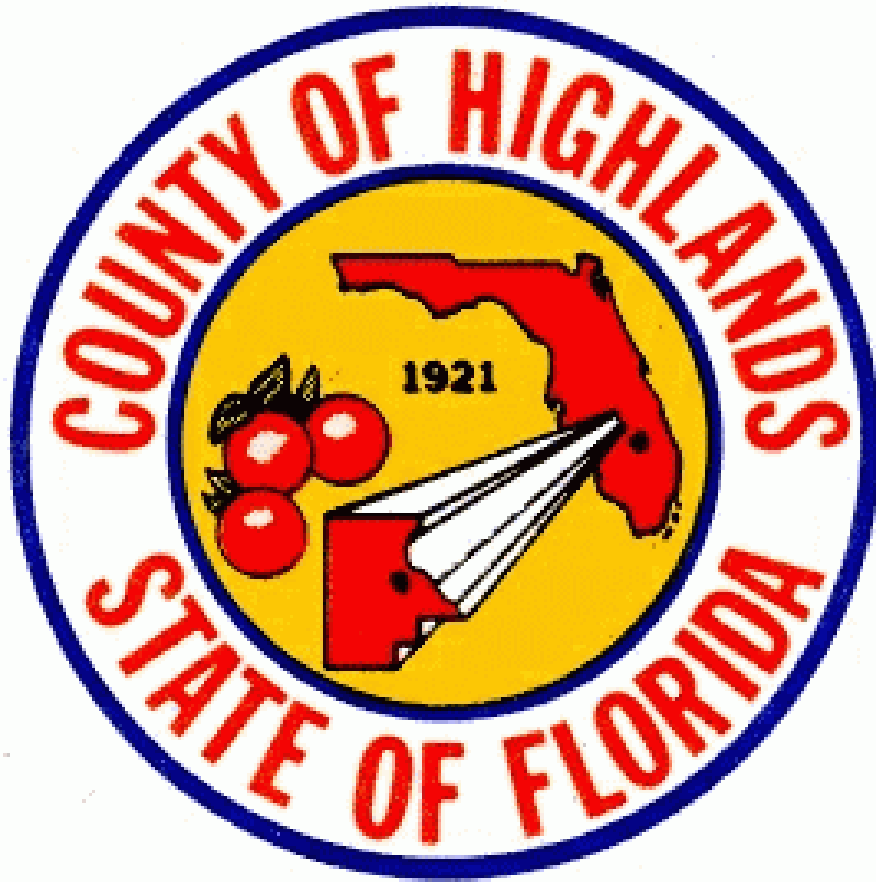


# SPECIAL ASSESSMENT DISTRICTS HANDBOOK



ADOPTED BY THE HIGHLANDS COUNTY  
BOARD OF COUNTY COMMISSIONERS  
November 18, 2003

**Special Assessment Districts  
Handbook of Highlands County**

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## **SPECIAL DISTRICTS IN HIGHLANDS COUNTY**

### **SECTION 1 - Special Districts (Dependent)**

The Uniform Special District Accountability Act of 1989 authorizes Highlands County to create, amend, merge and abolish Dependent Special Districts. Even after creation, Highlands County continues to play the lead role in the operation of Dependent Districts.

In accordance with State Statute, a Dependent Special District in Highlands County must have the same governing body as the County, the Board of County Commissioners act as the Board of Supervisor of each Dependent Special District. The Board of County Commissioners acting as the Board of Supervisors of a Dependent Special District shall have all express powers allowed by law for the government, management and operation of said district, including specifically, but not as a limitation, the power to levy assessments each year against all real property in said district in such amounts as may be established by the Board, to employ personnel, expend funds, enter into contractual obligations, pay all administration expenses, including all fees charged by other governmental agencies, and borrow and expend money and issue obligations of indebtedness therefore to the extent the Board of County Commissioners grants the individual district.

The Board may, at its discretion, and from time to time, appoint one (1) or more advisory committees with respect to projects of the district.

