellate Procedure, prescribes, to seek a judicial review you must file a Notice of Appeal with the department's clerk in the Office of General Counsel, Post Office Box 6668, Tallahassee, Florida 32314-6668. You must also file a copy of the Notice of Appeal and the applicable filing fees with the appropriate District Court of Appeal. You must file this Notice of Appeal within 30 days from the date of this order.

Sincerely,



Howard Moyes, Interim Director
Property Tax Oversight Program

HM/mrb # 23.21

Attachments

cc: Honorable Marcus Saiz de la Mora
Miami-Dade County Tax Collector

Mr. Dave Ansley, Process Manager
Refunds and Revenue Distribution