**With the passage of Chapter 88-130 (the Solid Waste Act) and Chapter 88-216, Laws of Florida, the Legislature authorized the collection of local government assessments on the annual ad valorem tax bill sent to each property owner liable for property taxes in Florida. Under the current Chapter 197, Florida Statutes, counties, municipalities and special districts have the complete discretion to collect assessments against property on the ad valorem tax bill. Along with the discretion, the Legislature gave local governments the responsibility to prepare the assessment roll and to notify property owners about the liability for the assessments.**

## **SPECIAL DISTRICTS IN HIGHLANDS COUNTY**

### **SECTION 2 - Starting a New District**

- A. At a regularly scheduled meeting of the Board of County Commissioners, someone or a group must get approval to have the Board Attorney draft the ordinance creating the District being proposed. Normally the Board of County Commissioners require either a petition or a survey showing that there is reason to expect the majority of the property owners are in favor of the District proposal. The same wording shall be used in the petition or survey that would appear in the first paragraph of the notice sent to each property owner prior to the Assessment Public Hearing. (See Attachment 2 on page 11). It is suggested that the Assessment Coordinator's office be contacted early to get suggestions on the wording of the petition.
- B. A legal description of the proposed boundaries and a map of the District being requested must be drafted and provided to the Board Attorney.
- C. The Board Attorney then drafts a proposed ordinance to be considered at a Public Hearing.
- D. The ordinance must be adopted at a public hearing in, or before, October for a district to be created.
- E. If the uniform method of collection is planned to be used, the Board of County Commissioners, as the Board of Supervisors of the newly created District shall schedule a second public hearing during December for adoption of a resolution. The resolution shall clearly state its intent to use the uniform method of collecting the assessment. The local government shall publish notice of its intent to use the uniform method for collecting the assessment in a newspaper of general circulation weekly for four consecutive weeks preceding the hearing. The resolution shall state the need for the levy and shall include a legal description of the boundaries of the real property subject to the levy. If the resolution is adopted, the local governing board shall send a certified copy of it by U.S. Mail to the Property Appraiser, the Tax Collector, and the Department of Revenue by January 10. (F.S. 197.3632(3)(a)). The Board of County Commissioners shall pay for the cost for this first Public Hearing.
- F. The Assessment Coordinator must have a preliminary budget prepared to submit to the Budget Office by April 1. Budget hearings take place over the summer and in the early fall, the Board of County Commissioners approve all budgets (see Section 4 - Special District Budget).

- G. The Board of Supervisors shall adopt a Tentative Rate Resolution amount for the assessment at a regularly scheduled meeting in April for mail out purposes.
- H. A third Public Hearing must be held between June 1 and September 15 for approval of the proposed assessment for the newly created District (F.S. 197.3632(4)(a)).
- I. At least 20 days prior to the Public Hearing, the local government shall send out a notice of the hearing by first class United States mail and by publication in a newspaper generally circulated within the County. Attachment 2 is an example of what the notice will generally look like. The notice by mail shall be sent to each person owning property subject to the assessment and shall include the purpose of the assessment, the total amount to be levied against each parcel, the unit of measurement to be applied against each parcel, the number of units contained within each parcel, and the total revenue the local government will collect by the assessment. A statement shall also be included that failure to pay the assessment will cause a tax certificate to be issued against the property which may result in a loss of title, a statement that all affected property owners have a right to appear at the hearing and to file written objections with the local governing board within 20 days of the notice, and the date, time, and place of the hearing. The published notice shall contain the name of the local governing board, a geographic depiction of the property subject to the assessment, the proposed schedule of the assessment, the fact that the assessment will be collected by the Tax Collector, and a statement that all affected property owners have the right to appear at the public hearing and to file written objections with the local governing board within 20 days of the publication of the notice. (F.S. 197.3632(4)(b)) A survey of the property owner=s opinion may be included with the notice (see attachment 1 for example). The survey shall have the deadline to submit the survey in order to be considered. No letters of endorsement for or against the proposed assessment shall be allowed to go with the notice or survey.
- J. After the Assessment Coordinator tabulates the responses, she will inform the Board of Supervisors of the results of the property owners survey at the public hearing which is generally held in September (F.S. 197.3632(4)(c)).
- K. The fiscal year for assessment districts run from October 1<sup>st</sup> through September 30<sup>th</sup> each year. Tax bills are sent to all property owners in November of each year, which include the Special District Assessments and are collected by the Tax Collector of Highlands County.
- L. The newly created District may start expending funds as revenues are received. The Board of County Commissioners purchasing policies and procedures shall be used for the procurement of goods and services for the District. Purchases will be coordinated through the Assessment Coordinator=s Office.

- M. The time frame, for starting a new district to expending funds, may take from 14 months to 2 years depending on timing and the statutes governing the creation of special districts.
- N. The requesting person or group will be responsible for paying the cost of postage, printing, and advertising for the public hearings when starting a new District.

## SPECIAL DISTRICTS IN HIGHLANDS COUNTY

### SECTION 3 - Converting An Existing Special Assessment District

**Requirements for converting an existing assessment:** A local government, which has previously imposed and collected an assessment by a method other than the uniform method authorized by Section 197.3632, Florida Statutes, must meet the following statutory requirements for putting the assessment on the tax bill.

- A. A County or Municipality may also need to amend its assessment ordinance to authorize use of the uniform method of collection.
- B. By January 1, the local government must adopt a resolution of its intent to use the uniform method of collection at an advertised public hearing. Section 197.3632(3)(a), Florida Statutes, provides the publication and resolution requirements which must be met.
- C. By January 10, the local government must notify the Property Appraiser, Tax Collector, and Florida Department of Revenue of its intent to use the uniform method of collection (Section 197.3632(3)(a)), Florida Statutes.
- D. By June 1, the Property Appraiser must provide the local government with a list of parcels within the geographic assessment area and such other information required by Section 197.3632(3)(b), Florida Statutes.
- E. The local government is not required to adopt an assessment unless the assessment has changed within the meaning of the criteria established in Section 197.3632(4)(a), Florida Statutes.
- F. The local government, not the Property Appraiser, is responsible for preparation and maintenance of the non-ad valorem assessment roll in accordance with Section 197.3632(5), Florida Statutes.
- G. At least 20 days prior to the public hearing to set the new assessment in September, the local governing board shall send out a notice of the public hearing by first class United States mail and by publication in a newspaper (see Attachment 2). A survey of the property owner's opinion may be included with the notice (see Attachment 1).
- H. By September 15, the local governing board chair must certify a non-ad valorem assessment roll to the Tax Collector, Section 197.3632(5), Florida Statutes.
- I. No later than November 1, the Tax Collector shall mail the tax bill, which will include Non-Ad Valorem Assessments.



## **SPECIAL DISTRICTS IN HIGHLANDS COUNTY**

### **SECTION 4 - Special District Budget**

The following important points need to be made to assist special districts in submitting preliminary budgets in April of each year.

- A. 95% of the anticipated revenue from assessments will be used for budgetary purposes.
- B. Ten (10%) percent of the anticipated revenue from the assessment is budgeted for administration of the district. This is distributed as follows - 3% Tax Collector, 7% Board of County Commissioners.
- C. The following County Departments are involved in the administration of a Special District:
  - 1. Board of County Commissioners
  - 2. County Administrator & Assistant County Administrator
  - 3. Board Attorney
  - 4. Property Appraiser
  - 5. Tax Collector
  - 6. Assessment Coordinator
  - 7. Office of Management and Budget (OMB)
  - 8. Purchasing Department
  - 9. Finance Department
  - 10. Data Processing
  - 11. Engineering Department
  - 12. County Road & Bridge Department
  - 13. Clerk of Circuit Court

### **BUDGET FORMULATION GUIDELINES FOR FISCAL YEAR**

A budget is basically a plan for showing how a District intends to spend its financial resources while operating in the next fiscal year. It may not be the easiest task but with careful planning and thought it can be done.

The budget for a Dependent Special District in Highlands County must include all the anticipated revenues (including fund balances brought forward into new fiscal year and anticipated interest earned) and expenditures (including all reserves of the district for the next fiscal year), not just those revenues received from the special assessment or those expenditures paid from the special assessment.

The modified accrual basis of accounting is utilized to measure financial position and operating results. This means that revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred.

#### THE FORMAT FOR FISCAL YEAR BUDGET

Each Dependent Special District will use the State=s Uniform Accounting System for Local Units of Government for preparing its budget, for maintaining its financial records, and for preparing and presenting its financial statement. This system uses standardized categories for revenues and expenditures. It is the same system that Highlands County and all other local units of government in Florida use to report financial transactions to the State.

The proposed budget shall have included the appropriate categories and definitions for classifying revenues and expenditures from the Uniform Accounting System for Local Units of Government that is in Attachment 3. The uniform code numbers and titles facilitate review, compilation, and comparisons. If for some reason during the budget year these do not meet the District=s needs, the Assessment Coordinator shall be contacted.

A sample budget for a Dependent Special District, which uses some of these categories, is shown in Attachment 4. Attachment 4 is the standard format each District will use when actually preparing and submitting its Fiscal Year Budget request to Highlands County.

It is important to understand that a proposed budget of any Dependent Special District, which does not use this standard format or supply the required schedules to properly explain the items in the budget, must be returned for correction regardless of time constrains. The Assessment Coordinator will provide a proposed budget to the OMB Department by the deadline issued each year by the OMB Department.

## SPECIAL DISTRICTS IN HIGHLANDS COUNTY

### SECTION 5 - Standard Operating Procedures (after a district is in place)

Objective: To provide step by step guidelines to insure budgetary control and accountability for Assessment District=s purchasing.

- A Assessment Districts are required to provide, in writing to the appropriate Coordinator/Director\*, the names of the individual(s) who have the authority to request expenditures of the Assessment Districts funds. One individual, (and alternate in their absence) will be recognized per District, this shall be updated every fiscal year.
- B An annual master list will be compiled of all the District Representatives. Copies of this list will be made available to the following affected County Agencies:
1. Purchasing Department
  2. Finance Department
  3. OMB Department
- C Purchasing Steps for Procurement:
1. In all requests, the Assessment District Representative shall make requests in letter form, identifying all pertinent information to the appropriate Coordinator/Director\*, after determining that expenditure is approved in their operating budget. If expenditure is not approved, no action will be taken until the Coordinator/Director\* has prepared a budget amendment. The Assessment District Representative is required to contact the Coordinator=s/Director=s\* Office on matters involving purchases. If the District making the request has in place a Home and/or Property Owners Association or Board of Directors, the minutes of the meeting in which the Association approved the request shall accompany the letter of request.
  2. The appropriate Coordinator/Director\* will fill out the standard County requisition form in its entirety and submit it to the Purchasing Department for processing.
  3. The Purchasing Department will process the requisition and issue the purchase order to the appropriate Coordinator/Director\* after determining necessary authorizations are in place and purchasing guidelines have been completed.

4. Copies of requisition and purchase orders will be returned from Purchasing to the appropriate Coordinator/Director\* for distribution.
5. Emergency purchases are to be approved by General Services Director. If an approval is so granted, the Purchasing Department will then advise the appropriate Coordinator/Director\* and the Budget Department so that fiscal tracking can continue.

**\*Coordinator/Director = Assessment Coordinator for Special Assessments or Emergency Operations Director for Fire Assessments, whichever is appropriate.**

D. General Responsibilities of Assessment District:

1. Payment request exceeding 10% of purchase order will require written explanation from district representative.
2. District is responsible to follow up with vendor to insure bills are submitted in a timely fashion.

## **GLOSSARY OF TERMS**

Definitions are taken from Governmental Accounting, Auditing and Financial Reporting, published by the Municipal Finance Officers Association of the United States and Canada, 1980.

**Appropriation** - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time it may be expended.

**Budget** - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term “budget” is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by the body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether the appropriating body has approved it.

**Budgetary Control** - The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**Capital Outlay** - Expenditures which result in the acquisition or addition to the fixed assets.

**Expenditures** - Decreases in net financial resources. Expenditures include current operating expenses, which require the current or future use of net current assets, debt service, and capital outlay.

**Expenses** - Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

**Fiscal Year** - A twelve month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

**Modified Accrual Basis** - The accrual basis of accounting adapted to the governmental fund type Spending Measurement Focus. Under it, revenues are recognized when they become both “measurable” and “available” to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred except for: **1)** inventories of materials and supplies which may be considered expenditures either when purchased or when used; **2)** prepaid insurance and similar items which need not be reported; **3)** accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; **4)** interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and **5)** principal and interest on long-term debt which are generally recognized when due. All governmental funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting.

**Reserve** - **1)** An account used to earmark a portion of fund balance to indicate that it is not appropriate for expenditure; and **2)** an account used to earmark a portion of fund equity as legally segregated for a specific future use.

**Revenues** - **1)** Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers; **2)** increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers.