

Miami-Dade County Public Schools Office of Management and Compliance Audits



AUDIT OF THE MIAMI-DADE COUNTY VALUE ADJUSTMENT BOARD (VAB) APPEALS PROCESS – PHASE 2



The VAB appeals process, which concludes with the final certification of the tax roll by the Property Appraiser, is unnecessarily delayed due to a number of factors, including inefficient scheduling and staffing of hearings.

July 2015

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Miami-Dade County Public Schools

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July 1, 2015

The Honorable Chair and Members of the School Board of Miami-Dade County, Florida
Members of the School Board Audit and Budget Advisory Committee (ABAC)
Mr. Alberto M. Carvalho, Superintendent of Schools
The Honorable Chair and Members of the Board of County Commissioners, Miami-Dade County, Florida
The Honorable Carlos Gimenez, Mayor, Miami-Dade County, Florida
The Honorable Pedro J. Garcia, Property Appraiser, Miami-Dade County, Florida
The Honorable Harvey Ruvin, Clerk of the Circuit and County Courts, Miami-Dade County, Florida

Ladies and Gentlemen:

At the request of the Superintendent, and in accordance with the Office of Management and Compliance Audits' (OMCA) revised audit plan for the 2014-2015 fiscal year, we have completed the second phase of our audit of the Miami-Dade County Value Adjustment Board (VAB) appeals process – Phase 2.

Our initial audit report (Phase 1) was presented to the ABAC at its March 10, 2015, meeting and subsequently to the School Board at its March 18, 2015, meeting. Phase 1 reported primarily on recommendations aimed at helping the VAB to eliminate delays that impact the final certification of the County's tax roll, including possible legislative remedies. We also provided recommendations regarding the VAB's administrative functions relative to the appeals process.

This, our second and final report, focuses primarily on the operations of the Miami-Dade County Property Appraiser's Office relative to the aforesaid appeals process. This process is complex and involves collaboration from a number of different entities. The outcome of the process also has significant financial implications to taxpayers and local and state government agencies.

Our audit concludes that the VAB appeals process, which concludes with the final certification of the tax roll by the Property Appraiser, is unnecessarily delayed. Based on the evidence reviewed, it is apparent that inefficient scheduling and staffing of VAB hearings by the VAB and Property Appraiser's Office, respectively, has directly contributed to the delay. For instance, although the increased number of petitions filed with the VAB beginning with the 2009 tax year

Office of Management and Compliance Audits

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could reasonably have expected to cause delays in the earlier years included in our audit scope, the number of petitions filed dramatically decreased in subsequent years through the 2013 tax year, and there has been no corresponding reduction in the delays. Therefore, we recommend that processes be implemented to improve on the scheduling of hearings and the use of VAB and Property Appraiser's Office resources, including not waiting until all cases from the previous tax year have been heard to begin hearing cases for the current year, the VAB maintaining controlling influence of the scheduling process, and scheduling the maximum number of cases and hearing boards each day.

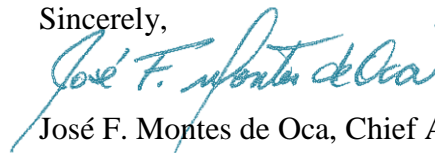
Our audit also found that while the VAB has the authority to collect from the School District 40% of its operating expenses, the Property Appraiser's Office does not have such authority. Therefore, the School District should discontinue paying the Property Appraiser's operating expenses and consider seeking reimbursement for the previous payments.

Although the scope of our audit did not include evaluating and opining on the validity or accuracy of the valuation methodology used by the Property Appraiser, the various analyses and tests performed on the Property Appraiser's certified property values indicate that the Property Appraiser's preliminary estimated values have been substantially higher than the final values. However, it must be acknowledged that estimating property value is complex and imprecise, in that opinions on value may vary from one expert to another. Nevertheless, the outcomes from the comparative analyses indicate variances between final values and preliminary estimates that reflect significant differences.

In conjunction with this audit, the Office of the Inspector General is conducting its own investigation and will separately report its findings and conclusions.

We would like to thank both the Property Appraiser and Value Adjustment Board Manager and their respective staffs for their input and contributions during the audit, and for facilitating a cooperative environment to the audit staff.

Sincerely,

A handwritten signature in blue ink, reading "José F. Montes de Oca".

José F. Montes de Oca, Chief Auditor
Office of Management and Compliance Audits

cc: Mr. Walter J. Harvey
Ms. Mary T. Cagle

Table of Contents

	<i>Description</i>	<i>Page</i>
Δ	Executive Summary	
○	<i>Why We Did This Audit.....</i>	1
○	<i>What We Found.....</i>	2
○	<i>What We Recommend.....</i>	5
Δ	<i>Internal Controls.....</i>	7
Δ	<i>Background.....</i>	8
Δ	<i>Organizational Chart.....</i>	12
Δ	<i>Chart – The Petition Processes (Detail)</i>	13
Δ	<i>Chart – Property Appraiser’s Office – Settlement Process.....</i>	14
Δ	<i>Objectives, Scope, and Methodology</i>	15
Δ	Findings, Conclusions, and Recommendations	
1.	THE INABILITY OF THE VAB AND PROPERTY APPRAISER TO OPTIMIZE THE USE OF THEIR RESOURCES IN SCHEDULING AND STAFFING HEARINGS CONTRIBUTES TO DELAYS IN THE VAB APPEALS PROCESS	18
2.	THE PROPERTY APPRAISER’S OFFICE DOES NOT APPEAR TO BE AUTHORIZED TO RECOVER, FROM THE SCHOOL DISTRICT, SOME OF ITS ANNUAL COSTS RELATED TO SUPPORTING THE VAB PROCESS	33
3.	MIAMI-DADE AND VARIOUS OTHER COUNTIES’ PRELIMINARY PROPERTY TAX VALUES WERE GREATER THAN THE FINAL VALUE IN SOME YEARS BETWEEN 2003 AND 2012, BUT THE DIFFERENCE WAS SUBSTANTIALLY GREATER FOR MIAMI-DADE	36
4.	THE VAB’s PROCESS FOR SCHEDULING HEARINGS ENABLES THE PROPERTY APPRAISER’S OFFICE TO IMPACT THE HEARING CALENDAR AND TO BE NON-COMPLIANT WITH RESCHEDULING NOTIFICATION REQUIREMENTS	51
5.	SOME DOCUMENTATION AND AUTHORIZATION REQUIREMENTS IN THE PETITION PROCESS ARE INCOMPLETE	56
Δ	Appendices.....	63
Δ	Management’s Responses (Complete text)	82

Executive Summary

Why We Did This Audit

The Value Adjustment Board (VAB) is an entity established through legislative construct to hear appeals from property owners who disagree with the Property Appraiser's assessment of value applicable to taxable property. In Miami-Dade County, the VAB is composed of five members and hires professional individuals to serve as Special Magistrates to hear cases and make recommendations to the VAB on appealed property value. Petitions related to value, exemption eligibility, and legal issues are heard. In Florida, final certification of county tax rolls cannot be granted by the Property Appraiser until all VAB hearings have been completed.

In recent years, the VAB has experienced delays in completing its appeals process. According to the School District's Administration, delays have resulted in multi-million dollar shortfalls and have had a negative fiscal impact on the District. The Superintendent of Schools requested that the Office of Management and Compliance Audits (OMCA) perform an audit of the VAB appeals process to determine the causes for delays.

The School Board, its Audit and Budget Advisory Committee (ABAC), and the VAB have each independently endorsed and approved this audit in an effort to determine what can be done to prevent, reduce, and eliminate the backlog. During the last five years, property tax assessment appeals to the VAB and Property Appraiser settlements have been reported as follows:

	2009	2010	2011	2012	2013
Property Folios Appealed to VAB	138,412	103,166	83,176	70,177	68,186
Property Appraiser Settlements	10,349	13,759	4,777	16,132	3,960

Due to the complexity of the overall VAB process, the number of governmental entities involved, and the resources and time needed to perform our work, the audit was divided into two phases and separately reported as such.

Our report on the first phase – [*Audit of the Miami-Dade County Value Adjustment Board \(VAB\) Appeals Process - Phase 1*](#) – was presented to the ABAC at its meeting of March 10, 2015, and subsequently to the School Board at its March 18, 2015, meeting. Phase 1 focused mostly on the Florida Department of Revenue (DOR) rules, the enabling Florida Statutes (“Florida Statutes,” “F.S.,” or “Statutes”), and the operations of the VAB.

This, our second and final report, represents Phase 2 of the audit and concentrates on the operations of the Property Appraiser's Office (“Property Appraiser” or “PAO”) to the extent of satisfying our audit objectives. However, due to the integral relationship between the VAB and Property Appraiser's Office, we have made recommendations to both entities in both phases of the audit.

What We Found

The property tax assessment, petition, and settlement processes are complex and include activity and resources from several entities including the County Offices of the Clerk of the Courts, Property Appraiser, Tax Collector, as well as the Florida DOR.

The Property Appraiser's Office, which is at the core of the assessment process, has a significant impact on the timely completion of the VAB petition process. In addition, the OMCA has concluded that there are opportunities to improve the effectiveness and efficiency of the Property Appraiser's Office as it relates to the VAB appeals process.

A summary of our findings includes the following:

Operational Efficiency and Effectiveness – Delays in the Process:

- For four tax years (2009 – 2012) where complete records of closed value petitions were available, the number of cases closed relating to individual property folios, decreased from year to year from a high of 119,012 to 40,694. However, the trend did not depict commensurate rates of reduction in the time required to close the cases heard by the VAB. In fact, the number of weeks required to hear all value petitions increased in 2012 despite the number of closed property folios decreasing by 43.7%. This condition indicates scheduling inefficiencies.
- A judgmentally selected sample of 60 petitions from tax years 2011 - 2013 containing 171 incidences of rescheduling three or more times, disclosed 17 instances (10%) where petitions were rescheduled by the Property Appraiser's Office due to "non-availability of staff." This condition existed although the Property Appraiser's Office ***Adopted Budget and Multi-Year Capital Plan*** for fiscal years 2012-2015 (the fiscal years in which the subject tax year petitions were heard) includes minimum staffing levels of between 68 and 83 positions in the "VAB Appeals and Legal" group. Additionally, the Property Appraiser indicated there were 69 employees in his office who were directly involved with supporting the VAB hearings for the 2013 Tax Year.
- For Tax years 2010 – 2013, the VAB began hearing taxpayer petitions between 11 and 14 weeks after the close of the petition filing deadline (i.e., 25 days after the Notice of Proposed Taxes, a.k.a., TRIM notice is mailed). Tests performed on 94 petitions selected at random found that the average number of days elapsed between the date the petition was received by the VAB and the date it was first scheduled to be heard was 361 days. On the days during which petitions for the 2010 – 2012 tax years (the years having complete activity, including discernable starting and ending points) could have been heard, fewer than 401 petitions were scheduled for a hearing on the majority (53%) of the dates. Moreover, on 23% of the dates available, only 200 or fewer petitions were scheduled for a hearing. In addition, the daily number of "boards" (usually a grouping of 50-60 petitions), utilized was typically substantially fewer than the eight (8) to ten (10)

boards per day, which the VAB and Property Appraiser's Office established as their operational benchmark. These daily totals are well below the levels that are required for operational efficiency and to eliminate the backlog of pending VAB petitions.

- Interviews conducted by the Miami-Dade County Office of the Inspector General (OIG) revealed that for the 2012 tax year, the Property Appraiser's Office significantly increased its efforts to settle cases directly with taxpayers and committed the majority of its staff that are typically involved in the VAB hearing process to the settlement efforts. According to those interviews, this resulted in the Property Appraiser's Office not making many of its staff available for hearings with the VAB for several months during the 2012 petition appeals cycle. This decision resulted in the VAB scheduling a reduced number of hearings for the 2012 petitions for several months, which delayed the 2012 and subsequent tax years.

Compliance with Florida Statutes and DOR Rules:

- A review of Florida Statutes by the OMCA and the School Board Attorney's office concludes that although the VAB clearly has authority to recover 40% of its expenses from the District pursuant to Florida Statute 194.015, the Property Appraiser's Office appears not to have the authority to recover its expenses associated with supporting the VAB process from the School Board. Florida Statute 192.091 explicitly excludes district school boards as a funding source for the Property Appraiser's Office. For tax years 2008-2012, the District was invoiced and has paid the Property Appraiser's Office a total of **\$7,494,562**, or an average of \$1.5 million each tax year. Due to the approximate two-year backlog surrounding the petition process, the District has not been invoiced for the 2014 Tax Years.
- Coordination and cooperation between the VAB and Property Appraiser's Office is critical to ensure effective scheduling of VAB hearings. However, the VAB process for developing hearing schedules has enabled the Property Appraiser's Office to influence its scheduling process, which is expressly prohibited. Also, when the Property Appraiser's Office requests that a hearing be rescheduled, DOR Rule 12D-9.019 requires the Property Appraiser to notify the petitioner. Currently, the Property Appraiser's Office relies on the VAB to provide notification to the petitioner when a rescheduling request originates from the Property Appraiser's Office rather than doing so itself, as required by the cited DOR rule.

Valuation of Property:

- An analysis of 10 years (2003-2012) of historical data of the number of parcels included in VAB petitions filed and the certified tax rolls for all 67 Florida counties indicates that Miami-Dade County has a mixed standing in relation to other counties. For example, the County is an outlier with respect to the number of VAB parcels filed each year, accounting for 721,995 (44%) out of the 1,656,502 parcels filed state-wide during this period. In addition, the number of value parcels resulting in reductions by the peer counties of Miami-Dade ranged from 4% to 22%, whereas, that rate for Miami-Dade County was 45%.

- The data showed that generally, for most counties, the final certified tax rolls were less than their preliminary certified tax rolls and the state's consensus estimates. This indicates that Miami-Dade County's experience is not unique within the state. However, a comparison of each county's value to the state's average and median values indicates that Miami-Dade County's values typically trailed other counties' by varying degrees. This suggests the following likely possibilities or combination thereof: (1) that the preliminary tax roll is being developed without information that is specific to the properties being valued, (2) the VAB process is particularly generous in Miami-Dade County, or (3) the large number of value-related petitions filed in Miami-Dade County has a more pronounced impact on the final tax roll.
- A further analysis of settlement data for the four tax years between 2009 and 2012 indicated that taxpayers (or their agents), who were able to settle with the Property Appraiser, obtained an average reduction ranging between 12% and 20%. Settlements, which occur solely between the taxpayer/agent and the Property Appraiser's Office, are an alternative to a VAB hearing. However, a VAB petition must be filed first.
- A similar analysis on petitions filed through the VAB process for the same tax years revealed that, on average, the VAB reduced values by amounts between 13% and 17%. The percentage of reductions described suggests that both the Property Appraiser's Office and the VAB agreed with the taxpayer's assertion that the preliminary value of the involved properties was overstated between 13% and 20% for each of the tax years reviewed.

Internal Control Weaknesses:

- Our tests disclosed certain control deficiencies in the petition process at the Property Appraiser's Office. Specifically, we found instances where documentation of the evidence petitioners are required to submit to the Property Appraiser was either incomplete or not provided to us based upon confidentiality requirements cited in Florida Statute 195.027 (3) by the Property Appraiser. Similarly, our tests disclosed instances where the case files did not contain the documented evidence the Property Appraiser's Office representative used in defending the assessment before the VAB.

Impropriety and Fraud:

- Notably, our review of the processes and procedures surrounding the VAB appeals process as it relates to the functions of the Property Appraiser's Office did not reveal any obvious indication of impropriety, fraud, or intentional wrongdoing.

The OIG is conducting its own investigation and will be issuing an independent report with its conclusions under a separate cover.

The foregoing presents summaries of our findings. The details and surrounding background of our findings and conclusions are presented in the Findings, Conclusions, and Recommendations section of this report and are integral for understanding the full context of our conclusions.

What We Recommend

The primary objective of our audit was to determine the reasons for the delay in the VAB appeals process. Based on the evidence we examined, it is apparent that the large number of VAB petitions filed in the 2009 Tax year was a cause for delays. Although the number of VAB petitions filed in each of the subsequent years has dramatically decreased, a backlog of cases remains.

Providing the resources, both human capital and facilities, required to rectify this issue may be challenging for the Property Appraiser. However, the evidence examined indicates that improvements are warranted. Therefore, we recommend that the Property Appraiser's Office utilize its staff more efficiently by ensuring that it provides staffing to the VAB appeal "boards" to enable full utilization of available board rooms on a consistent basis. Although we acknowledge that coordination between the VAB and Property Appraiser is essential for effective planning, the scheduling function is the responsibility of the VAB and should not be influenced by the Property Appraiser's Office to the point of disrupting the process.

Because of the backlog of petitions, the scheduling of hearings is critical to improving the process. It is also an area where the VAB could improve. Consequently, we recommend that at the close of the petition-filing deadline, the VAB management analyzes its case load and develop a scheduling pattern for the cases filed to ensure efficiency. Considerations may include grouping properties within the same radius of address, community, or building; grouping properties of similar type and size within type; and grouping properties meeting certain other criteria, such as common agent or perceived level of complexity. In addition, the VAB management should develop strategies to shorten the time between the petition filing deadline and the commencement of hearings. Collaborating with the Property Appraiser, the VAB management should ensure that the maximum number of "boards" is scheduled each day as a matter of course.

The School District's shared funding of the VAB (40%) is established through statute. However, the statutory authority cited by the Property Appraiser's Office for the School District's shared funding (40%) of its VAB-related activity appears to be erroneous. As such, we recommend the School District complete a comprehensive legal review to ascertain whether the Property Appraiser's Office is authorized to recover from the District some of its costs related to supporting the VAB petition process. If it is determined that the Property Appraiser's Office does not have legal authority for the continuation of the existing funding arrangement, the School District should consider discontinuing payment and/or recovering past payments. If the Property Appraiser's Office's position is affirmed, the School District should ensure that the authority and mechanisms are in place, whether through contracted agreements or legislation, allowing it to audit said expenses in the future.

In an effort to more closely align the value of its final tax roll to its preliminary assessment tax roll, the Property Appraiser should perform a comprehensive review of the methodologies his office uses in assessing property value to ensure that all factors are being considered. A post-VAB appeal review of selected property folios adjusted by the VAB's Special Magistrate should also be conducted to determine the relevant factors considered by the Special Magistrate in arriving at his/her adjustment and considering these factors in future assessments, as deemed applicable.

The Property Appraiser should implement a system of quality control to ensure that: (1) all files contain adequate documentation to provide an audit trail of the valuation process, (2) the required approvals are obtained by all Property Appraiser's Office representatives prior to making changes in the office's Computer Assisted Mass Appraisal (CAMA) data management system, and (3) proper documentation is being provided to the petitioner in a timely manner.

We are making 13 recommendations, which are detailed in the Findings, Conclusions, and Recommendations section of this report. Each recommendation is addressed to the governmental body involved in the appeals process that we believe is responsible for its implementation.

Internal Controls

The chart below summarizes our overall assessment of internal controls in place at the Miami-Dade County's Property Appraiser's Office as it relates to a property owner contesting his or her property assessment, the VAB appeals process, and the settlement process.

INTERNAL CONTROLS RATING			
CRITERIA	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE
Process Controls		X	
Policy & Procedures Compliance		X	
Effect			X
Information Risk	X		
External Risk		X	

INTERNAL CONTROLS LEGEND			
CRITERIA	SATISFACTORY	NEEDS IMPROVEMENT	INADEQUATE
Process Controls	Effective	Opportunities exist for improvement	Non-existent or unreliable
Policy & Procedures Compliance	In compliance	Non-compliance issues exist	Non-compliance issues are pervasive, significant, or have severe consequences
Effect	Not likely to impact operations or program outcomes	Impact on outcomes contained	Negative impact on outcomes
Information Risk	Information systems are reliable	Data systems are mostly secure but can be improved	Systems produce incomplete or inaccurate data which may cause inappropriate decisions.
External Risk	None or low	Potential for damage	Severe risk of damage

Background

A summary of the various entities involved with the VAB appeals and settlement processes are described below.

The Florida Legislature:

The Florida Legislature promulgates laws that govern the DOR, every county's VAB, Property Appraiser, Tax Collector, and Clerk of the Courts. Each of the aforementioned entities plays its respective role in governance, assessing value, processing petitions, collecting taxes, and supporting the overall VAB and settlement processes.

The Department of Revenue (DOR):

The DOR develops rules to interpret and implement applicable laws and oversees the VAB process in all counties. The DOR also administers Florida's Property Tax Oversight Program. Some of its primary functions are to:

- Review each county's tax rolls annually
- Review the millage rates and public hearing notifications issued by local taxing authorities
- Certify county levels of assessment for use in equalizing public school funding
- Review and approve property appraisers' and tax collectors' budgets annually
- Review and analyze non-ad valorem assessments in each county
- Promulgate administrative rules and forms necessary to ensure the uniform and equitable administration of property taxes state-wide
- Provide professional certification and training for property appraisers, tax collectors, value adjustment boards, and local taxing authorities
- Assess all railroads and private car lines annually
- Procure aerial photographs and parcel maps for each county
- Review and approve property tax refunds in excess of \$2,500 and any corrections or cancellations to tax certificates
- Respond to inquiries and requests for assistance from taxpayers, local governments, and other state agencies
- Provide the legislature with state-wide property tax data and reports

(Source: <http://dor.myflorida.com/dor/property/aboutus.html>)

The Value Adjustment Board:

Each Florida County is required by Florida Statute 194.015 to maintain a VAB through which taxpayers may contest the value of real and tangible personal properties, as assessed by the Property Appraiser, by filing a petition with the VAB. The VAB's primary function is to hear evidence as to whether or not properties are assessed at their proper value and/or whether exemptions or other classifications should be approved. Petitions can be filed online, by mail, or in person.

VAB's membership consists of:

- Two Miami-Dade County Commissioners
- One Miami-Dade County School Board Member
- One citizen of Miami-Dade County, appointed by the County Commission
- One citizen of Miami-Dade County, appointed by the School Board

Hearings are conducted by Special Magistrates, hired by the VAB, to determine whether or not petitioned properties are properly assessed and to provide recommendations to the VAB regarding a property's just value. Special Magistrates are deemed experts in the property valuation arena and are typically qualified real estate appraisers, personal property appraisers, or attorneys.

It is important to note that neither the VAB nor the Property Appraiser has the authority to change millage rates, which are set by each individual taxing authority. However, both entities have the authority to increase or decrease the market value of property, which in turn affects a property owner's total tax assessment due.

Each county's Clerk of the Courts also serves as the VAB's clerk:

<i>DOR Rule 12D-9.006 Clerk of the Value Adjustment Board.</i>
<i>(1) The clerk of the governing body of the county shall be the clerk of the value adjustment board. (2) The board clerk may delegate the day to day responsibilities for the board to a member of his or her staff, but is ultimately responsible for the operation of the board.</i>

Information published on Miami-Dade County's VAB website by the Clerk of the Courts states the following:

“Both the VAB and the Special Magistrates are independent of the Property Appraiser's Office. In fact, the Property Appraiser is merely another party before the VAB or the Special Magistrate, just as is the petitioner (taxpayer). If the VAB decides that it does not agree with the Property Appraiser's Office regarding the assessed value of a petitioner's property, the VAB has the authority to reduce the property's assessed value to its actual fair market value. If the VAB reduces an assessment within the limits described below, then the Property Appraiser must accept the reduction and may not appeal the VAB decision by filing a suit in the Circuit Court. If, however, the VAB decision results in a reduction exceeding the limits described below, the Property Appraiser may appeal the VAB decision by filing suit in Circuit Court.” (Source: http://www.miami-dadeclerk.com/faq_VAB.asp)

ASSESSED VALUE	MAXIMUM ADJUSTMENT PERMITTED
\$50,000 or less	15%
In excess of \$50,000, but not more than \$500,000	10%
In excess of \$500,000, but not more than \$1,000,000	7.5%
In excess of \$1,000,000	5%

Source: <https://www2.miami-dadeclerk.com/mobileportal/vabfaqs.aspx>

The Property Appraiser:

In Miami-Dade County, the elected Property Appraiser is responsible for assessing the market value of real and tangible personal property. A taxpayer who disagrees with the Property Appraiser's assessment can meet with a representative from the Property Appraiser's Office for an **“Informal Conference”** pursuant to DOR Rule 12D-9.002 to present evidence and discuss value.

A taxpayer may also appeal the Property Appraiser's assessment to the VAB during the 25-day window following the mailing of the Notice of Proposed Property Taxes (a.k.a., TRIM notice). In addition, pursuant to DOR Rule 12D-9.024, a petitioner may at any time during the VAB petition process, reach agreement or **“settle”** with the Property Appraiser's Office or withdraw the petition altogether. The settlement process is illustrated in greater detail on page 15.

<i>DOR Rule 12D-9.024 - Procedures for Commencement of a Hearing.</i>
<i>(8) If at any point in a hearing or proceeding the petitioner withdraws the petition or the parties agree to settlement, the petition becomes a withdrawn or settled petition and the hearing or proceeding shall end. The board or special magistrate shall state or note for the record that the petition is withdrawn or settled, shall not proceed with the hearing, shall not consider the petition, and shall not produce a decision or recommended decision.</i>

Tax Collector:

In Miami-Dade County, the Tax Collector is a division of the County's Finance Department, which collects current and delinquent real and personal property taxes, special assessments for all local taxing authorities, local business tax receipts, and convention and tourist taxes. The Tax Collector also acts on behalf of the State of Florida to issue automobile, boat, hunting, and fishing licenses.

VAB Hearings and the Petition Process:

A VAB hearing requires that the petitioner and a representative from the Property Appraiser's Office meet at a predetermined date and time to present evidence to a Special Magistrate. Based on the evidence, a Special Magistrate will make a determination of value, which is subsequently communicated to the petitioner. If the taxpayer does not agree with the Special Magistrate's decision, the taxpayer can file suit in accordance with Florida Statute 194.171.

After the VAB has heard all petitions for a tax year, it can certify its activity and the impact to the county's tax roll.

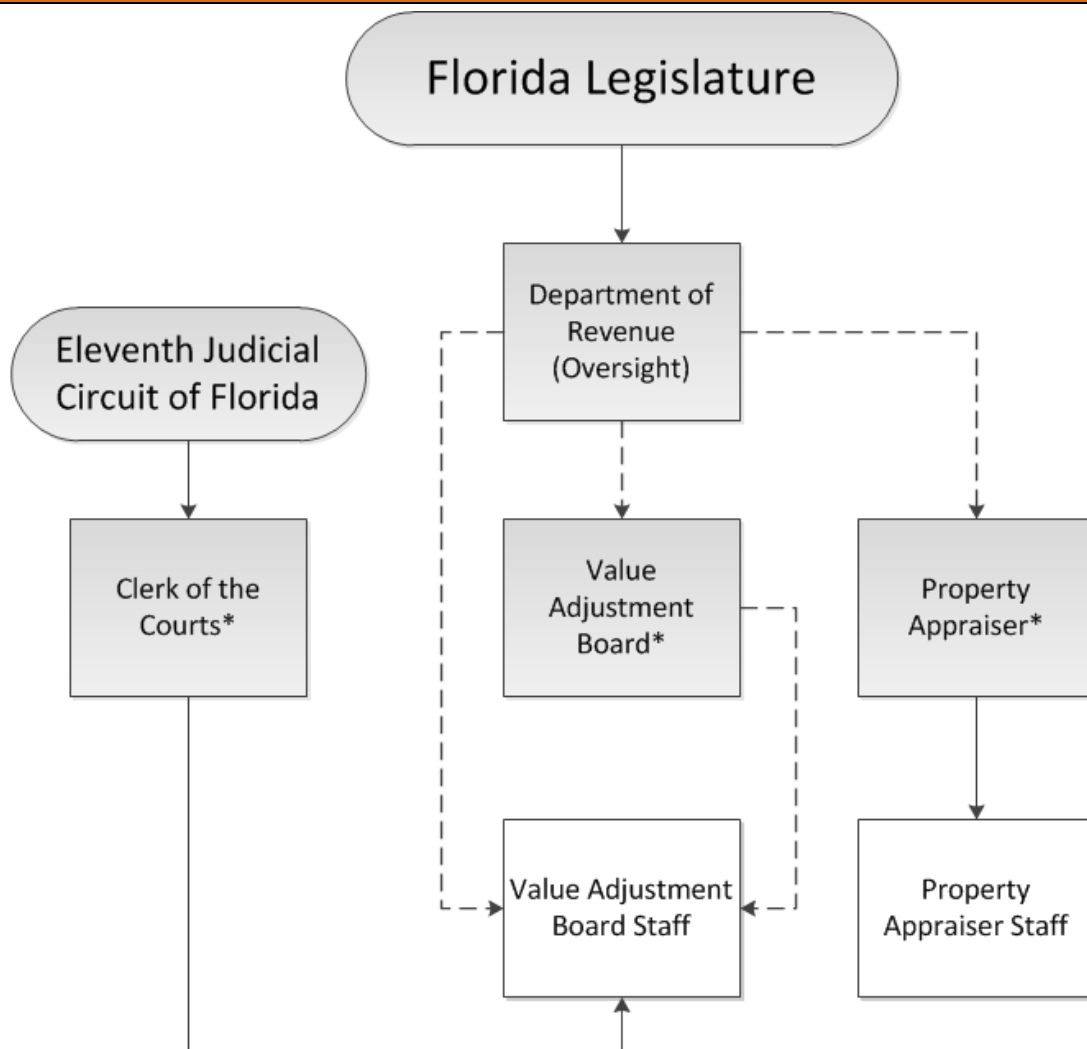
Agents:

Florida Statutes provide for the representation of a taxpayer by an authorized agent for the purpose of petitioning the VAB, as well as settling directly with the Property Appraiser. Florida DOR Rule 12D-9.018 describes the role of taxpayer representation:

<i>DOR Rule 12D-9.018 – Representation of the Taxpayer [in pertinent part]</i>
<i>(1) A taxpayer has the right, at the taxpayer's own expense, to be represented by an attorney or by an agent. (2) The individual, agent, or legal entity that signs the petition becomes the agent of the taxpayer for the purpose of serving process to obtain jurisdiction over the taxpayer for the entire value adjustment board proceedings, including any appeals of a board decision by the property appraiser or tax collector. (3) The agent need not be a licensed individual or person with specific qualifications and may be any person, including a family member, authorized by the taxpayer to represent them before the value adjustment board. (4) A petition filed by an unlicensed agent must also be signed by the taxpayer or accompanied by a written authorization from the taxpayer. (5) As used in this rule chapter, the term "licensed" refers to holding a license or certification under Chapter 475, Part I or Part II, F.S., being a Florida certified public accountant under Chapter 473, F.S., or membership in the Florida Bar.</i>

An organizational chart depicting the administrative oversight of the VAB appeals and Property Appraiser processes can be found on the next page. It is followed, on page 13, by a flow chart, which depicts an accurate representation of the various options available to a taxpayer and the steps required to contest the Property Appraiser's valuation utilizing the petition process. The flow chart was vetted extensively by all process owners. The settlement process is illustrated in detail on page 14.

Organizational Chart



F.S. 195.027 – Rules and Regulations

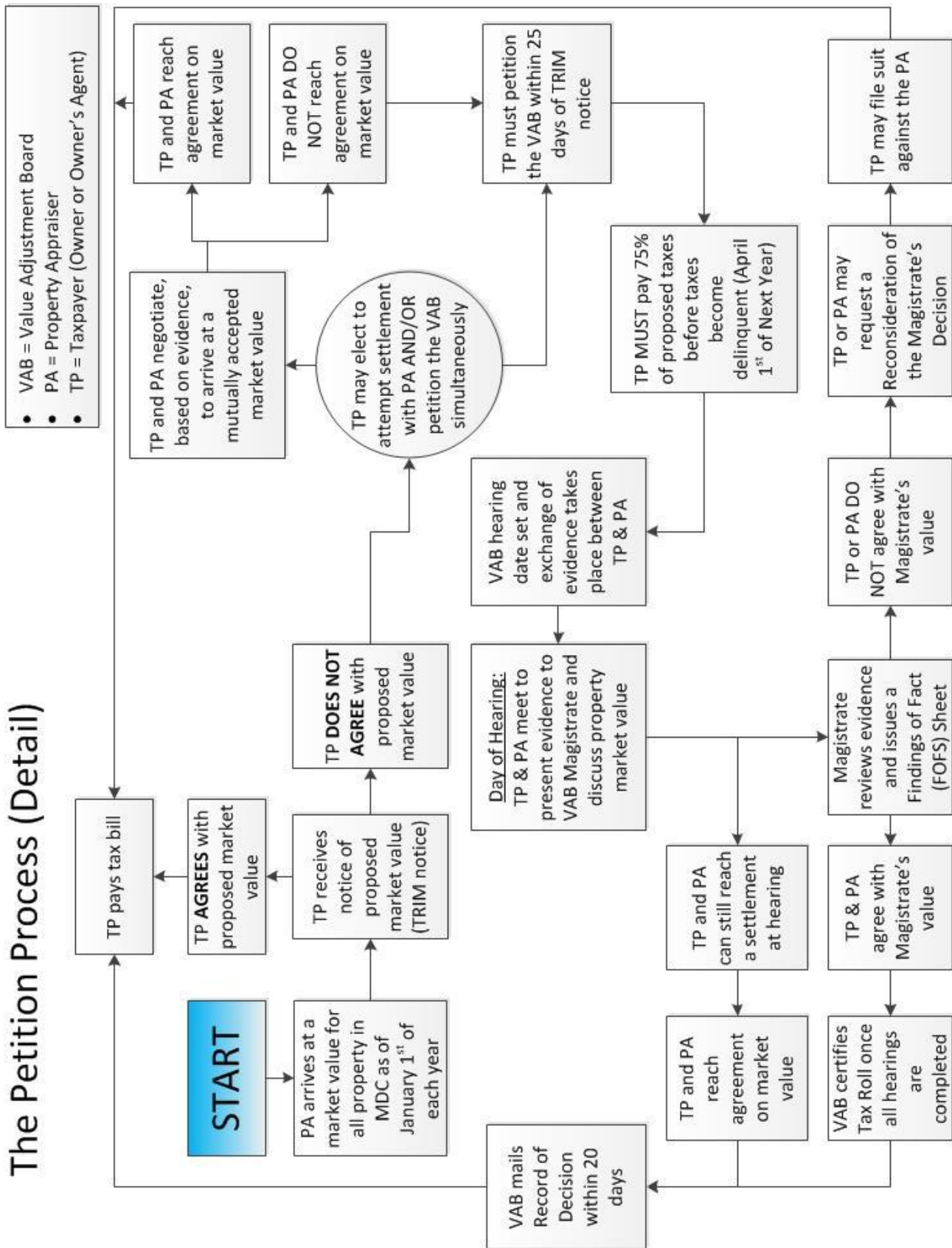
(1) The Department of Revenue shall prescribe reasonable rules and regulations for the assessing and collecting of taxes, and such rules and regulations shall be followed by the property appraisers, tax collectors, clerks of the circuit court, and value adjustment boards. It is hereby declared to be the legislative intent that the department shall formulate such rules and regulations that property will be assessed, taxes will be collected, and the administration will be uniform, just, and otherwise in compliance with the requirements of the general law and the constitution.

**Reporting
Structure**

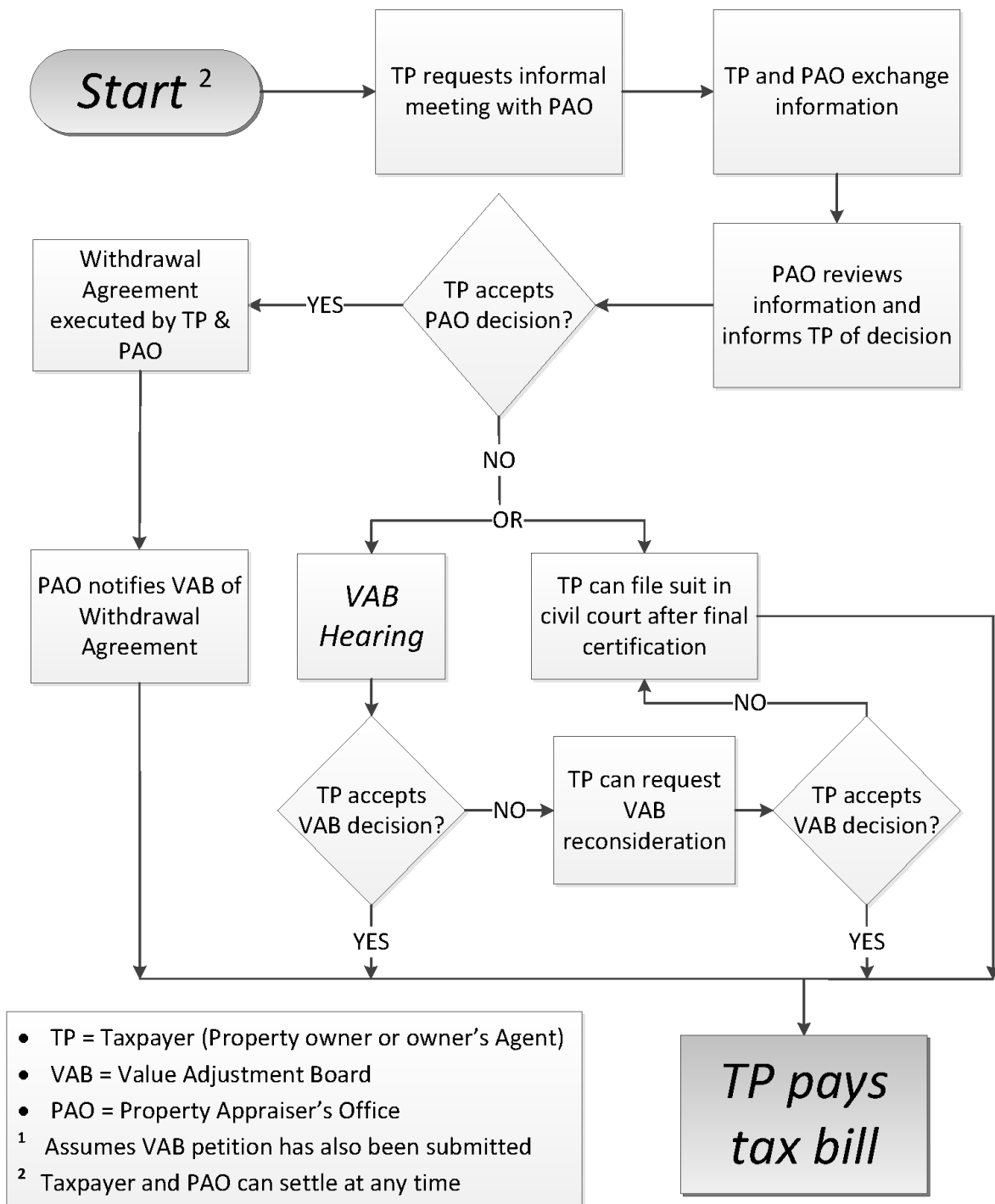
**Organizational
Structure**

* The Property Appraiser, Clerk of the Courts, County Commissioners, and School Board members are elected Constitutional Officers.

The Petition Process (Detail)



Property Appraiser's Office - Settlement Process¹



Objectives, Scope, and Methodology

In accordance with the revised audit plan for FY 2014-2015, we have performed an audit of Miami-Dade County's VAB appeals process. Due to the complexity of the overall VAB process, the number of governmental entities involved, and the resources and time needed to perform our work, the audit was divided into two phases. Phase 1, which focused primarily on the Florida DOR rules and Florida Statutes relating to VABs, as well as the operations of the Miami-Dade County VAB, was presented at the ABAC meeting of March 10, 2015, and subsequently to the School Board at its March 18, 2015, meeting.

This report presents the results of Phase 2 of the audit and concentrates on the operations of the Property Appraiser's Office related to property tax appeal petitions filed for the 2011 – 2013 tax years. We also obtained and reviewed data from earlier years that were necessary to accurately identify certain trends.

The objectives of the audit were as follows:

1. Identify the causes for delay in the property tax assessment appeals process
2. Identify trends and indications of apparent impropriety, including possible fraud
3. Determine whether the operations in the VAB and PA offices related to the property tax assessment appeals process comply with governing statutes and rules, and comport with sound internal controls

Pursuant to the District's Inter-Local Agreement with the Miami-Dade County Office of the Inspector General (OIG), the OIG, which is staffed by experienced professionals, was asked to contribute resources. The OMCA and the OIG jointly reviewed the VAB and Property Appraiser's Office processes. Our office also conducted independent and joint interviews of some VAB and Property Appraiser's Office staff, Special Magistrates, and agents. The OIG will be issuing a separate report with its conclusions at a later date.

In performing the audit, the OMCA requested and received technical assistance from M-DCPS' Office of Assessment, Research, and Data Analysis, which performed various statistical and non-statistical analyses on data received from both the VAB and Property Appraiser's Office. The work of the qualified statistician from this department was instrumental to our work during both phases of the audit.

We reviewed existing policies, procedures, and prior audit reports relating to Florida VABs that have been published by other agencies, including:

- DOR's Uniform Policies and Procedures Manual for Value Adjustment Boards (Oct 2013)
- Miami-Dade County Office of Audit and Management Services (various reports)
- Office of Program Policy Analysis & Government Accountability (OPPAGA) (Report No. 10-64)
- State of Florida Auditor General (Report No. 2014-194)

We performed the following auditing procedures and specific tests to satisfy our audit objectives, including:

- compared DOR rules to their authorizing Florida Statutes
- determined the Property Appraiser's Office compliance with DOR rules, timelines, and notification requirements
- reviewed the internal policies and procedures of the Property Appraiser's Office, including the 2013 VAB Cycle Staff Member Training Manual
- analyzed the Property Appraiser's Office scheduling of VAB hearing commitments and staffing levels
- obtained and documented our understanding of the internal controls of the Property Appraiser's Office, as they relate to the VAB appeals and settlement processes, as well as the role and responsibilities of the Property Appraiser's Office, Clerk of the Courts, Tax Collector, Board of County Commissioners, and M-DCPS
- analyzed data received from the VAB on petitions filed
- examined activities occurring in the Property Appraiser's Office and documents relating to the assessment and settlement processes
- analyzed data files containing Property Appraiser settlement information from tax years 2009 through some of 2013
- examined documentation evidencing M-DCPS' payment for some of the Property Appraiser's Office operating expenses related to supporting the VAB process
- analyzed selected data maintained by the Florida DOR on the VAB and Property Appraisers of each county
- interviewed some of the Property Appraiser's Office staff (some performed by the OIG)
- additional audit procedures as deemed necessary

This performance audit was conducted in accordance with generally accepted *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit.

A performance audit is an objective analysis, based on sufficient and appropriate evidence, to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision-making, and contribute to public accountability. Performance audits encompass a wide variety of objectives, including assessments of program effectiveness, economy and efficiency; internal control; compliance; and prospective analyses.¹

Planning is a continuous process throughout the audit. Therefore, auditors may need to adjust objectives, scope, and methodology as work is being conducted.² We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

¹ Comptroller General of the United States, *Government Auditing Standards*, 2011 Revision, (Washington D.C.; United States Government Accountability Office, 2011), pp. 17-18.

² Ibid., p. 126.

Findings, Conclusions, and Recommendations

1. THE INABILITY OF THE VAB AND PROPERTY APPRAISER TO OPTIMIZE THE USE OF THEIR RESOURCES IN SCHEDULING AND STAFFING HEARINGS CONTRIBUTES TO DELAYS IN THE VAB APPEALS PROCESS

We reviewed data provided by the VAB, which disclosed that hearings for some petitions were rescheduled as many as five times. In testing the rescheduling process, we judgmentally selected 60 petitions (20 per year) from tax years 2011, 2012, and 2013 that, according to the data, were rescheduled three or more times. Within these 60 petitions, we identified 171 rescheduling dates (the sample data points).

The following table lists the reasons stated for the 171 rescheduling dates:

Reasons for Rescheduling	Count	Percentage
Change in system before notice was mailed to petitioner ¹	30	18%
Change in board room ²	23	13%
Criteria No. 9 - Without Good Cause ³	22	13%
Petition shifted to be heard with other folios	18	11%
Non-availability of Property Appraiser staff	17	10%
Other ⁴	61	35%
Total	171	100%

Table 1

¹ According to the VAB, changes to the scheduled hearing date were made in its information system before hearing notices were mailed to petitioners for the following reasons: a) scheduling conflict, wherein an agent is scheduled for hearings at the same time in different boards, which require that his/her cases be moved to a different board and time on the same day; b) input errors made by entering the wrong agenda number; c) combining scheduled agendas that should be heard together into different boards; and d) schedule changes to make the hearings more efficient. Note: Hearing notices are not printed until 30 days before the hearing.

² Changes in board room entail moving the scheduled hearing from one board room to another and/or from a stated time slot to a different time slot on the same date.

³ Criteria No. 9 is used to indicate changes allowed by the DOR Rule 12D-9.019(4)(a), which states, "The petitioner may reschedule the hearing without good cause one time by submitting a written request to the Board Clerk no fewer than five (5) calendar days before the scheduled appearance."

⁴ "Other" represents categories such as good cause criteria (count 15), clerical errors not noted above (count 16), and notations regarding value hearing dates (count 14), among others.

As depicted in Table 1, of the 171 data points sampled, 17 (10%) were rescheduled dates requested by the Property Appraiser's Office due to "non-availability of staff," despite that office having the minimum staffing levels indicated in Table 2 below.

The Property Appraiser's administration indicated to us that for the 2013 tax year, there were 69 employees directly involved with VAB hearings. They were unable to provide us with the same level of detail regarding the actual number of employees directly involved with the VAB process for other tax years. However, the Property Appraiser administration did indicate to us that staff can be moved from other areas in the Property Appraiser's office to the "VAB and Legal" unit, if needed.

The Property Appraiser's Office provided a document titled "**Adopted Budget and Multi-Year Capital Plan**" showing the "VAB Appeals and Legal" positions and other positions for the following fiscal years as shown in Table 2. According to the Property Appraiser's administration, the VAB Appeals and Legal unit is dedicated to supporting the VAB appeals activity. Given the minimum staffing levels indicated, there appears to be sufficient positions available to attend appeal hearings as scheduled.

Property Appraiser's Office Staffing			
Fiscal Year	VAB Appeals and Legal Positions	Other Property Appraiser's Office Positions	Total
2011-12	83	274	357
2012-13	79	282	361
2013-14	75	278	353
2014-15	68	280	348

Table 2

When a hearing is rescheduled, unless otherwise agreed to, those hearings are deferred a minimum of 25 additional days because of the notification requirements of Florida Statute 194.032(2)(a) and DOR Rule 12D-9.007.

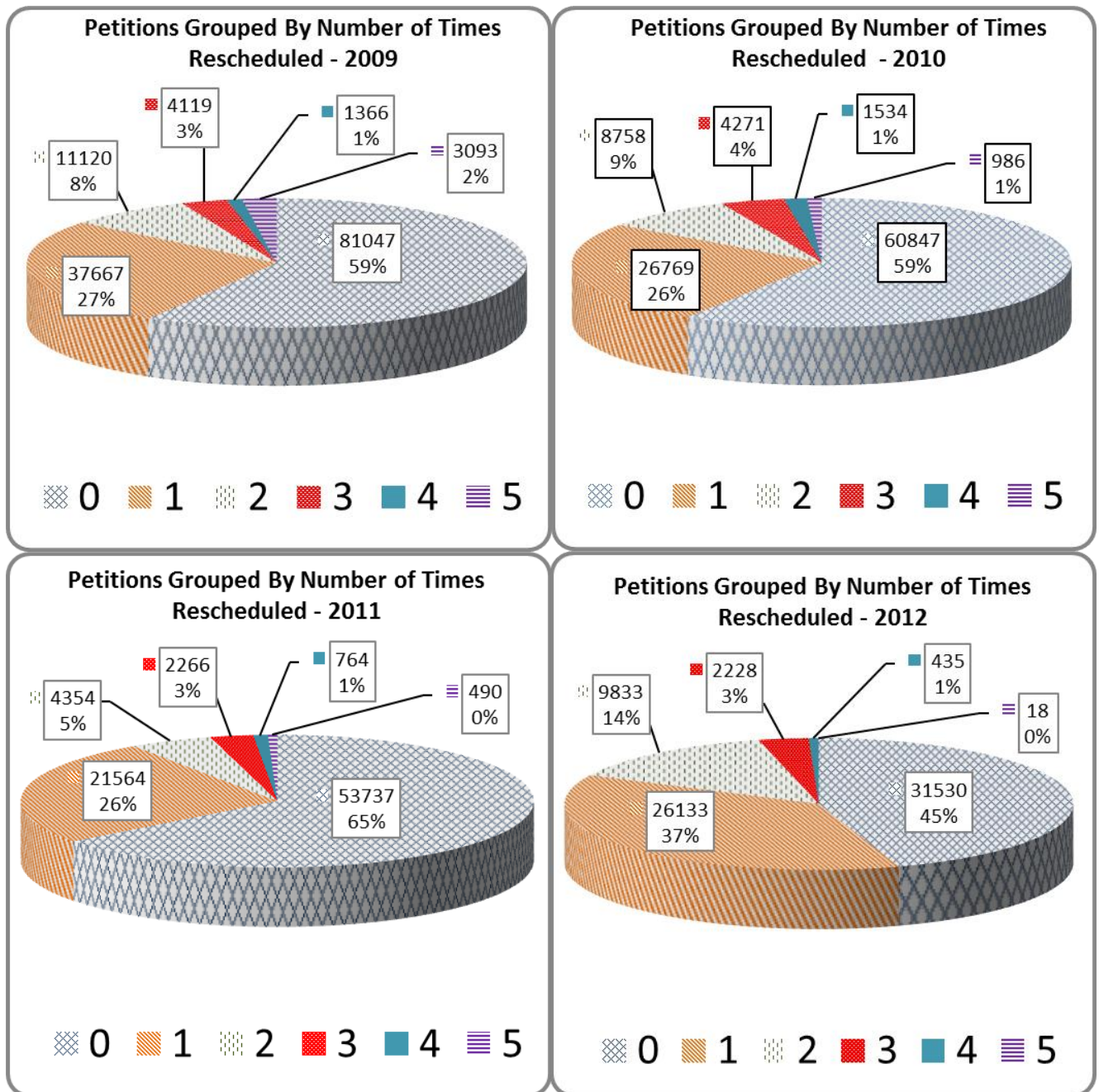
Pursuant to Florida Statute 192.0105, the entities involved in the petition process have a duty to ensure that a petitioner's hearing commences at its scheduled date and time.

Florida Statute 192.0105 – Taxpayer rights (2) The right to due process [emphasis added]

(f): The right, in value adjustment board proceedings, to have all evidence presented and considered at a public hearing at the scheduled time, to be represented by an attorney or agent, to have witnesses sworn and cross-examined, and to examine property appraisers or evaluators employed by the board who present testimony.

DATA ANALYSIS –

An analysis was performed to determine the volume of rescheduled hearings and their potential impact on the timely completion of the VAB appeals process. Our analyses, as shown by the following charts, indicate that cases that are rescheduled more than twice do not represent a material number of cases in relation to the total number of cases filed each year during the tax years 2009 to 2012 – years for which the VAB process was already completed at the time of our audit.



Please refer to Table 1 for an example of the various reasons that may result in a reschedule, based upon our selected sample.

Data regarding petitions³ filed with the VAB and settlements negotiated with the Property Appraiser for tax years 2009 through 2013 highlight certain patterns indicative of the delays mentioned. The analyses were performed on petitions that were classified as “Value” and “Closed”⁴ status. The total petitions meeting these criteria for each of the years selected are as follows:

Tax Year	Number of Closed Value Petitions	Number of Settlements	Year-to-Year Change In:			
			Number of Petitions	Percent	Number of Settlements	Percent
2009	119,012	10,349	-	-	-	-
2010	81,221	13,759	(37,791)	(31.8%)	3,410	33.0%
2011	72,265	4,777	(8,956)	(11.0%)	(8,982)	(65.3%)
2012	40,694	16,132	(31,571)	(43.7%)	11,355	237.7%
2013	27,276*	3,960	N/A	N/A	(12,172)	(75.5%)
* Incomplete data due to VAB appeals process not complete at the time the data was received from the VAB.						

Table 3

Source: VAB petition database.

The data reviewed also indicated the duration for completing the hearings for all value petitions exceeded one year and did not have a correlative relationship to the number of petitions heard (see Appendix 5). The following table shows the length of time it took to complete all value petitions filed and the change from one year to the next.

Tax Year	Number of Weeks to Hear All Petitions	Change From the Prior Year	
		Number of Weeks	Percentage
2009	89	—	—
2010	78	(11)	(12.4%)
2011	70	(8)	(10.3%)
2012	76	6	8.6%
2013*	N/A	N/A	N/A
* Incomplete data due to VAB appeals process not complete at the time the data was received from the VAB			

Table 4

Source: VAB petition database.

For the four tax years (2009–2012) where complete records of petitions were available, the number of closed value petitions decreased from year to year from a high of 119,012 to 40,694. Between tax years 2009 and 2011, the trend line for the number of weeks

³ For purposes of the following analyses, “petition(s)” mean the unique property folio that is covered by a specific filing of appeal. Technically, a petition filed by a taxpayer’s agent may include one or more separate folios.

⁴ Petitions that were withdrawn are not included in these analyses. Those petitions may or may not have been resolved prior to a VAB hearing.

required to hear all value petitions depicted a decreasing model, but not at the same rate as the rate of reduction in the number of value petitions closed. However, for tax year 2012, the number of weeks required to hear all value petitions increased from 2011, despite the number of closed value petitions for 2012 decreasing by 43.7%.

Although the number of 2012 closed value petitions (40,694) were only about half of the 2010 total (81,221), the number of weeks required to close out the 2012 petitions (76) were almost the same (two weeks less) as the number of weeks (78) required to close out the 2010 petitions. The reduction in time was not commensurate with the reduction in the number of “closed value” petitions heard and suggests inefficiency.

Records obtained from the Property Appraiser indicated that the 2011, 2012, and 2013 tax rolls received final certification on May 22, 2013, May 22, 2014, and May 27, 2015, respectively. As noted, each certification of the tax roll occurred roughly one year and eight months from their respective VAB petition filing due dates.

The data reviewed further indicated that VAB petition hearings overlapped tax years. For example, 2009 petitions were also being heard simultaneously with 2010 petitions. The following table shows the percentage of the prior year’s petitions that were closed at the time hearings for the current year’s commenced and the backlog.

Tax Year	Percentage of Hearings Completed When Next Year’s Hearings Began	Percentage of Tax Year Hearings Remaining (Backlog)	Number of Weeks to Clear Backlog	Week When Hearings on Tax Year’s Petitions Began
2009	73.7%	26.3%	29	—
2010	57.1%	42.9%	24	Week 51 of 2010
2011	65.3%	34.7%	19	Week 52 of 2011
2012	50.5%	49.5%	19	Week 49 of 2012
2013*	N/A	N/A	N/A	Week 01 of 2014
* Incomplete data due to VAB appeals process not complete at the time the data was received from the VAB.				

Table 5

Source: VAB petition database.

For tax years 2010 – 2013, the VAB began hearing taxpayer petitions between 11 and 14 weeks after the close of the 25-day petition filing deadline (25 days after the receipt of the Notice of Proposed Property Taxes, a.k.a., the TRIM notice). We further examined the documentation related to 94 petitions selected at random and found the following:

- The average number of days lapsed between the date the petition was received in the VAB and the first scheduled date for the petition to be heard was 361 days.
- The most often repeated span of time occurring between those two dates (i.e., the mode) was 344 days.
- The average deviation from the related mean was 68 days.
- The minimum and maximum numbers of days between those two dates were 84 and 556 days, respectively.

After a series of meetings between the VAB and Property Appraiser in 2014, it was determined that the VAB could reasonably schedule eight (8) to ten (10) “boards,” each consisting of approximately 50 to 60 petitions per board, per day. At that rate, 2,000 to 3,000 cases could reasonably be heard each week. A distribution of the number of closed value petitions by week, revealed that during the 179 weeks between December 20, 2010, and May 18, 2014, the VAB heard 2,000 or more cases per week in only 49 weeks (27%). Conversely, the VAB heard less than 2,000 cases per week in 130 weeks (73%). Only two out of the 76 weeks in the 2012 tax cycle had 2,000 or more cases heard (see Appendix 4). However, it is important to note that the petition’s level of difficulty may impact the time spent by the magistrate, PA representative, and taxpayer/agent.

Further analysis of the data showed that the weekly average number of “closed value” petitions heard was 1,390, with the most often repeated number of petitions heard each week (i.e., the mode) being 62 petitions. The minimum and maximum number of petitions heard in any given week was 14 and 6,130, respectively.

The following table shows the number of weeks in which closed value petitions could theoretically be completed based on the agreed-upon board schedule (i.e., eight (8) to ten (10) “boards” of 50 to 60 cases per day).

Tax Year	Number of Closed Value Petitions	Number of Weeks Based on:		Actual Number of Weeks to Hear All Petitions
		8 Boards of 50 or 60 Cases	10 Boards of 50 or 60 Cases	
2009	119,012	60 or 50 Weeks	48 or 40 Weeks	89
2010	81,221	40 or 34 Weeks	33 or 27 Weeks	78
2011	72,265	36 or 30 Weeks	29 or 24 Weeks	70
2012	40,694	20 or 17 Weeks	16 or 14 Weeks	76
2013*	27,276	N/A	N/A	N/A
*Data is incomplete due to the VAB appeals process not being finalized at the time the data was received from the VAB.				

Table 6

Source: VAB petition database.

Adequately staffing and maintaining the schedule determined by the VAB and Property Appraiser's Office would have dramatically shortened the appeals process by reducing it in half in some cases as depicted in Table 6.

Scheduling of Hearings

As previously stated, according to the VAB Manager, the standard VAB "board" consists of approximately 50 to 60 petitions (i.e., unique property folios) and resources are available to staff eight (8) to ten (10) "board" each business day.⁵ Therefore, the number of petitions that could be scheduled for hearing each day ranges between 400 and 600.

According to the VAB data, there were 836 separate dates on which the approximately 257,000 petitions for tax years 2010 to 2012 were scheduled to be heard. The number of petitions or unique property folios (all types) scheduled for hearing on a given date ranged from a low of one (1) to a high of 4,508 (see Appendix 6). There were also some business days in which no petitions were scheduled to be heard. Our analysis further found that on the majority (53%) of the dates on which petitions were scheduled for a hearing, only 400 or fewer petitions were scheduled. Moreover, on 23% of the dates available, only 200 or fewer petitions were scheduled for hearing. The following table depicts the distribution of the range of petitions scheduled and the number of dates within each range that were scheduled.

Distribution of Petitions Scheduled in Groups				
Range of the Number of Petitions (Folios) Scheduled	Count of Dates within the Petition Range	Percent of Dates in Range	Cumulative	
			Count of Dates	Percent of Dates
1 to 5	7	0.8%	7	0.8%
6 to 20	3	0.4%	10	1.2%
21 to 50	13	1.6%	23	2.8%
51 to 100	57	6.8%	80	9.6%
101 to 200	112	13.4%	192	23.0%
201 to 300	104	12.4%	296	35.4%
301 to 400	147	17.6%	443	53.0%
401 to 500	128	15.3%	571	68.3%
501 to 600	60	7.2%	631	75.5%
601 to 700	28	3.3%	659	78.8%
701 to 800	39	4.7%	698	83.5%
801 to 900	25	3.0%	723	86.5%
901 to 1000	16	1.9%	739	88.4%
Over 1000	97	11.6%	836	100.0%
Total	836	100.0%		

Table 7

Source: VAB petition database.

⁵ There are 12 rooms available to the VAB for hearing property owner's appeals.

In order to determine whether there were other limitations imposed on the VAB, specifically by the Property Appraiser's Office, which would keep the VAB from not scheduling an efficient number of petition hearings, we selected a judgmental sample of 33 dates from tax years 2010 to 2013 where the number of petitions scheduled for hearing was fewer than 350. We compared the list of Property Appraiser's Office representatives assigned to VAB hearings on those dates. Our analysis disclosed that on 28 of the 33 dates (85%), fewer than three (3) "boards" were held. On 12 (36%) of these dates, there were between one (1) and eight (8) Property Appraiser's Office representatives who were available (i.e., assigned) to VAB hearings, but the VAB did not schedule any hearings for these individuals on these specific days.

According to the VAB's management, for three dates in 2014, the Property Appraiser's Office representatives were not utilized on the days they were said to be available because the VAB did not receive notice of their availability in a timely manner (i.e., 30 days prior to the hearing date). For the other cases, the VAB's management was unsure of the reason for not utilizing the available Property Appraiser's Office representatives because the VAB personnel responsible for scheduling the specific VAB hearings were no longer employed by the VAB, and records to document the reason do not exist.

Our inquiries indicate that the Board of County Commissioners has historically approved the funding resources requested by the VAB. Ultimately, the County's Clerk of Courts is charged with the responsibility of scheduling and providing the resources necessary to conduct VAB hearings as established by DOR rule:

DOR Rule 12D-9.023 – Hearings Before Board or Special Magistrates [emphasis added]

(1) Hearing rooms, office space, computer systems, personnel, and other resources used for any of the board's functions shall be controlled by the board through the board clerk of the value adjustment board. The board clerk shall perform his or her duties in a manner to avoid the appearance of a conflict of interest. The board clerk shall not use the resources of the property appraiser's or tax collector's office and shall not allow the property appraiser or tax collector to control or influence any part of the value adjustment board process.

In addition to the analyses performed, we documented 45 days of actual usage, randomly selected, starting on November 14, 2014, through May 5, 2015, and observed the following VAB activity:

Date	Day	Number of Board Rooms Used	Number of Cases (Folios) Scheduled to be Heard
November 14, 2014	Friday	5	197
December 1, 2014	Monday	5	178
December 2, 2014	Tuesday	7	277
December 5, 2014	Friday	8	320
December 8, 2014	Monday	7	295
December 9, 2014	Tuesday	8	301
December 10, 2014	Wednesday	3	129
December 11, 2014	Thursday	7	314
December 12, 2014	Friday	1	34
January 22, 2015	Thursday	2	92
January 23, 2015	Friday	4	153
March 2, 2015	Monday	6	271
March 3, 2015	Tuesday	1	49
March 4, 2015	Wednesday	5	762
March 5, 2015	Thursday	1	47
March 6, 2015	Friday	5	242
March 9, 2015	Monday	6	835
March 10, 2015	Tuesday	5	247
March 11, 2015	Wednesday	5	148
March 12, 2015	Thursday	5	178
March 13, 2015	Friday	6	270
March 16, 2015	Monday	5	516
March 17, 2015	Tuesday	6	220
March 18, 2015	Wednesday	6	234
March 19, 2015	Thursday	8	289
March 30, 2015	Monday	2	60
March 31, 2015	Tuesday	2	85
April 1, 2015*	Wednesday	2	41
April 2, 2015*	Thursday	2	51
April 3, 2015	Friday	1	22
April 6, 2015	Monday	0	0
April 7, 2015	Tuesday	0	0
April 8, 2015	Wednesday	1	57
April 9, 2015	Thursday	1	50
April 10, 2015	Friday	3	125
April 13, 2015	Monday	0	0
April 15, 2015	Wednesday	1	107
April 22, 2015	Wednesday	1	59
April 27, 2015	Monday	3	108
April 28, 2015	Tuesday	1	56
April 29, 2015	Wednesday	3	164
April 30, 2015	Thursday	1	55
May 1, 2015	Friday	1	55
May 4, 2015	Wednesday	2	156
May 5, 2015	Tuesday	1	70

Table 8

* Total for one board only.

As indicated in the above table, on the days of our observations, the VAB had eight (8) board rooms that were actively hearing petitions or scheduled 400 or more cases on only six (6) of the 45 days (13%). Also, at the end of March and the beginning of April 2015, the number of cases/folios scheduled to be heard decreased significantly. This period coincided with the close of the 2013 tax year and the start of the 2014 tax year hearings.

Lastly, as introduced in our report on the Value Adjustment Board Appeals Process (Phase 1) dated March 2015, pursuant to Florida Statute 194.014, a taxpayer who files a petition before the VAB is paid interest on the overpaid amount at the rate of 12% annual percentage rate (APR). This provision presents an obvious incentive for petitioners to file an appeal before the VAB and may contribute to delays in certifying the county's final tax roll.

RECOMMENDATIONS:

- 1.1 The Property Appraiser's Office should utilize its staff more efficiently and effectively in order to expedite the VAB hearing process by ensuring that staff is available to participate in VAB hearings whenever needed.**

RESPONSIBLE PARTY: PROPERTY APPRAISER MANAGEMENT'S RESPONSE –

Having the appropriate level and type of staff is a necessary but not sufficient condition to expediting the processing of VAB petitions. This past year alone we increased the PAO's appeal staff by another 24 positions in addition to the 18 positions that were added last year. This represents an increase of over 50 percent in the last two years. Although personnel may be a factor in the process, there are a number of additional factors that disproportionately impact the time it takes to complete a petition cycle, not all of which are explored in this report.

One important factor is the number of petitioner reschedules. The data analysis section states "cases that were rescheduled more than twice do not represent a material number of cases in relation to the total number of cases filed each year during the tax years 2009 through 2012...". The audit report seems to conclude that these reschedules do not have a material impact on the PAO's ability to timely complete the petition process. This is incorrect.

To further illustrate the impact of reschedules the report's data on petitions and reschedules for 2009-2012 were used to create the table below showing the impact of reschedules during this period. The number of petitions for each year was multiplied by the number of reschedules to derive the total "effective" petitions that had to be scheduled.

Times Petition Rescheduled	Year	Effective Petitions	Effective Petitions	Effective Petitions	Effective Petitions	Effective Petitions
	2009		2010		2011	2012
0	81,047	81,047	60,847	60,847	53,737	34,530
1	37,667	37,667	26,769	26,769	21,564	26,133
2	11,120	22,240	8,758	17,516	4,354	9,833
3	4,119	12,357	4,271	12,813	2,266	6,798
4	1,366	5,464	1,534	6,136	764	3,056
5	3,093	15,465	986	4,930	490	2,450
Net Petitions Filed	138,412	174,240	103,165	129,011	83,175	96,313
Reschedule Effect		35,828		25,846		13,138
		25.9%		25.1%		15.8%

Those chosen instances (cases rescheduled more than twice) represent cumulative rates of 14%, 15%, 9% and 18% for the years 2009 through 2012 respectively. Notwithstanding the seemingly arbitrary and unexplained focus on the cases with three or more reschedules, the audit completely disregards the higher reschedule rates for single reschedule instances and their attendant substantial number of petitions that were so rescheduled. According to the audit's own data analysis on page 20, 37,667 petitions (27%) for 2009, 26,769 (26%) for 2010, 21,564 (26%) for 2011, and 26,133 (37%) for 2013 were rescheduled. The material consequence of each reschedule is an increase on the number of petitions that must be processed. For example, for 2009 the number of closed petitions was 138,412. However, once the reschedules are taken into account, which the audit does not, the number climbs to 174,240, a massive increase of 25.9% in the number of petitions that must be worked.

Even one case that is rescheduled one time at the conclusion of a cycle can delay the certification of the entire tax roll by up to 25 days due to the mandatory 25 day notice requirement being applied similarly to reschedules under section 194.032(2)(a), Florida Statutes. Considering that the administrative rules allow for unlimited additional reschedules for "good cause," when one case is rescheduled five times, it can have the same impact on the PAO's resources as five different petitions since each reschedule requires a separate 25 day notice period and causes the petition to be put back in the pool for re-assignment, which often leads to different staff members being assigned to the same petition in order to ensure that PAO staff is available.

Table 1 (Page 18) and "Scheduling Hearings" (Page 24 & 25): In the 2012 appeal cycle the PAO attempted to accelerate the VAB petition process by increasing the number of staff working on settlements. Any petitions settled would reduce the backlog of pending petitions obviating the need to schedule them for hearings, thereby reducing the number of boards necessary and shortening the hearing cycle accordingly. Although this strategy was clearly communicated to the VAB Manager on a number of occasions, rooms were deliberately scheduled beyond the PAO's capacity to staff hearing rooms. This caused the PAO to request a rescheduling of these hearings. It is important to note that the PAO allocates on average over 25% of its full-time staff to the VAB process. This allocation of staff far exceeds the staffing level of any other county in the state. Although the VAB staff was split between settlements and

hearings, at all relevant times, the entire Appeals staff was dedicated to the same universe of petitions.

The report states that for tax years 2010 through 2013, the VAB began hearing petitions between 11 and 14 weeks after the close of the 25-day petition filing deadline. During multiple meetings with the auditors, PAO staff explained the close-out process required at the end of every petition cycle in order to properly finalize and certify the final tax roll. This process is crucial in order to ensure that the new values and changes are rolled over into the following year's assessment in preparation for the subsequent year's petition cycle. It should also be noted that magistrates have up to two weeks after the conclusion of a hearing to submit supporting documentation. This can delay the process up to two weeks. Therefore, due to the backlog in petitions, the close-out and ramp-up processes have occurred back to back for the last few cycles.

Table 7 Distribution of Petitions Scheduled in Groups (Page 24) simply lists data on the numbers of petitions (folios) actually heard, but it neglects to account for the total number of petitions originally scheduled. The original number of petitions scheduled was much higher than the number of petitions actually heard. In fact, based on the graph on page 20 of this report, 26% to 37% of petitions were rescheduled at least one time during the 2009 – 2012 petition cycles. Furthermore, specific cases on a board could be rescheduled resulting in fewer petitions heard on a given date than the number originally scheduled. The report does not provide data on the number of petitions originally scheduled, only the lower number of petitions actually heard, that is, those petitions remaining at a given board after all reschedules were removed from the assigned board. Due to the legal notification requirement referenced above, petitions being rescheduled require a minimum of a 25 day hearing notice. Thus, any reschedule requests received less than 25 days from the hearing date do not allow sufficient time for another petition to be substituted in its place.

Table 6 (Page 23) lists the “number of weeks in which closed value petitions could theoretically (emphasis added) be completed,” but this analysis does not factor in **any** impact from rescheduling, which the report's own data analysis (Table 1 and the graphs on page 20) demonstrate is a material factor. Thus, the timeframes quoted in Table 6 are not achievable given the current conditions and regulations (one no-cause reschedule as of right, a potential unlimited number of reschedules for “good cause,” high interest rates paid on tax refunds, 25 day rescheduling notice requirement, case complexity and the agent's availability, etc.). Therefore, the report's assertion that the VAB process could have been reduced by half is at best misleading.

As discussed with the auditors, there is often a sharp reduction in the number of boards and cases available for hearings at the end of a cycle due to a number of factors. An important such factor to consider is that due to the very high concentration of folios represented by agents in Miami-Dade County (approximately 95%), most outstanding petitions are distributed across a handful of agents who file the overwhelming majority of the petitions. Even with the full availability of PAO staff, agents are often unwilling or unable to attend boards at the full capacity of the available rooms which, in essence, would require their simultaneous appearance in several hearing rooms as scheduled. This creates a bottleneck, which serves to prolong the

conclusion of the hearing cycle. The sample taken in Table 8 (Page 26) is only for the last few months of the 2013 cycle and over one-third of the sampled dates fall within the last six weeks. Therefore, the data presented in the table does not represent a random sample of the board rooms used and petitions heard throughout the entire 2013 petition cycle. The report alludes to the sharp reduction during this period: “Also, at the end of March and the beginning of April 2015, the number of cases/folios scheduled to be heard decreased significantly. This period coincided with the close of the 2013 tax year and the start of the 2014 tax year,” but fails to explain the systemic factors that contributed to it.

AUDITOR’S COMMENT

The analysis of rescheduled petitions (i.e., individual folios) considered all petitions, whether rescheduled one or more times. Petitions that were rescheduled three or more times were given specific scrutiny because by law (Section 194.032(2)(a)), a petitioner has the right to reschedule a hearing a single time without cause and may also request a reschedule if the petitioner’s scheduled hearing does not commence within two hours of its scheduled hearing time.

Additionally, the rescheduling of a petition may not entail the postponement of a petition to a later date, but may entail simply changing the board room where the petition will be heard, changing the grouping of the petitions to be heard, or reassigning the petition to a different Special Magistrate for hearing – all of which may occur on the same date as originally scheduled without adding additional time to the hearing calendar. Some examples of rescheduling, as depicted in Table 1, show more than half (52%) of rescheduled petitions in our sample were caused by reasons which are internal to the Property Appraiser’s Office and VAB.

Our analysis did consider the potential impact of petitions that were rescheduled one time, and noted that while the percent of “one-time-rescheduled” petitions remained consistent (roughly 26%) between 2009 and 2011, the number of petitions decreased dramatically over those same years. These conditions created somewhat of a cancelling effect.

The effects of settlements on the rescheduling of petitions should not be lost. Petitions may be rescheduled pending agreement on a settlement, at which time they are then withdrawn. For example, for 2009, 18,256 of the 20,755 petitions withdrawn were rescheduled one or more times before ultimately withdrawn; for 2010, 17,902 of the 22,280 petitions withdrawn were rescheduled one or more times before ultimately withdrawn; for 2011, 8,232 of the 11,773 petitions withdrawn were rescheduled one or more times before ultimately withdrawn; and for 2012, 22,176 of the 29,811 petitions withdrawn were rescheduled one or more times before ultimately withdrawn.

Concerning the information presented in Table 7, we must make it clear that this represents each distinct date that a given folio was scheduled for hearing, including the original hearing date and rescheduled dates, if applicable.

- 1.2 The VAB should analyze its case load scheduling pattern to ensure that efficient scheduling of its cases is being achieved. The VAB should also consider shortening the time between the petition deadline and the commencement of hearings, as well as scheduling the maximum number of “boards” to improve efficiency and reduce delays. To achieve this objective, the VAB should consider scheduling value petitions for a current tax year as soon as possible, as resources allow and circumstances permit, rather than delaying the scheduling of these types of petitions until after all petitions from the prior year have been heard.**

**RESPONSIBLE PARTY: VALUE ADJUSTMENT BOARD
MANAGEMENT’S RESPONSE –**

The Miami-Dade Value Adjustment Board (VAB) analyzes the number of petitions to schedule each year by meeting with the Property Appraiser’s Office (PAO) to determine the number of boards that must be scheduled. Subsequent meetings take place throughout the year to monitor the number of pending hearings and to make necessary adjustments. To reduce the number of reschedules and improve efficiency in scheduling, the VAB historically has scheduled its hearings according to the PAO’s availability to support these hearings. Pursuant to F.S. § 194.032(2)(a) and with the Department of Revenue (DOR) rule 12D-9(3)(a) states that “the hearing notice shall be received by the petitioner no less than 25 calendar days prior to the hearing date.” Having to reschedule unnecessarily lengthens the time to complete hearings thus creating an inefficient process.

The VAB schedules its real estate valuation hearings as soon as possible. However, record setting caseloads dating back to 2008, 2009 & 2010, extended the tax appeal cycles to more than 6 months each tax appeal year causing the overlapping of tax appeal years. Due to this overlapping of tax appeal years, the period of time between the petition deadline and the commencement of real estate valuation hearings has been prolonged. The VAB has taken steps to expedite the scheduling and adjudicating of the hearings by adding 4 extra hearing rooms in the past 5 years. However, factors out of the control of the VAB, such as free agent/petitioner reschedules pursuant to DOR rule 12D-9.019(4)(a) and PAO’s staffing. The VAB starts scheduling its tangible personal property and legal cases within two months after the petitions are filed. This is done to maximize the usage of hearing rooms while the real estate valuation cases from the previous tax year are being finalized.

MANAGEMENT’S RESPONSE (PROPERTY APPRAISER) –

In Miami-Dade County, a very high percentage of VAB petitions (approximately 95%) are filed by tax agents. Agents are compensated on a contingency basis as a percentage of the total tax reduction achieved through the VAB appeal process. The payment of 12% APR interest on the overpaid amount constitutes a strong incentive for both petitioners and their agents to file an appeal with the VAB and to reschedule their petition to latest possible date in an effort to delay their appearance and lengthen the period of time during which interest accrues on their tax refund. This incentive ultimately contributes to delays in certifying the final tax roll. However, the audit report does not consider the effect this incentive has on the PAO and the VAB Manager in scheduling efficiently. Additionally, the report also fails to mention that the interest is only payable as a result of a reduction by a magistrate; thereby, giving agents an additional

incentive to force a hearing even when a proposed settlement is acceptable in terms of the proposed settlement value. Therefore, the PAO concurs with finding 9.0 in the Value Adjustment Board Appeals Process (Phase 1) dated March 2015 and the accompanying recommendation to pursue modification to Section 194.014(2), F.S. to bring the annual rate of interest more in line with market rates.

As repeatedly explained to the audit staff, real estate assessed values are capped pursuant to both the Florida Constitution and sections 193.155, 193.1554, and 193.1555 of the Florida Statutes. Pursuant to Florida law, properties receiving a homestead exemption receive a yearly three percent cap to the increase in their assessed values while non-homestead properties receive a ten percent cap on yearly increases. Accordingly, a change to Just (Market) Value in a prior year could affect the property's Assessed Value in a subsequent year. Both tax agents and the PAO may submit value reconsiderations to the magistrates after a petition is heard contesting the Just (Market) Value. These requests may be submitted to the magistrates at any time prior to the certification of the final roll. If a magistrate reconsiders his or her decision, it could affect the cap value in a subsequent year. Because all cap values need to be final and processed appropriately before the parcel is heard at the subsequent year's hearing, the petition cycle for the subsequent year cannot commence before the prior year's roll is finalized, certified, and processed.

- 1.3 The Property Appraiser's Office should develop mitigation plans to be invoked when a specific percentage or number of petitions has been filed with the VAB that it believes will significantly impact its normal operations and/or the timely completion of the VAB appeals process.**

**RESPONSIBLE PARTY: PROPERTY APPRAISER
MANAGEMENT'S RESPONSE –**

The PAO must submit to the DOR his or her proposed budget for the fiscal year beginning on October 1st on or before June 1st, prior. The proposed budget is then reviewed and approved by the DOR by August 15th. The TRIM Notices are mailed no later than August 24th and the VAB petitions must be filed within 25 days of the TRIM Notice being mailed. Therefore, the number of petitions filed is not known until well after the PAO's budget is submitted and approved by the DOR for the coming fiscal year. Furthermore, even when the state and county have made it possible to add resources mid-year, it is difficult to find personnel with the required experience especially during times of improving market conditions where employment opportunities in the non-governmental sector are more abundant. As noted in the report, PAO shifts resources from other areas within the office whenever feasible, in an effort to accelerate the conclusion of the VAB cycle.

**2. THE PROPERTY APPRAISER'S OFFICE
DOES NOT APPEAR TO BE AUTHORIZED
TO RECOVER, FROM THE SCHOOL
DISTRICT, SOME OF ITS ANNUAL COSTS
RELATED TO SUPPORTING THE VAB PROCESS**

Florida Statutes delineate how the VAB is to be funded:

<i>Florida Statute 194.015 - Value Adjustment Board [in pertinent part]</i>
<i>Two-fifths of the expenses of the board shall be borne by the district school board and three-fifths by the district county commission.</i>

Accordingly, the School Board is invoiced (and pays) two-fifths (40%) of the VAB's total annual expenses. Invoices obtained from the District's Treasury department show that the Property Appraiser's Office, citing the above statute, has incorrectly billed M-DCPS for 40% of its expenses related exclusively to supporting the VAB petition process.

The OMCA and School Board Attorney's Office, in reviewing rules and statutes related to the VAB process, have concluded that although statutes and DOR rules are clear as to the VAB's funding sources, Florida Statute 192.091 expressly excludes district school boards as a funding source for the Property Appraiser's Office:

<i>Florida Statute 192.091- Commissions of property appraisers and tax collectors [emphasis added]</i>
<i>(1)(a) The budget of the property appraiser's office, as approved by the Department of Revenue, shall be the basis upon which the several tax authorities of each county, <u>except municipalities and the district school board</u>, shall be billed by the property appraiser for services rendered. Each such taxing authority shall be billed an amount that bears the same proportion to the total amount of the budget as its share of ad valorem taxes bore to the total levied for the preceding year. All municipal and school district taxes shall be considered as taxes levied by the county for purposes of this computation. (b) Payments shall be made quarterly by each such taxing authority. The property appraiser shall notify the various taxing authorities of his or her estimated budget requirements and billings thereon at the same time as his or her budget request is submitted to the Department of Revenue pursuant to s. 195.087 and at the time the property appraiser receives final approval of the budget by the department.</i>

In addition, we have not been able to establish the existence of any contract or inter-local agreement that would allow the Property Appraiser's Office to invoice the District for the purpose of recovering VAB-related expenses. We also surveyed several county school districts (Broward, Duval, Hillsborough, Orange, and Palm Beach) to determine if they are invoiced by their county Property Appraiser. All districts responded in the negative.

The following chart lists the amounts invoiced during the last five fiscal years by both the Property Appraiser's Office and the VAB for completed tax years:

Invoice Year	Tax Year	Property Appraiser	VAB
2014	2012	\$1,398,514	\$ 673,248
2013	2011	1,435,424	819,676
2012	2010	1,433,299	958,176
2011	2009	1,813,588	1,052,317
2010	2008	1,413,737	933,651
TOTAL:		\$7,494,562	\$4,437,068

Table 9:

Source: MDC PAO Invoices 2010 - 2014

The District is in receipt of the Property Appraiser's most recent invoice, dated June 2, 2015, in the amount of \$1,657,303 applicable towards the 2013 tax year. It should be noted that although the number of petitions filed with the VAB and settlements negotiated with the Property Appraiser's Office are at their lowest levels for the last five tax years, the Property Appraiser's 2013 invoice shows a 19% increase from the previous year's invoice.

Due to the approximate two-year backlog surrounding the petition process, the Property Appraiser has not yet invoiced the District for the 2014 tax year. On average, the Property Appraiser's Office has invoiced the District about \$1.5 million for each of the last six completed tax years.

RECOMMENDATIONS:

- 2.1 The School District should further explore this issue to ascertain whether the Property Appraiser's Office is authorized to recover some of its costs related to supporting the VAB petition process from the School District.**

RESPONSIBLE PARTY: SCHOOL DISTRICT MANAGEMENT'S RESPONSE –

Florida State Statutes s. 192.091 provides that the budget of the assessor's office, as approved by the Dept. of Revenue, shall be the basis upon which the tax authorities of each county, except municipalities and the district school board, shall be billed by the assessor for services rendered. The School District will not pay the invoice dated June 2, 2015. Further, based on a preliminary review of the report, it is the intent of the Superintendent of Schools to request a review by the School Board Attorney of all available means to recover prior payments to the county that were rendered based on a reference to Florida State Statutes s. 194.015 included in current and prior invoices dating as far back as 1992.

2.2 Contingent upon the results of Recommendation 2.1, the School District should consider one or more of the following actions:

- recovering the payments made to the Property Appraiser's Office for expenses related to the VAB activity to the extent allowed by law
- developing a mechanism, whether through contracted agreements or legislation, that will allow the District to audit the said expenses
- requesting that future statements include improved line item expenditure detail, irrespective of the invoice amount

**RESPONSIBLE PARTY: SCHOOL DISTRICT
MANAGEMENT'S RESPONSE –**

The Administration agrees with recommended action bullet number one as noted in 2.1 above. Additionally, the District will seek to have SB 972 from the 2015 legislative session relating to modifying the VAB process re-filed for the 2016 legislative session, which would provide school districts the explicit ability to audit Property Appraiser's Office expenditures.

2.3 The Property Appraiser should discontinue its practice of invoicing the School District for any expenses related to the VAB appeals process.

**RESPONSIBLE PARTY: PROPERTY APPRAISER
MANAGEMENT'S RESPONSE –**

This matter is under review.

3. **MIAMI-DADE AND VARIOUS OTHER COUNTIES' PRELIMINARY PROPERTY TAX VALUES WERE GREATER THAN THE FINAL VALUE IN SOME YEARS BETWEEN 2003 AND 2012, BUT THE DIFFERENCE WAS SUBSTANTIALLY GREATER FOR MIAMI-DADE**

Each county's property appraiser is responsible for assessing the market value of real and tangible property. The "**Market Value**" (also referred to as "**Just Value**") is the price at which property can reasonably be expected to be bought and sold, at arm's length, in a given market. The market value is derived from applying various valuation methodologies and factors, and it is frequently a combination of several methods. Property appraisers in Florida are required to consider eight (8) factors as per Florida Statute 193.011 in deriving just value:

- (1) The present cash value of the property, exclusive of reasonable fees and costs of purchase
- (2) The highest and best legally permissible use of the property
- (3) The location of said property
- (4) The quantity or size of said property
- (5) The cost of said property and the present replacement value of any improvements thereon
- (6) The condition of said property
- (7) The income from said property
- (8) The net proceeds of the sale of the property, exclusive of the usual and reasonable fees and costs of the sale

In assessing property values, property appraisers must also determine a property's **Assessed** and **Taxable Values**. Examples of some factors considered and their application are as follows:

- The "Save Our Homes (SOH)" *Assessment Differential* is the amount by which the growth in homesteaded property value exceeds the SOH cap of 3% or the Consumer Price Index (CPI), whichever is less. This amount is deducted from the property's just value to arrive at the "assessed value."
- *Exemptions*, such as a homestead exemption, are based on eligibility. These amounts are deducted from the property's assessed value to arrive at the "taxable value."

In general, the sum of all assessment differentials and eligible exemptions, when subtracted from a property's market value, equals its taxable value.

$$\text{Taxable Value} = \text{Market Value} - (\text{Differentials} + \text{Exemptions})$$

Annually, various taxing authorities such as the state, county, municipalities, school districts, and other special taxing districts establish a millage rate, which is applied against taxable property within the jurisdiction of the taxing authority. Millage rates are then applied against each \$1,000 of a property's taxable value to yield the amount of property taxes due:

$$\text{Property Taxes Due} = (\text{Total Millage Rate} \div \$1,000) \times \text{Taxable Value}$$

The VAB, based on a special magistrate's professional opinion, reviews evidence for a petitioned property and has the authority to change the property appraiser's market value, exemptions, and cost of sales.

The DOR maintains statistical and historical information about the VAB appeals process, including property valuations, on its website. Our analyses of some of the available data for the tax years 2003 through 2012 are presented in the following section and appendices of this report.

DATA ANALYSIS –

Analysis of Data Obtained From the Florida Department of Revenue (DOR):

We analyzed data reported by the Florida DOR on the number and type of parcels⁶ filed with the 67 Florida counties' VAB for the 10 tax years between 2003 and 2012. Our analysis did not include tax years after 2012 because at the time of completing our report, the VAB appeals process leading to the final certification of the tax roll had not been completed for all 67 VABs – Broward County being delayed.

Our analysis disclosed that the extent of VAB appeal activity varied significantly each year from county to county (see Appendix 1). The data indicate that state-wide, Miami-Dade and Broward Counties account for the vast majority of VAB parcels filed annually. There were 10 out of the 67 counties with 350,000 or more total parcels averaged over the 10-year period ended 2012 (see Table 10). Of these 10 counties, there were only six (6) where the 10-year total number of parcels appealed exceeded 50,000 (see Table 11). For purposes of our analyses, we have designated these 10 counties as “Miami-Dade peer counties,” although recognizing that in the strictest of meaning, Miami-Dade County has no peer relative to the number of parcels filed with the VAB.

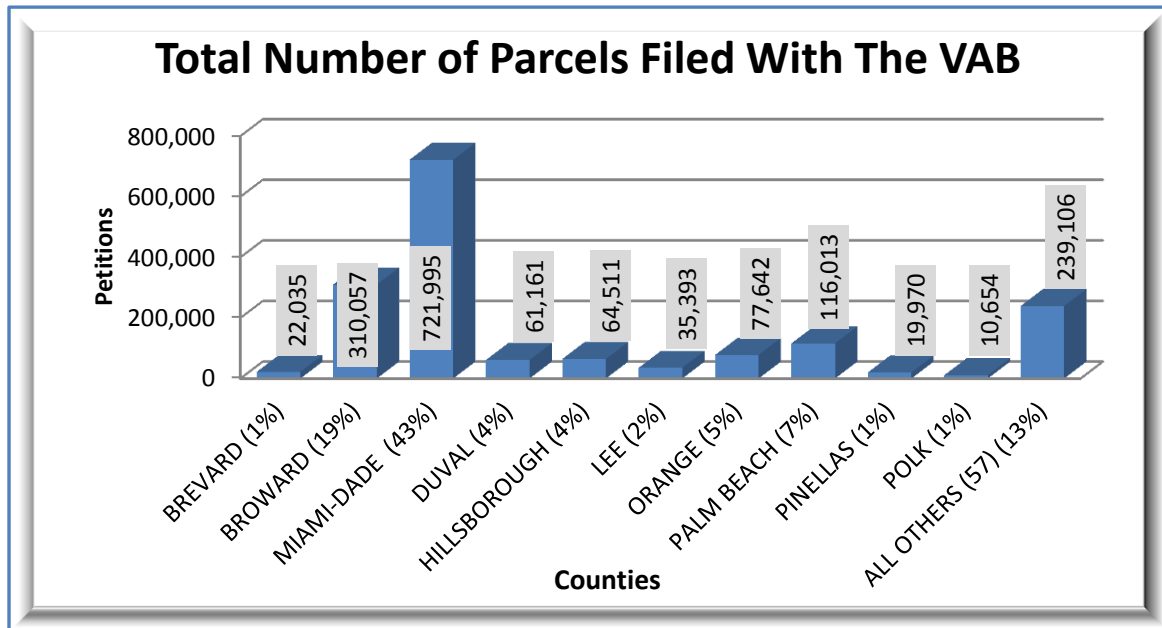
AVERAGE NUMBER OF REAL AND TANGIBLE PROPERTY (PARCELS) BY COUNTY BETWEEN 2003 AND 2012			
County	Ten-Year Average Number of Parcels	Percent In Relation To Other Counties	Percent In Relation To Peer Counties
Brevard	366,244	3%	7%
Broward	811,524	8%	14%
Miami-Dade	955,901	9%	17%
Duval	364,983	3%	7%
Hillsborough	509,333	5%	9%
Lee	583,209	5%	10%
Orange	469,128	4%	8%
Palm Beach	670,000	6%	12%
Pinellas	500,875	5%	9%
Polk	407,994	4%	7%
Other counties	5,294,834	48%	-
Totals	10,934,026	100%	100%

Table 10

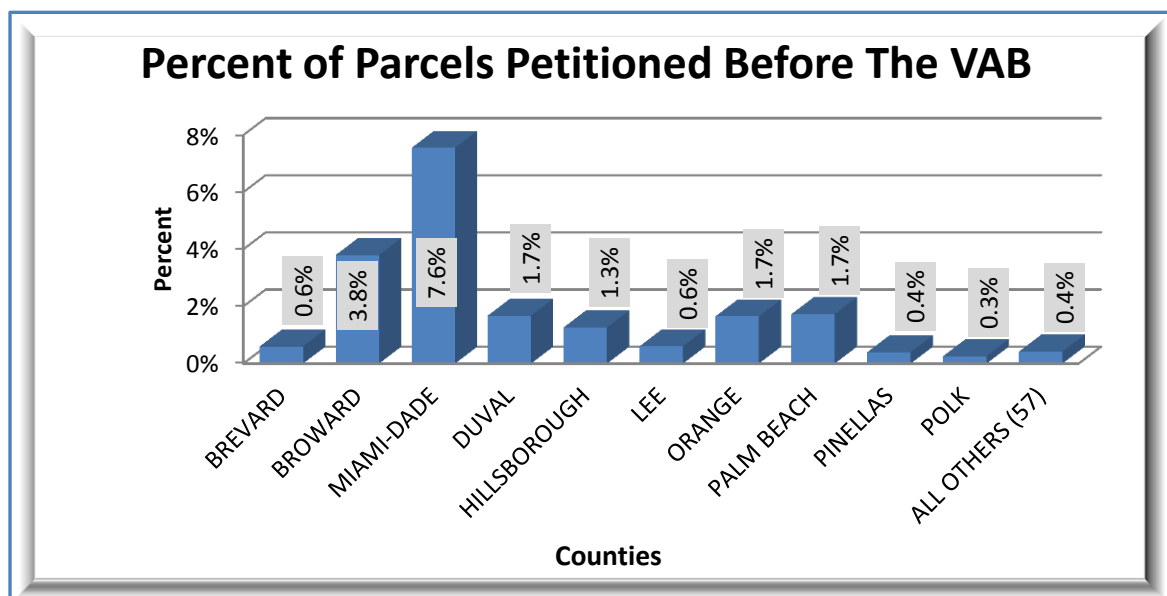
Source: Florida DOR

⁶ The Florida Department of Revenue's data refer to the number of “parcels” or property, which are identified by a unique folio number. Petitions filed with the VAB may contain a single or multiple parcels. The analyses in this finding are based on parcels or folios.

Combined, Miami-Dade and Broward Counties account for 1,032,052 out of the 1,656,502 (about 62%) parcels filed state-wide, with Miami-Dade accounting for 721,995 (43%) of that figure.



For the 10 years between 2003 and 2012, on average, 7.6% of the parcels in Miami-Dade County were petitioned before the VAB. This rate is approximately twice the rate for the next closest county – Broward (3.8%). The rate of petitioned parcels for each of the remaining peer counties was less than 2% as shown in the following chart.



SUMMARY OF VALUE ADJUSTMENT BOARDS PARCELS REPORTED TO THE DOR FOR TAX YEARS 2003 TO 2012 – (STRATIFIED)

Number of Counties Reported: 67 out of 67

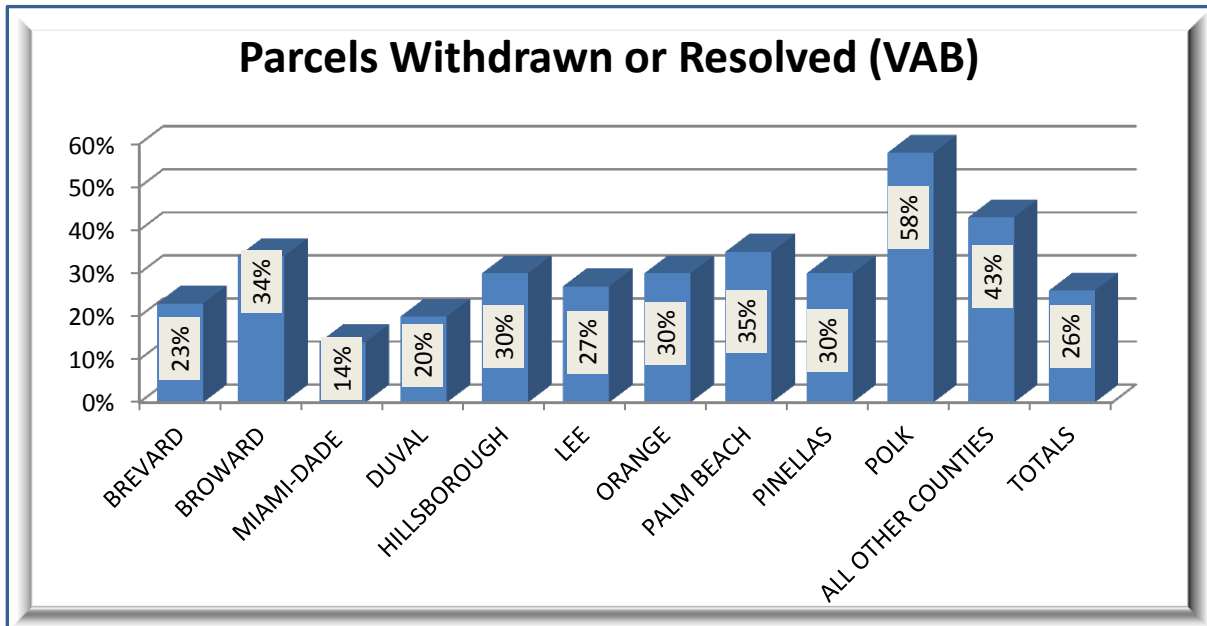
County	Total Number of Exemption Parcels		Percent of Parcels Granted	Total Number of Assessment Reduction Parcels		Percent of Parcels Granted	Both Reduced and Granted	Parcels Withdrawn or resolved Both types	Total Number of Parcels	% of Par. Total	Dollar Reduction Taxable Value	Percent Reduction Taxable Value	Shift In Taxes Due To Board Action	Percent Shift In Taxes Due To Board Action
	Requested	Granted		Requested	Reduced									
<i>Brevard</i>	6,537	1,714	26%	15,498	3,383	22%	5,097	5,131	22,035	1%	446,817,107	1%	7,903,956	1%
<i>Broward</i>	69,994	3,114	4%	240,063	17,119	7%	20,233	105,210	310,057	19%	3,186,411,107	5%	69,785,219	6%
<i>Dade</i>	47,051	7,451	16%	674,944	303,883	45%	311,334	103,523	721,995	43%	45,735,779,250	78%	977,814,593	79%
<i>Duval</i>	27,085	61	0%	34,076	3,172	9%	3,233	12,080	61,161	4%	974,696,996	2%	17,009,207	1%
<i>Hillsborough</i>	15,667	322	2%	48,844	2,737	6%	3,059	19,540	64,511	4%	389,764,671	1%	8,469,959	1%
<i>Lee</i>	1,597	226	14%	33,796	3,591	11%	3,817	9,516	35,393	2%	713,335,510	1%	12,393,283	1%
<i>Orange</i>	12,670	86	1%	64,972	2,640	4%	2,726	23,643	77,642	5%	773,780,434	1%	14,209,824	1%
<i>Palm Beach</i>	12,786	658	5%	103,227	13,376	13%	14,034	40,262	116,013	7%	2,818,587,411	5%	59,587,216	5%
<i>Pinellas</i>	1,629	230	14%	18,341	2,867	16%	3,097	5,885	19,970	1%	266,526,158	1%	5,615,238	*
<i>Polk</i>	2,342	631	27%	8,312	745	9%	1,376	6,203	10,654	1%	111,979,827	*	3,655,855	*
<i>All others (57)</i>	39,817	3,757	9%	177,254	16,333	9%	20,090	92,528	217,071	13%	3,388,353,976	5%	60,887,273	5%
<i>Totals</i>	237,175	18,250	8%	1,419,327	369,846	26%	388,096	423,521	1,656,502	100%	58,806,032,447	100%	1,237,331,623	100%

Table 11

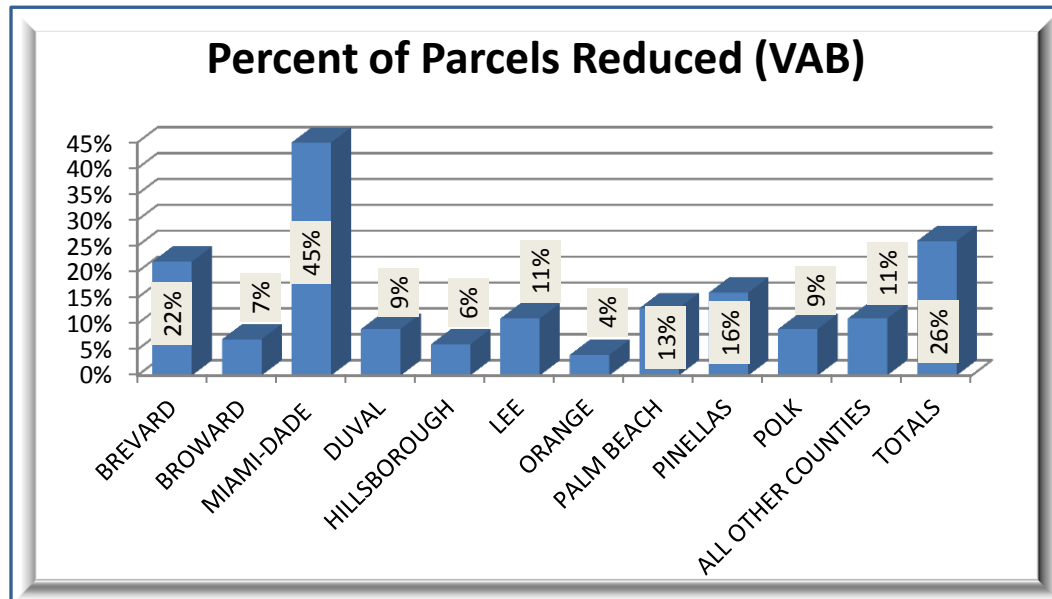
Source: Florida Department of Revenue Form DR-529

* Less than 0.5%.

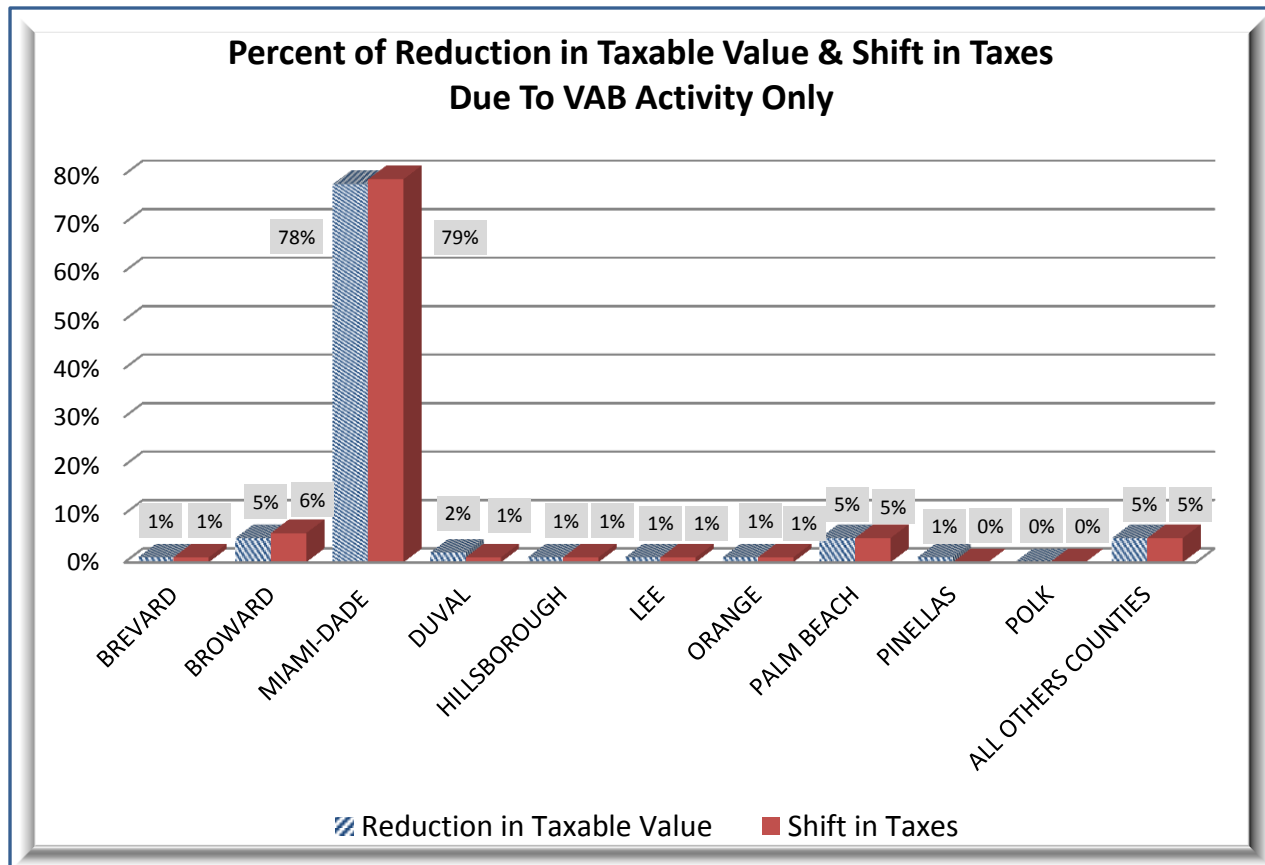
In all other categories, Miami-Dade appears to stand out on its own. For instance, state-wide, 26% of parcels filed were either withdrawn or resolved. For the other nine counties in the “peer group” (i.e., Brevard, Broward, Duval, Hillsborough, Lee, Orange, Palm Beach, Pinellas, and Polk), the percent of withdrawn or resolved parcels ranged between 20% and 58%. For Miami-Dade, only 14% of parcels filed were either withdrawn or resolved. The settlement process described in the Background section of this report impacts the number of parcels withdrawn or resolved, as settled parcels are classified as withdrawn by the VAB.



In addition, our analysis disclosed that the percent of value-type parcels (assessment reduction parcels) reduced in Miami-Dade County vastly exceeded the other nine counties in its peer group. The number of value parcels reduced by the peer counties ranged from 4% to 22%, whereas, in Miami-Dade County, that number was 45%.



These reductions resulted in a decrease in Miami-Dade County's taxable value by \$45,735,779,250, which represented 78% of the total reductions due to VAB action for all 67 counties and the corresponding shift (decrease) in taxes due to the VAB action of \$977,814,593, which represented 79% of the total shift in taxes due to the VAB action for all 67 counties. VAB action accounts for only a portion of the changes to taxable value and taxes due. Changes may also result from the actions of the property appraiser (e.g., settlements and corrections). The amounts presented above and in the following chart are for VAB-related changes only.



Analysis of Counties' Property Appraiser's Preliminary and Final Tax Roll Data:

We analyzed data maintained by the DOR on the preliminary⁷ and final tax rolls of all 67 Florida counties for the 10-year period between 2003 and 2012. The data showed that between 43% and 97% of these counties' final certified tax roll was less than their preliminary certified tax roll. While we found variations among counties, wherein their final roll was greater than their preliminary roll in some years, Miami-Dade County's final tax roll was less than its preliminary roll for all 10 years analyzed. Moreover, Miami-Dade ranked among the top five lowest counties and the lowest county for five out of 10 years. This indicates that Miami-Dade County's experience is not unique within the state; however, it lags behind the other counties.

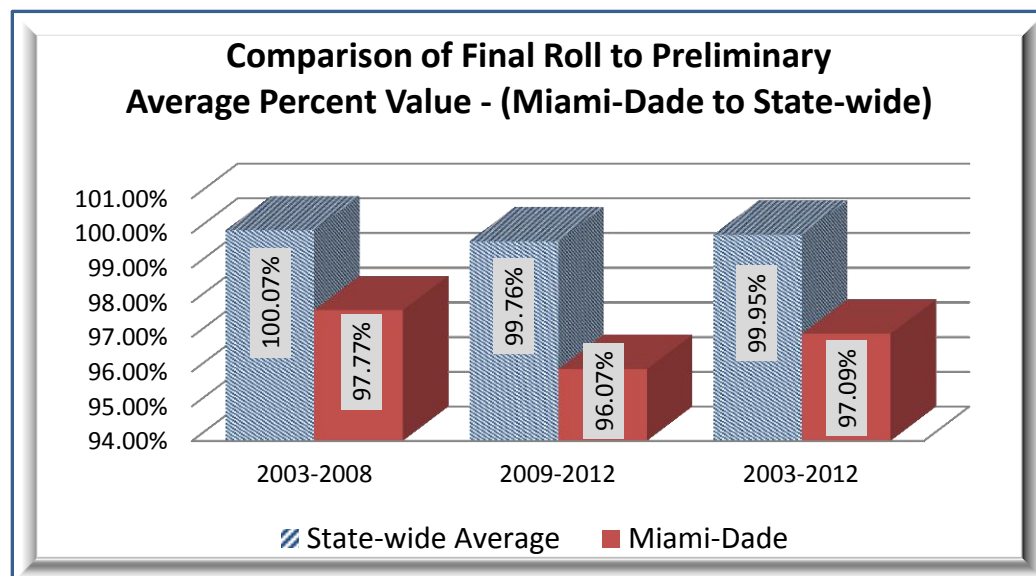
Due to the noted variation in the data from year to year and the significant downward shift from 2008 onward, we calculated separate average and median values for each county's numeric relation of its final tax roll to its preliminary tax roll for each of the following grouping of years: 2003 to 2008, 2009 to 2012, and 2003 to 2012. We used this grouping when analyzing various data, because we believe doing so enables more

⁷ The preliminary tax roll reflects the property appraiser's estimate of property values as of January 1st of each year and is the amount contained in the TRIM notice.

meaningful comparisons, as it accounts for the significant swings in the economy due to the recent “great recession of 2008.”

To determine how well Miami-Dade County compared to other counties, we calculated the state-wide average and median values representing the numeric relation of the final tax roll to the preliminary tax roll (see chart below). We also performed the same calculations for Miami-Dade’s peer counties. For all 10 years, Miami-Dade’s value was less than the state-wide average and median. Miami-Dade’s values ranged between 2.01 and 4.09 percentage points less than the state-wide averages and 1.69 and 4.18 percentage points less than the state-wide medians.

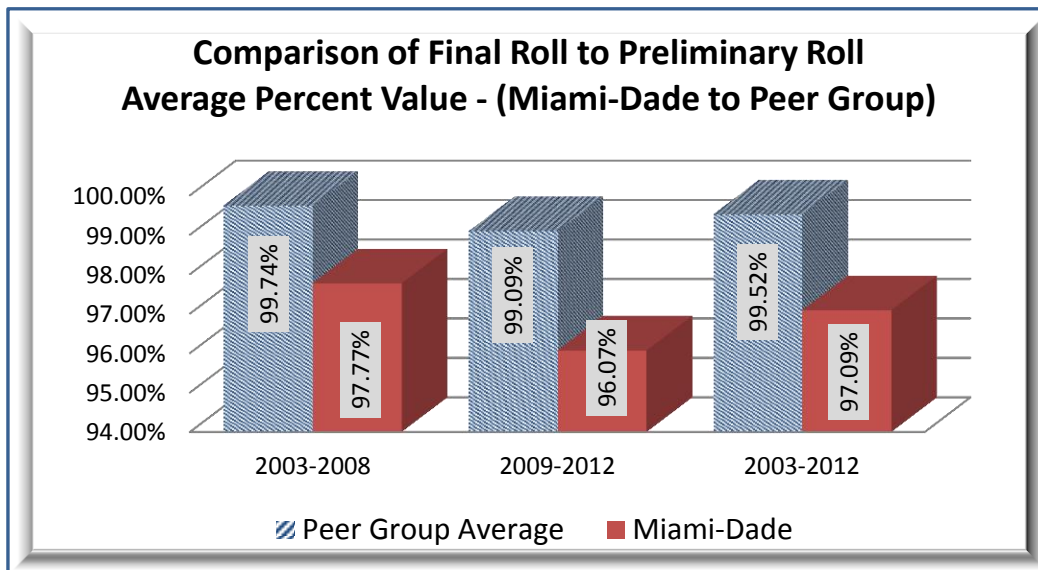
The following chart depicts the comparative percentages grouped by designated years. See also Appendix 2.



Compared to the other nine counties within the Miami-Dade’s peer group, Miami-Dade County’s ratio of final tax roll-to-preliminary tax roll ranked the lowest in all 10 years, and varied from the group’s average ratio by as little as (1.51) percentage points and as much as (3.57) percentage points. Miami-Dade County’s deviation from the group’s median values was as little as (1.60) percentage points and as much as (3.94) percentage points (see chart on the following page and Appendix 2).

Further, between 2003 and 2009 (2003 and 2009 being the exceptions), the other nine peer counties’ final tax roll was within 1% of their preliminary tax roll. Between 2010 and 2012, the count decreased to seven out of the other nine peer counties, (except for 2011, where the count was six out of nine).

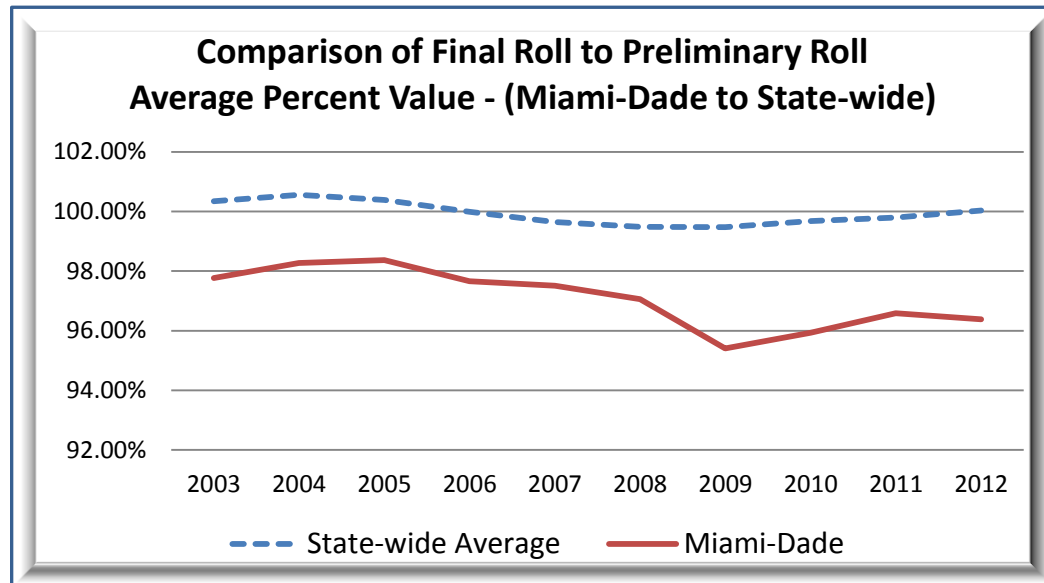
The following chart depicts the comparative percentages grouped by designated years. See also Appendix 2.



It is worth mentioning that for Miami-Dade County, at no time during the 10 years between 2003 and 2012 was the final tax roll within 1% of the preliminary roll. Its range was as high as 98.37% of the preliminary roll and as low as 95.40% of the preliminary roll. It is also important to reiterate that the number of parcels in Miami-Dade County compared to the other 66 counties separates it from the other counties, with the exception of Broward County.

However, the foregoing suggests the following likely possibilities: (1) that the preliminary tax roll is being developed without information that is specific to the properties being valued, (2) the VAB process is particularly generous in Miami-Dade County, or (3) the large number of value-related parcels filed in Miami-Dade County has a more pronounced impact on the final tax roll.

The following figure shows Miami-Dade County's final tax roll as a percent of its preliminary estimated tax roll for each year (100% being the preliminary estimate) compared to the state-wide averages for all 67 counties for the 10 years between 2003 and 2012. Miami-Dade County's rates were significantly lower than the state's average during all 10 years.



Appendices 3 and 4 present analyses of information published by the DOR related to the forecast developed by the Legislative Revenue Estimating Conference. As explained in Appendix 3, the information is used by the state for planning and budgeting purposes, including district school board funding. The forecast does not have a direct correlation to the tax roll certified by property appraisers and is not an indicator of the quality of the assessment. However, the forecast information is usually presented alongside that value by the DOR. Similarly, we have presented the forecast and tax roll information in our analyses, because both are used in the funding models for school districts (state and local contributions).

Analysis of Property Appraiser's Settlements vs. VAB Reductions (Based on Miami-Dade County's Property Appraiser's Office and VAB Data):

The following analysis applies to tax years 2009 through 2012. We analyzed settlement data obtained from the Property Appraiser's Office and VAB petition data.

Average Value Reductions for Tax Years 2009-2012									
YEAR	Property Appraiser Settlements						VAB Petitions		
	Number of Settlements	Type	County		School		County & School ⁸		
			Average Reduction Amount	AVG %	Average Reduction Amount	AVG %	Number of Petitions	Average Reduction Amount	AVG %
2009	10,349	Market	(\$134,771)	(20%)	(\$134,771)	(20%)	73,385	(\$105,369)	(17%)
		Assessed	(\$120,950)	(18%)	(\$134,508)	(20%)			
2010	13,759	Market	(\$90,158)	(19%)	(\$90,158)	(19%)	45,608	(\$129,181)	(15%)
		Assessed	(\$79,060)	(17%)	(\$89,444)	(19%)			
2011	4,777	Market	(\$163,423)	(18%)	(\$163,423)	(18%)	38,115	(\$100,247)	(13%)
		Assessed	(\$129,242)	(13%)	(\$163,227)	(17%)			
2012	16,132	Market	(\$192,263)	(16%)	(\$192,263)	(16%)	17,807	(\$142,783)	(14%)
		Assessed	(\$117,813)	(12%)	(\$188,800)	(16%)			

Table 12

Source: PAO and VAB databases. Percentages rounded to nearest whole number.

We concluded that for the indicated years, taxpayers (or their agents) who were able to successfully settle with the Property Appraiser, obtained an average reduction ranging from \$79,060 to \$192,263. For comparison purposes, we also performed a similar analysis on VAB petition data for the same tax years. On average, the VAB reduced values at amounts ranging between \$100,247 and \$142,783.

The large percentage of reductions shown in the above table suggests that the Property Appraiser's Office settled with the taxpayer that the value of the involved properties was overstated for each of the tax years reviewed. However, it is important to consider the valuation method used by the Property Appraiser's Office and its potential impact on property value as described in the following section.

⁸ Data obtained from the VAB shows that the *Average Reduction Amounts* and corresponding percentages shown for *VAB Petitions - County and School* are equal for both Market and Assessed. The *Number of Petitions* excludes petitions that were ultimately settled or where a Special Magistrate did not grant a change in value.

Property Valuation

Pursuant to Florida Statute 193.023 the property appraiser may utilize “mass” appraisal techniques in order to obtain a property’s market value.

<i>Florida Statute 193.023 - Duties of the property appraiser in making assessments</i> <i>[emphasis added]</i>
<i>(2) In making his or her assessment of the value of real property, the property appraiser is required to physically inspect the property at least once every 5 years. Where geographically suitable, and at the discretion of the property appraiser, the property appraiser may use image technology in lieu of physical inspection to ensure that the tax roll meets all the requirements of law. <u>The Department of Revenue shall establish minimum standards for the use of image technology consistent with standards developed by professionally recognized sources for mass appraisal of real property.</u> However, the property appraiser shall physically inspect any parcel of taxable or state-owned real property upon the request of the taxpayer or owner.</i>
<i>(3) <u>In revaluating property in accordance with constitutional and statutory requirements, the property appraiser may adjust the assessed value placed on any parcel or group of parcels based on mass data collected, on ratio studies prepared by an agency authorized by law, or pursuant to regulations of the Department of Revenue.</u></i>

The mass appraisal methodology is a generally accepted model for assessing properties and is utilized by the property appraisers of other counties. However, the very nature of the VAB petition process introduces documents, evidence, and unique details about property that may not be available or obvious to the Property Appraiser’s Office when employing mass appraisal methods. Consequently, variation in estimated values may occur when properties are individually examined as is the case during the VAB appeals process.

Since Special Magistrates are authorized by Florida Statute 194.035 to rule on the market value of petitioned property and are deemed experts in the property valuation arena, one could reasonably conclude that the supplementary evidence presented on petitioned property and examined by a special magistrate results in a more accurate assessment of value than would otherwise be revealed by mass appraisal techniques.

However, it must be noted that as a result of the large number of properties located in Miami-Dade County, it would be impractical for the Property Appraiser’s Office to appraise each property’s market value on a case-by-case basis, employing physical inspection to account for all of the attributes and nuances related to a property. Even when employing “mass” appraisal methodologies, refinements to these methods may result in a more accurate assessment of value.

RECOMMENDATIONS:

- 3.1 In an effort to more closely align the value of its final and preliminary tax rolls, the Property Appraiser should perform a comprehensive review of the methodologies his office uses in assessing property value. The review should include an objective analysis of the factors considered and not considered in the assessment process and their applicability. At a minimum, the Property Appraiser should explore possible refinements to methods his office utilizes in valuing property within the county, including ensuring that all relevant and current information is obtained and included in the valuation exercise.**

RESPONSIBLE PARTY: PROPERTY APPRAISER MANAGEMENT'S RESPONSE –

With regard to methodology, section 193.011, F.S., describes the eight factors that property appraisers shall consider when arriving at just value. When applying these eight factors to a specific parcel, the PAO cannot ensure that “all relevant and current information” pertaining to a specific folio will be included in the valuation exercise. That could only occur if the PAO conducted an individual appraisal of each and every folio on an annual basis and key confidential and private data would not be withheld by property owners or their agents. As a matter of procedure, the PAO mails yearly requests for financial information to commercial property owners for a more accurate, individualized assessment. However, on average only 3% of property owners or their agents provide the requested information.

Further individual analysis into all the residential and commercial properties in Miami-Dade County is not only “impractical” as the report states, but also impossible to implement for a county with over 900,000 real estate properties. Mass appraisal is, by its very nature, a broader approach, where similar properties are grouped together for purposes of arriving at just values in a timely basis in order to certify a preliminary tax roll. This recommendation conflates the concept of mass appraisal with that of individual appraisals. Nonetheless, the Department of Revenue (“DOR”) reviews and approves the PAO’s preliminary roll every year in conjunction with a biannually audit. The PAO’s preliminary tax roll has consistently been found to be in compliance with all the proper statutory requirements. In contrast, there is no such systematic audit of the VAB results from the DOR or from any other independent body to ensure the VAB adequately adheres to the criteria listed in section 193.011 and other professionally accepted approaches to value.

- 3.2 The Property Appraiser should consider conducting a post-VAB appeals review of selected property folios that exceed established threshold amount of adjustment proposed by the VAB’s special magistrates. These reviews should entail identifying and determining the relevant factors considered by the special magistrates in arriving at their adjustment and considering these factors in future assessments, as deemed applicable.**

**RESPONSIBLE PARTY: PROPERTY APPRAISER
MANAGEMENT’S RESPONSE –**

The PAO’s staff already conducts multiple reviews of the post VAB hearing results. The first level of review is done by PAO staff after attending a VAB hearing. The person attending the VAB hearing is responsible for notifying the appropriate PAO District (residential or commercial) when he or she identifies any information, such as property characteristics, land use restriction, etc., provided by the taxpayer/agent that may affect the valuation in subsequent years.

The second level of review is done by the PAO’s Legal Section. This second level of review involves analyzing the results of the VAB hearing in conjunction with the valuation method used in arriving at Just (Market) Value. If the appropriate legal thresholds are met (refer to section 194.036(1)(b), F.S.), the properties are then referred to PAO Administration and a determination is made as to whether a legal challenge will be filed in circuit court.

In both these instances when information that affects the assessment for a subsequent year is identified, the information is considered when determining the following year’s Just Value. It is imperative to highlight that although section 193.011 states that the Property Appraiser shall take into consideration the eight factors outlined in the statute in order to determine Just Value, Magistrates occasionally deviate from the eight factors during the administrative review. Magistrates may add additional criteria or can double on the same criterion, for example, the cost of sale (factor 8) is granted above the cost of sale already allocated in the PAO’s assessment. This problem is exacerbated by the fact that Magistrates do not always document or adequately explain their decisions in their Findings of Fact and Law as required by section 194.035(1), F.S. In the past, this concern has been raised with the VAB administrative staff (See Letter to Mr. Steven Schultz dated May 21, 2013 attached). The PAO has previously provided the audit team with multiple examples of VAB “Fact Sheets” to illustrate the issue. Although the matter has improved since the concern was raised, the VAB Fact Sheets still lack sufficient detail to make the appropriate adjustments to subsequent year’s assessment.

4. THE VAB's PROCESS FOR SCHEDULING HEARINGS ENABLES THE PROPERTY APPRAISER'S OFFICE TO IMPACT THE HEARING CALENDAR AND TO BE NON-COMPLIANT WITH RESCHEDULING NOTIFICATION REQUIREMENTS

Some of the VAB's responsibilities include scheduling hearings and providing resources such as board rooms, special magistrates, support staff, and a system used to record petition data. The county's elected Clerk of the Courts is charged with the responsibility of providing resources necessary to conduct VAB hearings.

DOR Rule 12D-9.023 - Hearings Before Board or Special Magistrates [emphasis added]

(1) Hearing rooms, office space, computer systems, personnel, and other resources used for any of the [VAB] board's functions shall be controlled by the board through the board clerk of the value adjustment board. The board clerk shall perform his or her duties in a manner to avoid the appearance of a conflict of interest. The board clerk shall not use the resources of the property appraiser's or tax collector's office and shall not allow the property appraiser or tax collector to control or influence any part of the value adjustment board process.

In creating the schedule of hearings for VAB petitions, the VAB compiles a report based on petitions received in its office. The report is then forwarded to the Property Appraiser's Office via email with a request that the Property Appraiser's Office provide a list of Property Appraiser's staff and their availability for attending VAB hearings. The Property Appraiser's Office then submits, to the VAB, a list containing property folio numbers, the name of the Property Appraiser's Office staff with the appropriate expertise available to hear cases involving those folios, his/her available date, the agendas (petitions), and the taxpayers' agents. The Property Appraiser's Office also submits an accompanying calendar, which shows the staff not available for hearings.

Upon receipt of the list and calendar from the Property Appraiser's Office, the VAB develops the hearing schedule by populating its hearing calendar with the names of the Property Appraiser's assigned staff, the dates, the board room, and if applicable, the agents' names associated with the petitioned properties.

The following is an illustrative example of the list the Property Appraiser's Office submits to the VAB:

John Doe Board Date 12/17/2014		Residential Condominium			11/13/2014 4:47 P.M.		
Count	Employee	Agent	Agenda	Folio	ST	CLUC	TotVal
1	Doe_J	Agent Best	13XXXXX	013XXXXXXXXXX	PE	0007	\$200,000
2	Doe_J	Agent Best	13XXXX0	013XXXXXXXXXX5	PE	0007	\$350,000
3	Doe_J	Agent Best	13XXXX5	013XXXXXXXXXX7	PE	0007	\$190,000
4	Doe_J	Agent Best	13XXXX8	013XXXXXXXXXX1	SC	0007	\$750,000
5	Doe_J	Agent Joe	13XXXX3	013XXXXXXXXXX0	SC	0007	\$900,000
6	Doe_J	Agent Joe	13XXXX1	013XXXXXXXXXX6	PE	0007	\$125,000
7	Doe_J	Agent Joe	13XXXX7	013XXXXXXXXXX9	SC	0007	\$475,000

From the foregoing process, it is apparent that coordination and cooperation between the VAB and Property Appraiser's Office is critical to ensure effective scheduling of VAB hearings. However, this process enables the Property Appraiser's Office to determine which cases can be heard during a given range of dates. Furthermore, the VAB typically awaits input from the Property Appraiser's Office before it can schedule hearings for filed petitions. Consequently, this process creates a condition in which the authority and responsibility of both the VAB and Property Appraiser's Office pertaining to the scheduling of hearings are inconsistent with the provisions of DOR Rule 12D-9.023.

In addition, through interviews of the VAB administration by the Office of the Inspector General, we learned that the Property Appraiser's Office significantly increased its efforts to settle cases directly with taxpayers during the 2012 tax cycle and committed the majority of its staff to these settlement efforts. According to the interviews, the Property Appraiser's Office did not make many of its staff that are typically involved in VAB hearings available for hearings with the VAB for several months during the VAB appeals cycle for the 2012 tax year.

Since the hearing process requires participation by the taxpayer, a special magistrate, and a representative from the Property Appraiser's Office, according to VAB personnel interviewed, this decision resulted in the VAB not scheduling many hearings for several months during the VAB appeals cycle for the 2012 tax year, which delayed the petition process for the 2012 and subsequent tax years.

Our analysis of the number of VAB hearings scheduled each week during the 2012 tax cycle confirms that a reduced number of cases were scheduled during the said tax cycle – see Appendix 5.

The DOR delineates the steps that must be taken when the Property Appraiser's Office requests that a VAB hearing be rescheduled. In such cases, a notification of the request is to be provided to the petitioner by the Property Appraiser's Office:

<i>DOR Rule 12D-9.019 – Scheduling and Notice of a Hearing [Emphasis added]</i>
<i>(4)(c): The property appraiser or tax collector may submit a written request to the board clerk to reschedule the hearing, and must provide a copy of the request to the petitioner. If there is a conflict, such as the attorney or staff needs to attend two different hearings which are scheduled at the same time, the property appraiser or tax collector may request a reschedule.</i>

Currently, the Property Appraiser's Office relies on the VAB to provide notification to the petitioner when a rescheduling request originates from the Property Appraiser's Office rather than doing so itself, as required by the cited DOR Rule 12D-9.019.

RECOMMENDATIONS:

- 4.1 Although we acknowledge that coordination between the VAB and Property Appraiser is essential for effective planning, the scheduling function is the responsibility of the VAB. Therefore, we recommend that the VAB ensures compliance with DOR Rule 12D-9.005.**

RESPONSIBLE PARTY: VALUE ADJUSTMENT BOARD MANAGEMENT'S RESPONSE –

We concur that coordination between the VAB and the PAO is essential for effective planning. Furthermore, the scheduling function has been and continues to be the responsibility of the VAB. The procurement of a new VAB system should enhance this coordination.

MANAGEMENT'S RESPONSE: PROPERTY APPRAISER

The PAO does not agree that the current procedures in place for coordinating scheduling and resources with the VAB are non-compliant with DOR Rule 12D-9.005. While the audit recognizes on page 46 that "coordination and cooperation between the VAB and Property Appraiser's Office is critical to ensure effective scheduling of VAB hearings", this recommendation implies that the VAB and the PAO are somehow not complying with state law or DOR Rules. At no point in time has the PAO in any way influenced any part of the VAB process. The VAB resources and personnel are controlled exclusively by the board, and PAO staff is not used in VAB proceedings.

DOR Rule 12D-9.005(2)(a) states "Value adjustment boards may have additional internal operating procedures, not rules, that do not conflict with, change, expand, suspend, or negate the rules adopted in this rule chapter or other provisions of law, and only to the extent indispensable for the efficient operation of the value adjustment board process." To efficiently perform its scheduling duty, the VAB has an additional internal operating procedure whereby the PAO provides the VAB with prospective scheduling lists from which the VAB actually selects

the petitions it deems appropriate to load the hearing schedule. Due to serious deficiencies in an antiquated VAB computer system, the VAB Manager is unable to group and schedule properties by the necessary criteria. As a result of these system deficiencies, the PAO staff assists the VAB staff by providing lists of properties depending on their physical characteristics and the PAO staff's availability.

Factors to consider when scheduling:

- *Property land use, size, value, complexity of assessment, economic unit, and geography*
- *PAO staff years of experience, appraisal experience, and availability*

Such assistance, without which the scheduling of petitions and their efficient disposition through hearings comprised of properties aggregated along essential feature considerations, would simply not occur. This interaction between PAO and VAB staff is crucial and enables the process to flow as smoothly and efficiently as possible given the existing constraints. Otherwise this process would become chaotic and grind to a halt as, for instance, unrelated petitions are grouped together, entire hearings are assigned to staff without the requisite expertise, agent appearances are simultaneously interspersed at random through the day, etc., all of which would require massive rescheduling as the errors come to light during hearing preparation. Obviously the increase in reschedules would delay the completion of the cycle.

Petitions are not commodities, indistinguishable from each other, that can be treated in the same manner. For instance, traffic or parking tickets, or code enforcement citations, where the similarity of the cases and their relatively mechanical, codified handling would allow for a blind calculation of putative disposition timeframe estimates strictly based on quantity alone. Petitions represent properties, and properties are inherently different by definition and must be treated as such and this simply negates a volume approach to scheduling without consideration of individual property characteristics.

As stated on page 46 “Furthermore, the VAB typically awaits input from the Property Appraiser’s Office before it can schedule hearing for filed petitions.” – The VAB is the sole entity with the authority to schedule hearings and may do so at any time. It does not need to, and at times has not, waited for PAO input to schedule board hearings. Experience, however, has shown that the hearing process is more efficient when the PAO aggregates similar type properties and provides these as a group for the VAB to schedule. Furthermore, for the VAB Manager to not take into account the availability of PAO staff when scheduling hearings leads to an unnecessary increase in the number of rescheduled boards and petitions.

With regard to the decision to increase settlement efforts during the 2012 appeal cycle, the Property Appraiser has complete authority over the allocation of staff. Regardless of whether the PAO appeals staff is working on settlements or attending VAB boards, both are addressing the same universe of petitions. Broward County, the closest comparable to Miami-Dade County in terms of size, makes heavy use of settlements, as do other Florida counties. Though it can be debated whether it is more efficient for the PAO to allocate staff to boards or to settlements, the PAO does not believe that assigning staff to settlements constitutes “control or influence” on the VAB process.

AUDITOR'S COMMENT

We acknowledge the Property Appraiser's authority to allocate and assign the office's resources and staff as he sees fit. Also, while such management decisions of themselves might not constitute control or influence on the VAB process, such control or influence is exerted on the VAB process when the management decisions hinders the VAB from scheduling or hearing petitions due to the Property Appraiser's staff not being available to attend hearings.

- 4.2 The VAB should periodically review its internal controls to ensure that its processes remain independent and free from control or influence or the perception thereof, from any other entity. Such controls should be documented in an internal policy and procedures manual.**

RESPONSIBLE PARTY: VALUE ADJUSTMENT BOARD MANAGEMENT'S RESPONSE –

Please see the previous response to Finding 1.2. Additionally, the procurement of a new VAB system should help minimize that perception. We will incorporate these procedures into our existing internal policies and procedures manual.

- 4.3 The Property Appraiser's Office should provide notification to petitioners when a rescheduling request originates from that office, as required pursuant to DOR Rule 12D-9.019.**

RESPONSIBLE PARTY: PROPERTY APPRAISER MANAGEMENT'S RESPONSE –

Through custom and usage, as neither taxpayers nor agents notify the PAO of any schedule requests, directing such requests directly to the VAB, who in turn notifies the PAO, the PAO staff directed the requests to the VAB with the knowledge that the VAB would in turn notify the taxpayer/agent and advise of any scheduling conflict arising from the request. Going forward, the PAO will ensure that all reschedule requests are simultaneously communicated to the taxpayer/agent.

AUDITOR'S COMMENT

The focus of our finding is not on rescheduling requests initiated by taxpayers or their agents, but on rescheduling requests initiated by the Property Appraiser's Office. By rule, the Property Appraiser's Office should notify the taxpayer when such requests are made.

5. SOME DOCUMENTATION AND AUTHORIZATION REQUIREMENTS IN THE PETITION PROCESS ARE INCOMPLETE

Pursuant to Florida Statute 194.011, a taxpayer has the right to object to the assessment placed on his/her property. Through this process, a taxpayer may exercise the right to invoke an exchange of evidence.

Florida Statute 194.011 - Assessment notice; objections to assessments [emphasis added]

(4)(a) At least 15 days before the hearing the petitioner shall provide to the property appraiser a list of evidence to be presented at the hearing, together with copies of all documentation to be considered by the value adjustment board and a summary of evidence to be presented by witnesses. (4) (b) No later than 7 days before the hearing, if the petitioner has provided the information required under paragraph (a), and if requested in writing by the petitioner, the property appraiser shall provide to the petitioner a list of evidence to be presented at the hearing, together with copies of all documentation to be considered by the value adjustment board and a summary of evidence to be presented by witnesses. The evidence list must contain the property record card if provided by the clerk. Failure of the property appraiser to timely comply with the requirements of this paragraph shall result in a rescheduling of the hearing.

As allowed by rule, a taxpayer who files a petition with the VAB to appeal his/her property's assessed value may approach the Property Appraiser's Office prior to the VAB hearing to consider a possible settlement. When a petitioner exercises this option, an exchange of information occurs between the petitioner and Property Appraiser's Office representative for the purpose of settling on a mutually agreed-upon market value. If agreement is reached, a VAB Petition Withdrawal Agreement is signed by both parties. The Agreement may require additional authorization signatures depending on the amount and percentage of the settlement. The agreed-upon amounts are ultimately entered in the Property Appraiser's Office data management system, CAMA, which generates information for the tax roll.

We judgmentally selected a total of 120 property folios (25 residential and 15 commercial per year) for the tax years 2011, 2012, and 2013 to test the Property Appraiser's Office functions relating to the VAB petitions. The total corresponding values of the folios in our sample amounted to a preliminary market value of \$446,489,054 and a Special-Magistrate-recommended market value of \$410,860,150, a variance of \$35,628,904 or 8%.

Our review of the 15-day and 7-day criteria established in the above-cited statute disclosed that this requirement was not always met. According to Property Appraiser's Office management, in some instances, the petitioner agreed to have this requirement waived when the potential for a settlement existed and to avoid rescheduling the hearings.

Further testing of the 120 petitions sampled disclosed the following issues:

Description of Conditions Noted	2013	2012	2011	Total	%
Exchange of Evidence Invoked:	17	17	12	46	
No Petitioner Evidence in File	10	3	0	13	28%
No Date on Petitioner Evidence Indicated	1	7	1	9	20%
Incomplete Petitioner Evidence in File	0	0	2	2	4%
No PAO Evidence in File	1	0	0	1	2%
No Date on PAO Evidence Indicated	2	2	1	5	11%
Origin of Evidence Unknown	1	0	1	2	4%
No Exchange of Evidence Invoked:	18	11	18	47	
No PAO Evidence in File	1	2	0	3	6%
Settlements	4	10	0	14	
Withdrawals	1	2	4	7	
Fee Not Paid by Petitioner	0	0	6	6	
Total Sample Size	<u>40</u>	<u>40</u>	<u>40</u>	<u>120</u>	

Table 13

In addition, as part of our audit, we reviewed the settlement process within the Property Appraiser's Office for compliance with its procedures. We selected a total of 90 property folios (20 residential and 10 commercial per year) for the tax years 2011, 2012, and 2013. The total corresponding values of the folios in our sample amounted to a preliminary market value of \$378,692,672 and a recommended market value of \$308,944,891 after the settlement, a variance of \$69,747,781 or 18%. For tax years 2011, 2012, and 2013, for 17 out of 90 folios tested, documentation to determine the market value was not made available to the auditors. The documentation in question mainly consisted of income analysis and rent rolls related to commercial properties. According to the Property Appraiser's Office, citing Florida Statute 195.027(3), these documents were considered confidential and, therefore, not provided to us.

In accordance with the Property Appraiser's Office's current manual, 2013 VAB Cycle Staff Member Training manual – (Version 9/15/2014), the following applies to the 2013 tax year:

Evaluators II and Specialists:

- Market value adjustments up to 15% or \$225,000 on residential property may be made without additional approval.
- Market value adjustment up to 15% or \$500,000 on commercial property may be made without additional approval.

Supervisors:

- Market value adjustments greater than 15% but less than 25% require approval from a supervisor. The maximum market adjustment that a supervisor can make is \$1 million.

[Property Appraiser's Office] District Review/Approval:

- Market value changes of 25% or greater or over \$1 million require District review or approval.

Of the 90 folios tested, there were three settlements with the following issues:

Year	Preliminary Market Value	Final Market Value	Reduction	% Reduction	No Additional Authorization Signature	Improper Authorization
2013	\$ 8,600,170	\$ 7,846,215	\$ 753,955	(9%)	√	
2012	\$ 479,799	\$ 393,430	\$ 86,369	(18%)	√	
2012	\$ 3,621,183	\$ 1,856,908	\$ 1,764,275	(49%)		√

Table 14

Source: MDC Property Appraiser's Office

Even though proper authorization was not obtained for these three settlements, the settled value reported on the agreement was reflected in the CAMA.

RECOMMENDATIONS:

- 5.1 The Property Appraiser's Office representative should ensure that all files are complete and in proper order prior to submitting for processing. This will ensure that a subsequent review or audit of the valuation process will arrive at a reasonably similar conclusion based on the file's content.**

**RESPONSIBLE PARTY: PROPERTY APPRAISER
MANAGEMENT'S RESPONSE –**

As a matter of procedure Property Appraiser's Office representatives do ensure that all files are complete and in proper order prior to processing.

The following response addresses the individual folios provided by the auditors in reference to Table 13 on page 49:

Summary of Findings 2011

No Date on TP/Agent Evidence 2011

Item 34.

Evidence submitted by taxpayer or agent is solely under taxpayer or agent control, therefore, the condition is not applicable to the Property Appraiser.

Incomplete TP/Agent Evidence 2011

Items 28, 32

Evidence submitted by taxpayer or agent is solely under taxpayer or agent control, therefore, the condition is not applicable to the Property Appraiser.

No Date on PAO Evidence 2011

Item 29

Evidence is dated

Origin of Evidence 2011

Item 11

Documents in the file contain identifying distinctive marks as appropriate, i.e., agent's letterhead and PA cover sheet.

Summary of Findings 2012

No TP/Agent Evidence 2012

Item 22

TP/Agent submitted evidence.

Item 29

TP/Agent submitted evidence.

No Date on TP/Agent Evidence 2012

Items 11, 13, 21, 32, 33, 36, 40

Evidence submitted by taxpayer or agent is solely under taxpayer or agent control, therefore, the condition is not applicable to the Property Appraiser.

No Date on PAO Evidence 2012

Item 21

Evidence is dated

Item 36

Evidence is dated

No Exchange of Evidence Invoked 2012

Items 3, 12

Use of the exchange of evidence is voluntary pursuant to the provisions of Florida Statute §194.011 and Department of Revenue Rule 12D-9.020.

Summary of Findings 2013

No TP/Agent Evidence 2013

Item 8

TP/Agent did not contest the case at the hearing (“comp. support”) no evidence was submitted.

Item 10

TP/Agent submitted evidence.

Item 17

TP/Agent submitted evidence.

Item 18

TP/Agent did not contest the case at the hearing (“comp. support”) no evidence was submitted

Item 21

TP/Agent submitted evidence.

Item 23

TP/Agent submitted evidence.

Item 26

TP/Agent submitted evidence.

Item 35

TP/Agent submitted evidence.

Item 39

TP/Agent submitted evidence.

Item 40

TP/Agent submitted evidence.

No Date on TP/Agent Evidence 2013

Item 4

TP/Agent evidence is solely under taxpayer or agent control, therefore the condition is not applicable to the Property Appraiser.

No PAO Evidence 2013

Item 19

PA submitted evidence.

No Date on PAO Evidence 2013

Item 8

Evidence is dated.

Item 16

Evidence is dated.

Origin of Evidence 2013

Item 33

Evidence is clearly identifiable.

No Exchange of Evidence Invoked 2013

Item 7

Use of the exchange of evidence is voluntary pursuant to the provisions of Florida Statute §194.011 and Department of Revenue Rule 12D-9.020.

5.2 The Property Appraiser should ensure that all Property Appraiser’s Office representatives are following the required approval levels reflected in its VAB Cycle Staff Member Training manual for each respective tax year prior to making changes in the CAMA.

**RESPONSIBLE PARTY: PROPERTY APPRAISER
MANAGEMENT’S RESPONSE –**

The PAO has implemented new procedures to ensure that all settlements have the required signatures. The PAO reviewed the specific folios referenced in Table 13 page 50 and offers the following responses:

***Item 1:** The 8.8% reduction is less than 15%, which is the required level of additional authorization. While the change in value for this agenda was 753,955 seemingly exceeding the amount level to which the staff was authorized, this agenda was a multi-folio agenda and the individual changes run from 25,430 to 107,965 clearly within the staff’s authority. Therefore, the additional signature was not required.*

***Item 2:** The reduction was made at 18% and the settlement letter is in fact missing the additional authorizing signature, required above 15%, which the staff failed to obtain when executing the settlement. However, in the supporting documentation prepared during the preliminary review of the case, an analysis sheet was found initialed by the authorizing staff approving the change, which was required in order to proceed with the settlement and without which the staff would not have execute the settlement. The settlement staff, while first properly obtaining approval, failed to have the settlement letter signed by the authorizing staff.*

***Item 3:** The level of reduction, when calculated at the individual folio level, stands at 48.7% and it would have required a higher authorization if that was in fact the case. However, the particular folio in question is a component of a multi-folio property comprised of an additional four folios, all operating as a single economic unit. When all the folios are taken into account, as they were all part of the same settlement, the actual reduction percentage is 31% well below the 45% level requiring higher authorization. Therefore, the additional signature was not required.*

AUDITOR’S COMMENT

The evidence gathered – documentary and testimonial – supports the conclusion that approval thresholds are based on the amount of the Withdrawal Agreement rather than at the individual folio level.

APPENDICES

Appendices were included in order to provide additional supporting detail for statements, assertions, or calculations made in the report.

1. VALUE ADJUSTMENT BOARD PARCEL FILINGS FOR TAX YEARS 2003 - 2012
(ALL 67 COUNTIES' DATA)
2. TEN YEARS OF RATIOS FOR COUNTIES' FINAL TAX ROLL AS A PERCENT OF
THEIR PRELIMINARY ESTIMATED TAX ROLL (2003 TO 2012) AND GROUPED
AVERAGE AND MEDIAN VALUES
3. ANALYSIS OF STATE'S CONSENSUS DATA
4. TEN YEARS OF RATIOS FOR COUNTIES' FINAL TAX ROLL AS A PERCENT OF
THE STATE'S CONSENSUS ESTIMATE (2003 TO 2012) AND GROUPED AVERAGE
AND MEDIAN VALUES
5. SCHEDULE OF CLOSED VALUE PETITIONS BY YEAR
6. SCHEDULED PETITION HEARINGS (ALL TYPES) – DATE AND COUNT

APPENDIX 1 – VALUE ADJUSTMENT BOARD PARCEL FILINGS FOR TAX YEARS 2003 – 2012 (ALL 67 COUNTIES' DATA)											
County	Total Number of Exemption Parcels		% of Par. Granted	Total Number of Assessment Reduction Parcels		% of Par. Granted	Both Reduced and Granted	Parcels Withdrawn or Resolved Both Types	Total Number of Parcels	Dollar Reduction Taxable Value	Shift in Taxes Due to Board Action
	Requested	Granted		Requested	Granted						
Alachua	1,196	827	69%	3,999	179	4%	1,006	2,654	5,195	234,694,724	5,700,531
Baker	0	0	0%	90	8	9%	8	32	90	0	0
Bay	257	3	1%	14,229	918	6%	921	4,129	14,486	112,946,884	1,407,520
Bradford	9	0	0%	171	0	0%	0	73	180	18,676	348
Brevard	6,537	1,714	26%	15,498	3,383	22%	5,097	5,131	22,035	446,817,107	7,903,956
Broward	69,994	3,114	4%	240,063	17,119	7%	20,233	105,210	310,057	3,186,411,107	69,785,219
Calhoun	3	0	0%	24	0	0%	0	17	27	0	0
Charlotte	276	21	8%	6,960	606	9%	627	2,282	7,236	278,407,735	4,295,717
Citrus	2,411	10	0%	5,623	134	2%	144	2,769	8,034	21,441,193	428,502
Clay	419	347	83%	1,742	20	1%	367	1,496	2,161	15,712,884	255,650
Collier	624	85	14%	8,464	147	2%	232	5,729	9,088	91,920,515	1,025,361
Columbia	145	6	4%	324	35	11%	41	341	469	0	0
Dade	47,051	7,451	16%	674,944	303,883	45%	311,334	103,523	721,995	45,735,779,250	977,814,593
Desoto	474	209	44%	1,693	158	9%	367	1,004	2,167	60,187,749	188,747
Dixie	54	22	41%	182	93	51%	115	13	236	10,446,235	342,469
Duval	27,085	61	0%	34,076	3,172	9%	3,233	12,080	61,161	974,696,996	17,009,207
Escambia	3,233	1	0%	3,142	1	0%	2	2,160	6,375	25,000	218
Flagler	423	8	2%	1,263	8	1%	16	1,018	1,686	4,760,163	84,473
Franklin	124	0	0%	380	101	27%	101	173	504	17,369,470	69,835
Gadsden	3	0	0%	98	0	0%	0	89	101	0	0
Gilchrist	109	94	86%	23	0	0%	94	15	132	0	0
Glades	32	16	50%	171	68	40%	84	36	203	22,450,555	459,405
Gulf	8	0	0%	151	5	3%	5	17	159	133,772	2,876
Hamilton	8	4	50%	16	1	6%	5	11	24	584,196	7,522
Hardee	111	31	28%	367	33	9%	64	336	478	2,635,531	3,597
Hendry	162	15	9%	2,362	1,465	62%	1,480	497	2,524	70,341,142	839,608
Hernando	283	3	1%	2,189	127	6%	130	1,213	2,472	573,933,891	8,885,976
Highlands	12	0	0%	368	19	5%	19	230	380	30,793,134	654,016
Hillsborough	15,667	322	2%	48,844	2,737	6%	3,059	19,540	64,511	389,764,671	8,469,959
Holmes	331	322	97%	90	52	58%	374	21	421	12,000,972	197,097
Indian river	1,090	32	3%	4,873	87	2%	119	3,352	5,963	15,354,998	241,256
Jackson	4	0	0%	122	0	0%	0	51	126	0	0
Jefferson	318	219	69%	287	165	57%	384	48	605	43,171,016	89,879
Lafayette	2	0	0%	0	0	0%	0	0	2	0	0
Lake	537	140	26%	3,445	111	3%	251	2,183	3,982	169,666,935	2,811,547

Appendix 1 – VALUE ADJUSTMENT BOARD PARCEL FILINGS FOR TAX YEARS 2003 – 2012 (ALL 67 COUNTIES' DATA)											
County	Total Number of Exemption Parcels		% of Par. Granted	Total Number of Assessment Reduction Parcels		% of Par. Granted	Both Reduced and Granted	Parcels Withdrawn or Resolved Both Types	Total Number of Parcels	Dollar Reduction Taxable Value	Shift in Taxes Due to Board Action
	Requested	Granted		Requested	Granted						
Lee	1,597	226	14%	33,796	3,591	11%	3,817	9,516	35,393	713,335,510	12,393,283
Leon	19	1	5%	4,070	78	2%	79	3,406	4,089	14,297,850	273,955
Levy	12	0	0%	144	7	5%	7	104	156	4,016,296	81,996
Liberty	1	0	0%	4	1	25%	1	3	5	6,290,447	62,904
Madison	55	3	5%	109	2	2%	5	102	164	29,885	597
Manatee	264	39	15%	7,330	677	9%	716	3,179	7,594	66,931,617	974,741
Marion	1,975	582	29%	5,598	180	3%	762	3,475	7,573	7,169,072	119,574
Martin	122	14	11%	5,755	390	7%	404	3,824	5,877	44,842,913	1,888,185
Monroe	264	38	14%	5,241	10	0%	48	4,562	5,505	13,691,029	131,346
Nassau	596	12	2%	5,390	274	5%	286	4,244	5,986	21,946,964	851,529
Okaloosa	160	15	9%	936	2	0%	17	760	1,096	1,962,727	6,232
Okeechobee	52	3	6%	380	14	4%	17	288	432	6,893,309	120,057
Orange	12,670	86	1%	64,972	2,640	4%	2,726	23,643	77,642	773,780,434	14,209,824
Osceola	64	11	17%	4,017	17	0%	28	2,334	4,081	48,691,085	710,189
Palm Beach	12,786	658	5%	103,227	13,376	13%	14,034	40,262	116,013	2,818,587,411	59,587,216
Pasco	4,553	43	1%	8,092	54	1%	97	3,394	12,645	25,691,319	357,188
Pinellas	1,629	230	14%	18,341	2,867	16%	3,097	5,885	19,970	266,526,158	5,615,238
Polk	2,342	631	27%	8,312	745	9%	1,376	6,203	10,654	111,979,827	3,655,855
Putnam	195	39	20%	1,198	18	2%	57	650	1,393	14,450,213	259,729
St. Johns	1,385	25	2%	8,544	287	3%	312	4,558	9,929	45,213,036	646,564
St. Lucie	2,991	64	2%	10,434	1,022	10%	1,086	7,467	13,425	295,636,987	6,152,939
Santa Rosa	41	5	12%	667	0	0%	5	211	708	50,000	300
Sarasota	551	28	5%	10,868	703	6%	731	3,567	11,419	81,493,534	1,390,159
Seminole	67	5	7%	9,554	654	7%	659	2,800	9,621	227,072,968	3,995,478
Sumter	121	0	0%	205	3	1%	3	300	326	489,236	10,833
Suwannee	47	5	11%	234	4	2%	9	73	281	262,068	4,297
Taylor	15	0	0%	72	0	0%	0	23	87	0	0
Union	258	219	85%	305	230	75%	449	93	563	8,672,576	164,980
Volusia	13,188	160	1%	22,757	7,163	31%	7,323	10,224	35,945	662,150,894	14,679,181
Wakulla	32	11	34%	186	2	1%	13	75	218	693,571	5,673
Walton	78	15	19%	1,322	0	0%	15	598	1,400	392,571	3,204
Washington	53	5	9%	994	0	0%	5	225	1,047	324,440	3,290
Totals	237,175	18,250	8%	1,419,327	369,846	26%	388,096	423,521	1,656,502	58,806,032,447	1,237,331,623

Data Source: Florida Department of Revenue (Form DR-529)

**APPENDIX 2 - TEN YEARS OF RATIOS FOR COUNTIES' FINAL TAX ROLL AS A PERCENT OF THEIR PRELIMINARY
ESTIMATED TAX ROLL (2003 TO 2012) AND GROUPED AVERAGE AND MEDIAN VALUES**

No.	County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Ave. For Years 2003 to 2012	Ave. For Years 2009 to 2012	Ave. For Years 2003 to 2008
1	Alachua	100.79%	100.46%	100.36%	99.08%	100.09%	99.46%	99.66%	99.55%	99.47%	99.08%	99.80%	99.44%	100.04%
2	Baker	101.86%	102.14%	100.41%	102.11%	101.22%	100.21%	101.51%	101.41%	100.50%	101.52%	101.29%	101.24%	101.32%
3	Bay	99.59%	100.41%	99.75%	94.66%	96.09%	97.47%	98.50%	98.76%	99.56%	99.46%	98.42%	99.07%	97.99%
4	Bradford	100.75%	103.57%	101.07%	100.63%	100.60%	100.26%	100.11%	99.96%	100.21%	101.05%	100.82%	100.33%	101.15%
5	Brevard	100.85%	100.42%	100.33%	100.05%	99.87%	99.61%	99.64%	99.73%	99.70%	99.83%	100.00%	99.73%	100.19%
6	Broward	98.36%	99.31%	99.46%	99.39%	99.04%	99.17%	98.02%	97.79%	98.56%	N/A	N/A	N/A	99.12%
7	Calhoun	100.10%	100.00%	100.36%	100.67%	99.63%	100.13%	99.61%	99.11%	99.77%	99.80%	99.92%	99.57%	100.15%
8	Charlotte	100.56%	99.25%	99.29%	98.46%	98.69%	98.57%	98.87%	98.67%	98.16%	99.32%	98.98%	98.75%	99.14%
9	Citrus	101.70%	100.68%	100.28%	99.58%	99.85%	99.57%	99.58%	99.47%	99.79%	100.54%	100.10%	99.85%	100.28%
10	Clay	100.90%	100.38%	101.16%	101.10%	101.09%	99.39%	99.68%	99.63%	100.04%	100.20%	100.36%	99.89%	100.67%
11	Collier	99.71%	99.70%	99.95%	99.78%	99.70%	99.38%	99.32%	99.29%	99.68%	99.83%	99.63%	99.53%	99.70%
12	Columbia	100.33%	99.73%	100.11%	101.30%	99.90%	99.32%	100.10%	99.69%	99.77%	100.28%	100.06%	99.96%	100.12%
13	Miami-Dade	97.77%	98.27%	98.37%	97.66%	97.51%	97.06%	95.40%	95.93%	96.59%	96.38%	97.09%	96.07%	97.77%
14	DeSoto	100.54%	102.54%	101.09%	99.48%	100.25%	99.91%	101.29%	104.85%	101.08%	102.41%	101.34%	102.41%	100.63%
15	Dixie	109.94%	100.20%	100.19%	102.54%	98.19%	96.77%	99.69%	98.79%	99.09%	99.14%	100.45%	99.18%	101.31%
16	Duval	100.61%	100.91%	99.93%	101.39%	100.19%	100.11%	99.57%	97.96%	97.57%	98.18%	99.64%	98.32%	100.52%
17	Escambia	100.20%	105.78%	100.34%	99.32%	100.03%	99.44%	99.22%	100.51%	103.07%	100.08%	100.80%	100.72%	100.85%
18	Flagler	100.19%	100.32%	99.94%	100.66%	99.72%	99.56%	98.91%	99.74%	99.99%	100.00%	99.90%	99.66%	100.06%
19	Franklin	99.86%	100.93%	99.36%	98.11%	97.66%	96.11%	98.50%	97.59%	99.77%	92.70%	98.06%	97.14%	98.67%
20	Gadsden	99.93%	99.44%	99.87%	99.27%	99.55%	100.38%	99.21%	100.33%	99.36%	106.17%	100.35%	101.27%	99.74%
21	Gilchrist	100.72%	101.03%	99.34%	103.87%	98.37%	99.28%	99.55%	99.31%	97.91%	100.66%	100.01%	99.36%	100.44%
22	Glades	99.41%	99.28%	96.30%	98.96%	95.77%	99.46%	99.09%	99.55%	99.45%	99.89%	98.72%	99.50%	98.20%
23	Gulf	99.31%	99.71%	99.33%	99.10%	98.49%	99.94%	98.81%	100.58%	99.79%	99.93%	99.50%	99.78%	99.31%
24	Hamilton	103.74%	100.59%	101.04%	103.78%	102.61%	100.62%	100.71%	101.29%	101.38%	101.18%	101.70%	101.14%	102.07%
25	Hardee	99.82%	99.98%	98.68%	99.00%	100.53%	101.25%	99.69%	101.31%	100.08%	100.90%	100.12%	100.49%	99.88%
26	Hendry	99.35%	99.55%	99.94%	98.68%	96.97%	99.48%	99.14%	99.66%	97.74%	99.75%	99.02%	99.07%	98.99%
27	Hernando	100.87%	100.56%	100.28%	100.24%	100.27%	100.27%	99.64%	100.12%	99.16%	97.30%	99.87%	99.05%	100.41%
28	Highlands	100.51%	100.76%	101.85%	100.91%	100.30%	100.45%	100.26%	100.78%	100.91%	100.72%	100.75%	100.67%	100.80%
29	Hillsborough	99.20%	100.39%	99.73%	99.54%	99.51%	99.50%	99.22%	99.84%	99.79%	100.07%	99.68%	99.73%	99.65%
30	Holmes	100.99%	99.36%	98.90%	98.47%	98.68%	98.75%	99.71%	99.32%	99.67%	99.76%	99.36%	99.61%	99.19%
31	Indian River	99.80%	100.33%	99.77%	99.75%	101.08%	99.55%	99.35%	99.95%	99.75%	99.83%	99.92%	99.72%	100.05%
32	Jackson	100.13%	101.77%	100.30%	100.19%	100.71%	99.99%	100.43%	100.45%	100.27%	100.15%	100.44%	100.33%	100.52%
33	Jefferson	100.59%	101.21%	98.79%	97.45%	97.83%	98.41%	98.41%	99.38%	99.32%	100.51%	99.19%	99.41%	99.05%
34	Lafayette	100.05%	100.57%	100.67%	100.18%	101.87%	100.70%	100.64%	100.28%	99.99%	100.74%	100.57%	100.41%	100.68%
35	Lake	100.17%	100.20%	100.36%	100.28%	99.63%	99.65%	99.94%	99.90%	100.26%	100.28%	100.07%	100.10%	100.05%
36	Lee	100.01%	100.37%	99.68%	100.03%	99.61%	99.43%	99.40%	99.46%	98.59%	99.55%	99.61%	99.25%	99.86%
37	Leon	100.59%	100.70%	102.48%	100.72%	100.21%	99.51%	99.38%	99.65%	98.61%	101.06%	100.29%	99.67%	100.70%
38	Levy	100.19%	100.76%	100.25%	99.36%	100.05%	99.87%	99.54%	99.89%	99.62%	99.75%	99.93%	99.70%	100.08%
39	Liberty	101.96%	99.92%	121.73%	97.86%	100.28%	93.56%	98.65%	97.09%	99.85%	99.08%	101.00%	98.67%	102.55%

**APPENDIX 2 - TEN YEARS OF RATIOS FOR COUNTIES' FINAL TAX ROLL AS A PERCENT OF THEIR PRELIMINARY
ESTIMATED TAX ROLL (2003 TO 2012) AND GROUPED AVERAGE AND MEDIAN VALUES**

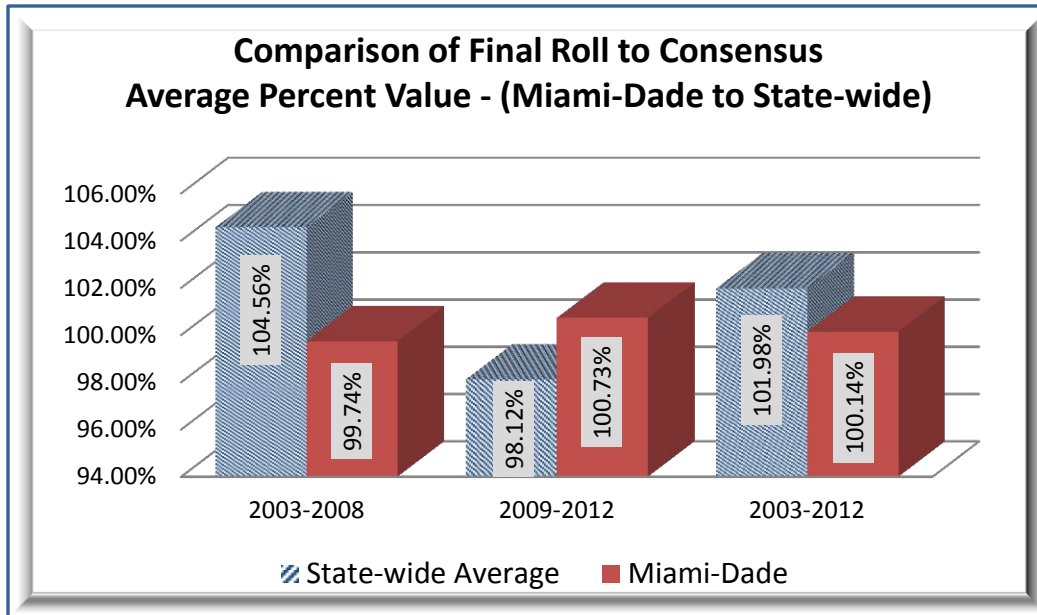
No.	County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Ave. For Years 2003 to 2012	Ave. For Years 2009 to 2012	Ave. For Years 2003 to 2008
40	Madison	99.94%	99.86%	100.00%	99.41%	99.47%	99.68%	99.52%	100.33%	99.96%	99.91%	99.81%	99.93%	99.73%
41	Manatee	100.05%	99.84%	100.06%	99.73%	99.70%	98.82%	99.89%	99.59%	99.50%	99.75%	99.69%	99.68%	99.70%
42	Marion	99.90%	100.00%	99.97%	100.66%	99.71%	99.17%	99.44%	99.21%	99.32%	99.53%	99.69%	99.38%	99.90%
43	Martin	99.51%	98.95%	99.73%	100.22%	99.93%	99.26%	100.15%	99.78%	99.49%	99.91%	99.69%	99.83%	99.60%
44	Monroe	99.15%	99.26%	98.90%	98.27%	98.04%	97.67%	98.55%	98.94%	98.92%	100.19%	98.79%	99.15%	98.55%
45	Nassau	100.44%	99.96%	99.91%	100.38%	100.68%	99.66%	98.25%	97.92%	99.37%	99.88%	99.65%	98.86%	100.17%
46	Okaloosa	99.94%	100.11%	99.71%	99.36%	99.36%	99.46%	99.51%	99.83%	99.82%	100.08%	99.72%	99.81%	99.66%
47	Okeechobee	100.22%	100.79%	100.49%	100.09%	99.21%	100.69%	100.42%	100.70%	107.07%	102.77%	101.24%	102.74%	100.25%
48	Orange	100.54%	99.73%	100.28%	99.52%	99.85%	99.19%	99.03%	99.39%	99.60%	99.53%	99.67%	99.39%	99.85%
49	Osceola	99.61%	99.68%	99.76%	99.39%	99.38%	100.54%	99.32%	99.47%	99.60%	100.36%	99.71%	99.69%	99.72%
50	Palm Beach	99.76%	99.88%	100.06%	99.47%	99.77%	99.69%	99.11%	99.76%	99.84%	99.76%	99.71%	99.62%	99.77%
51	Pasco	100.78%	100.57%	100.73%	100.55%	99.88%	100.76%	100.34%	99.88%	99.90%	100.53%	100.39%	100.16%	100.55%
52	Pinellas	99.80%	99.86%	100.00%	99.80%	99.91%	99.69%	99.64%	99.70%	99.66%	99.88%	99.79%	99.72%	99.84%
53	Polk	101.10%	100.29%	100.97%	101.13%	101.29%	99.94%	100.27%	99.90%	99.90%	99.92%	100.47%	100.00%	100.79%
54	Putnam	101.26%	101.50%	102.00%	99.40%	100.56%	101.64%	100.66%	100.32%	100.45%	99.89%	100.77%	100.33%	101.06%
55	St. Johns	99.93%	100.33%	100.30%	99.99%	99.85%	99.24%	99.62%	99.94%	99.91%	100.00%	99.91%	99.87%	99.94%
56	St. Lucie	100.09%	100.45%	101.94%	99.96%	99.70%	98.87%	98.87%	98.89%	100.60%	100.70%	100.01%	99.76%	100.17%
57	Santa Rosa	99.69%	99.65%	99.88%	103.07%	99.86%	99.70%	99.59%	99.51%	99.72%	99.86%	100.05%	99.67%	100.31%
58	Sarasota	99.73%	99.71%	99.82%	99.70%	99.59%	99.91%	99.68%	99.99%	99.77%	99.75%	99.77%	99.80%	99.74%
59	Seminole	99.99%	99.96%	100.12%	99.87%	100.09%	99.56%	99.72%	99.61%	99.71%	99.65%	99.83%	99.67%	99.93%
60	Sumter	99.44%	101.65%	100.65%	100.87%	101.13%	100.13%	99.51%	100.17%	99.80%	100.27%	100.36%	99.94%	100.65%
61	Suwannee	100.50%	109.98%	96.21%	101.40%	102.32%	101.90%	100.81%	100.26%	100.01%	102.02%	101.54%	100.78%	102.05%
62	Taylor	101.28%	102.29%	103.18%	101.30%	100.81%	98.58%	99.55%	100.33%	100.18%	100.73%	100.82%	100.20%	101.24%
63	Union	98.77%	99.74%	100.42%	99.58%	96.47%	98.86%	99.02%	99.75%	100.18%	99.02%	99.18%	99.49%	98.97%
64	Volusia	100.62%	101.36%	99.76%	99.93%	99.69%	99.51%	99.32%	99.78%	99.61%	99.72%	99.93%	99.61%	100.14%
65	Wakulla	99.63%	99.47%	99.25%	104.08%	100.18%	101.11%	98.23%	99.57%	101.17%	100.71%	100.34%	99.92%	100.62%
66	Walton	99.60%	100.97%	99.85%	98.40%	98.69%	101.06%	98.51%	99.92%	99.93%	99.91%	99.68%	99.57%	99.76%
67	Washington	99.80%	99.90%	100.91%	100.49%	99.75%	99.90%	99.69%	99.53%	99.63%	100.77%	100.04%	99.90%	100.12%
State-wide Values:														
Average:		100.34%	100.56%	100.39%	99.99%	99.65%	99.49%	99.47%	99.68%	99.80%	100.03%	99.95%	99.76%	100.07%
Median:		100.10%	100.32%	100.06%	99.87%	99.85%	99.56%	99.55%	99.73%	99.77%	99.91%	99.92%	99.72%	100.06%
Percent Miami-Dade Varies (State-wide) From:														
Average:		-2.57%	-2.28%	-2.01%	-2.33%	-2.15%	-2.44%	-4.09%	-3.76%	-3.22%	-3.65%	-2.86%	-3.70%	-2.29%
Median:		-2.33%	-2.04%	-1.69%	-2.21%	-2.34%	-2.51%	-4.18%	-3.80%	-3.19%	-3.54%	-2.83%	-3.66%	-2.29%
Miami-Dade Peer Group:														
Average:		99.80%	99.94%	99.88%	99.80%	99.66%	99.34%	98.93%	98.94%	98.98%	99.23%	99.52%	99.09%	99.74%
Median:		99.91%	100.08%	99.96%	99.67%	99.81%	99.56%	99.31%	99.58%	99.63%	99.76%	99.68%	99.62%	99.85%

APPENDIX 3 - ANALYSIS OF STATE'S CONSENSUS DATA

We analyzed data containing the state's consensus estimate of property value by county for the 10 tax years between 2003 and 2012. The state's consensus estimate is developed by the Legislative's Revenue Estimating Conference to provide the forecasts needed to facilitate the planning and budgeting process. Statutory authority for these forecasts is provided in Florida Statutes 216.133 to 216.138. These Statutes delineate the duties for each consensus estimating conference and designate the conference principals and participants. Florida Statute 216.134 states that the principals for this conference: "...shall be professional staff of the Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, professional staff of the Senate designated by the President of the senate, and professional staff of the House of Representatives designated by the Speaker of the House of Representatives."

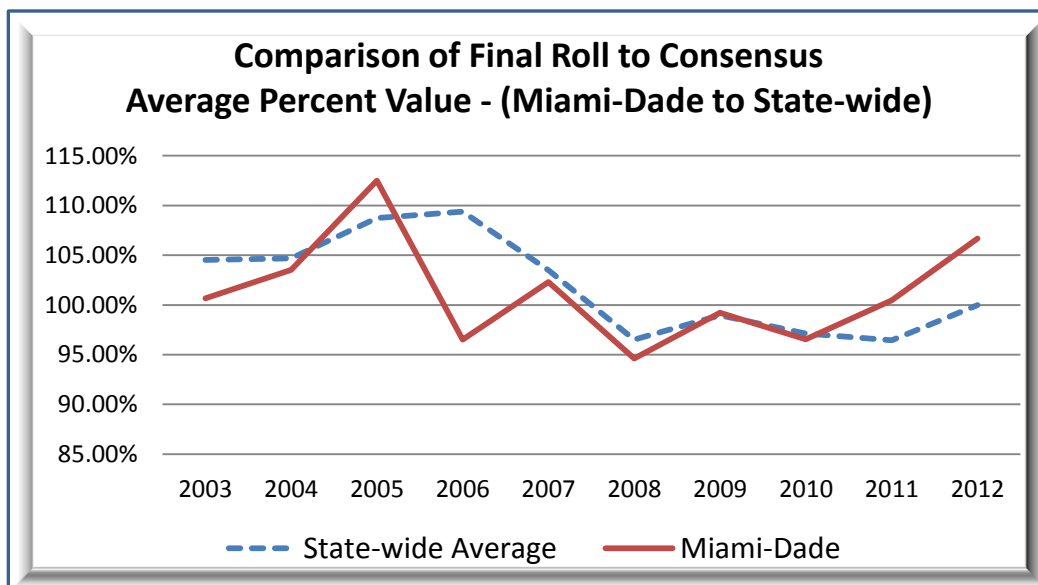
In general, the data showed that Miami-Dade County's experience was not unique in comparison to the other 66 Florida counties. For example, for six out of the 10 years analyzed, the final tax roll reported by Miami-Dade County's Property Appraiser was greater than or equal to the state's consensus values. Other counties' final tax roll similarly equaled or exceeded the state's consensus value in multiple years. For example, between 2003 and 2006, between 89% and 96% of Florida counties' final tax roll was equal to or greater than the state's consensus value. However, beginning with the 2008 tax year, this trend reversed, wherein, a greater number of Florida counties final tax roll was less than the state's consensus value, 36% in 2007, 81% in 2008, 63% in 2009, 70% in 2010, 88% in 2011, and 50% in 2012. Notably, Miami-Dade County was one of only eight counties in 2011 and one of only 33 counties in 2012, where the final tax roll was equal to or greater than the state's consensus value.

Maintaining the grouping of years 2003 to 2008, 2009 to 2012, and 2003 to 2012, our analysis disclosed that when compared to the state-wide average and median values, Miami-Dade County's average values were less than the state-wide values for years 2003 to 2012 and 2003 to 2008, and greater than the state-wide average and median values for years 2009 to 2012 (see the chart below and Appendix 4).



We also completed mirrored analyses using the state's consensus data for Miami-Dade peer counties and found no discernable patterns, except that Miami-Dade's average values were less than its peer group's average value for seven out of the 10 years analyzed. Its average values were also less than its peer group's average median value for six out of the 10 years analyzed.

The following figure shows Miami-Dade County's final tax rolls as a percent of the state's consensus estimated value for each year (100% being the consensus estimate) compared to the state-wide averages for all 67 counties for the 10 years between 2003 and 2012. Miami-Dade County's rates fluctuated with the state's average, exceeding it in some years and trailing it in other years.



**APPENDIX 4 - TEN YEARS OF RATIOS FOR COUNTIES FINAL TAX ROLL AS A PERCENT OF THE STATE'S CONSENSUS
ESTIMATE (2003 TO 2012) AND GROUPED AVERAGE AND MEDIAN VALUES**

No.	County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average All Years 2003 to 2012	Average All Years 2009 to 2012	Average All Years 2003 to 2008
1	Alachua	107.87%	101.24%	102.79%	104.30%	109.47%	100.79%	99.86%	96.56%	96.03%	99.43%	101.83%	997.97%	104.41%
2	Baker	113.10%	104.78%	110.36%	111.62%	107.04%	99.73%	104.38%	102.47%	93.80%	95.42%	104.27%	99.02%	107.77%
3	Bay	110.29%	103.62%	123.29%	114.46%	94.27%	102.57%	96.02%	101.73%	95.21%	100.76%	104.22%	98.43%	108.08%
4	Bradford	111.73%	105.27%	106.61%	113.24%	108.17%	100.58%	101.50%	99.49%	97.21%	97.71%	104.15%	98.98%	107.60%
5	Brevard	107.67%	108.55%	109.55%	103.60%	96.06%	97.88%	97.31%	97.11%	86.95%	103.82%	100.85%	96.30%	103.89%
6	Broward	96.58%	102.66%	101.63%	98.52%	100.39%	98.33%	103.19%	97.34%	98.31%	N/A	99.66%	99.61%	99.69%
7	Calhoun	102.34%	101.32%	102.83%	108.99%	110.37%	99.10%	103.08%	103.64%	97.31%	106.42%	103.54%	102.61%	104.16%
8	Charlotte	108.23%	107.37%	121.81%	122.27%	88.68%	84.24%	108.70%	93.31%	93.46%	99.55%	102.76%	98.75%	105.43%
9	Citrus	105.10%	103.37%	111.63%	114.41%	99.05%	93.19%	96.72%	101.59%	99.82%	98.31%	102.32%	99.11%	104.46%
10	Clay	108.05%	102.40%	100.65%	106.84%	108.23%	94.87%	97.98%	92.37%	94.21%	97.04%	100.26%	95.40%	103.51%
11	Collier	102.49%	96.10%	103.44%	104.85%	96.38%	102.51%	116.00%	100.18%	92.49%	104.07%	101.85%	103.18%	100.96%
12	Columbia	103.80%	100.68%	105.96%	110.48%	108.46%	95.70%	100.70%	93.54%	95.57%	96.55%	101.14%	96.59%	104.18%
13	Miami-Dade	100.68%	103.54%	100.80%	96.51%	102.29%	94.62%	99.22%	96.56%	100.46%	106.69%	100.14%	100.73%	99.74%
14	DeSoto	107.07%	103.45%	112.50%	138.93%	96.68%	95.18%	95.50%	100.46%	94.10%	97.50%	104.14%	96.89%	108.97%
15	Dixie	111.46%	115.53%	120.92%	100.63%	97.30%	103.17%	91.43%	99.05%	92.20%	105.95%	103.76%	97.16%	108.17%
16	Duval	105.36%	100.37%	104.90%	103.36%	109.08%	100.28%	100.12%	101.24%	95.72%	98.55%	101.90%	98.91%	103.89%
17	Escambia	114.90%	110.86%	103.70%	118.46%	103.28%	106.54%	98.35%	107.19%	100.43%	102.50%	106.62%	102.12%	109.62%
18	Flagler	103.96%	117.02%	109.72%	106.56%	97.25%	98.23%	95.39%	95.29%	89.35%	94.41%	100.72%	93.61%	105.45%
19	Franklin	117.80%	107.85%	120.64%	85.63%	90.05%	88.98%	104.95%	82.72%	98.90%	86.83%	98.43%	93.35%	101.83%
20	Gadsden	105.39%	100.53%	102.65%	105.71%	109.98%	98.33%	99.32%	97.76%	96.76%	98.54%	101.50%	98.09%	103.76%
21	Gilchrist	104.08%	105.03%	105.98%	120.90%	109.17%	96.21%	101.78%	99.91%	94.11%	101.21%	103.84%	99.25%	106.89%
22	Glades	102.73%	103.33%	116.86%	113.19%	98.39%	98.44%	96.41%	104.96%	98.77%	104.67%	103.77%	101.20%	105.49%
23	Gulf	101.93%	108.45%	121.04%	78.48%	85.14%	96.98%	100.25%	89.59%	95.31%	94.20%	97.14%	94.84%	98.67%
24	Hamilton	108.40%	101.40%	106.16%	113.88%	103.92%	100.01%	100.79%	102.59%	96.99%	107.88%	104.20%	102.06%	105.63%
25	Hardee	111.66%	87.48%	101.21%	105.96%	110.24%	93.12%	102.33%	97.46%	93.77%	106.35%	100.96%	99.98%	101.61%
26	Hendry	101.97%	108.98%	108.79%	129.62%	95.24%	87.67%	89.93%	95.95%	91.08%	98.95%	100.82%	93.98%	105.38%
27	Hernando	101.03%	107.46%	108.13%	110.95%	105.75%	98.42%	100.07%	95.05%	90.51%	91.98%	100.94%	94.40%	105.29%
28	Highlands	100.73%	105.62%	109.93%	128.34%	120.82%	97.92%	98.56%	91.70%	99.00%	99.42%	105.20%	97.17%	110.56%
29	Hillsborough	106.63%	101.30%	103.40%	104.35%	103.01%	94.79%	99.25%	96.50%	98.87%	99.39%	100.75%	98.50%	102.25%
30	Holmes	107.13%	101.78%	98.23%	111.04%	102.80%	97.77%	100.99%	101.47%	100.22%	98.79%	102.02%	100.37%	103.12%
31	Indian River	100.20%	106.45%	104.56%	109.68%	93.86%	98.33%	102.89%	98.38%	96.78%	101.21%	101.24%	99.82%	102.18%
32	Jackson	106.50%	102.15%	101.74%	106.38%	106.35%	99.35%	101.43%	96.53%	98.67%	97.91%	101.70%	98.64%	103.75%
33	Jefferson	102.04%	103.96%	111.02%	106.47%	110.70%	97.01%	102.74%	96.99%	92.79%	95.71%	101.94%	97.06%	105.20%
34	Lafayette	101.80%	105.67%	110.54%	119.72%	111.53%	96.25%	100.88%	102.25%	97.24%	110.07%	105.60%	102.61%	107.59%
35	Lake	103.35%	103.31%	105.54%	115.07%	110.84%	91.04%	99.56%	92.04%	95.85%	97.79%	101.44%	96.31%	104.86%
36	Lee	102.51%	105.33%	111.52%	115.14%	96.42%	93.57%	98.89%	94.08%	92.44%	102.24%	101.21%	96.91%	104.08%
37	Leon	103.51%	102.79%	105.62%	102.83%	108.84%	99.62%	95.39%	100.32%	98.33%	98.23%	101.55%	98.07%	103.87%
38	Levy	95.45%	110.20%	109.54%	125.87%	99.40%	94.89%	89.87%	101.32%	92.40%	94.16%	101.31%	94.44%	105.89%

**APPENDIX 4 - TEN YEARS OF RATIOS FOR COUNTIES FINAL TAX ROLL AS A PERCENT OF THE STATE'S CONSENSUS
ESTIMATE (2003 TO 2012) AND GROUPED AVERAGE AND MEDIAN VALUES**

No.	County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average All Years 2003 to 2012	Average All Years 2009 to 2012	Average All Years 2003 to 2008
39	Liberty	106.26%	90.78%	157.90%	106.95%	110.36%	92.99%	96.42%	94.31%	94.00%	93.64%	104.36%	94.59%	110.87%
40	Madison	102.85%	116.97%	103.21%	113.18%	109.59%	96.28%	95.34%	94.59%	98.88%	101.10%	103.20%	97.47%	107.02%
41	Manatee	99.46%	102.54%	101.30%	104.32%	101.08%	96.57%	113.73%	94.54%	100.65%	99.00%	101.32%	101.98%	100.88%
42	Marion	106.44%	104.34%	102.87%	115.37%	120.79%	95.11%	96.73%	96.78%	95.69%	100.28%	103.44%	97.37%	107.49%
43	Martin	103.88%	109.93%	99.44%	101.83%	98.50%	95.82%	95.44%	100.58%	99.07%	101.97%	100.65%	99.29%	101.57%
44	Monroe	106.34%	106.52%	105.67%	96.96%	95.68%	94.85%	97.48%	99.21%	93.55%	103.31%	99.96%	98.39%	101.00%
45	Nassau	98.68%	101.33%	105.52%	104.71%	105.35%	100.68%	100.47%	93.73%	97.13%	97.84%	100.55%	97.29%	102.71%
46	Okaloosa	107.02%	104.34%	114.24%	108.83%	100.29%	96.10%	104.23%	92.66%	99.10%	101.36%	102.82%	99.34%	105.14%
47	Okeechobee	100.79%	113.49%	111.03%	104.87%	104.65%	92.40%	89.98%	85.55%	102.85%	97.49%	100.31%	93.97%	104.54%
48	Orange	99.80%	101.55%	103.72%	107.01%	111.58%	100.12%	97.00%	95.52%	99.00%	103.22%	101.85%	98.69%	103.96%
49	Osceola	101.20%	100.93%	102.88%	114.25%	111.17%	101.09%	91.32%	90.37%	95.61%	102.29%	101.11%	94.90%	105.25%
50	Palm Beach	101.24%	103.62%	102.26%	103.69%	97.13%	98.17%	99.86%	99.59%	98.46%	103.21%	100.72%	100.28%	101.02%
51	Pasco	104.35%	104.92%	105.39%	108.69%	105.13%	96.22%	94.44%	97.52%	102.96%	95.22%	101.48%	97.54%	104.12%
52	Pinellas	101.51%	105.05%	103.99%	103.05%	98.60%	96.63%	101.46%	98.42%	99.98%	100.25%	100.89%	100.03%	101.47%
53	Polk	94.97%	101.77%	107.06%	111.56%	111.26%	98.33%	97.41%	95.36%	97.90%	98.52%	101.41%	97.30%	104.16%
54	Putnam	103.25%	102.10%	104.73%	111.89%	104.48%	101.98%	97.73%	98.24%	93.18%	93.65%	101.12%	95.70%	104.74%
55	St. Johns	104.98%	103.33%	105.86%	117.40%	102.30%	99.57%	99.51%	95.94%	101.04%	96.61%	102.65%	98.27%	105.57%
56	St. Lucie	102.70%	103.40%	103.64%	106.02%	96.02%	90.59%	109.41%	100.07%	98.67%	102.86%	101.34%	102.75%	100.40%
57	Santa Rosa	98.61%	101.53%	103.47%	109.12%	106.65%	98.35%	93.69%	94.33%	98.32%	99.27%	100.33%	96.40%	102.95%
58	Sarasota	105.59%	100.11%	104.94%	105.17%	99.93%	96.51%	93.37%	96.12%	98.52%	100.36%	100.06%	97.09%	102.04%
59	Seminole	101.42%	116.45%	108.89%	109.48%	94.73%	90.42%	91.09%	102.87%	95.45%	104.09%	101.49%	98.38%	103.57%
60	Sumter	103.72%	105.81%	127.88%	103.03%	107.38%	94.81%	107.27%	101.83%	105.96%	103.08%	106.08%	104.54%	107.10%
61	Suwannee	108.58%	112.68%	94.65%	128.51%	114.02%	100.16%	95.86%	95.54%	98.42%	99.36%	104.78%	97.30%	109.77%
62	Taylor	103.67%	103.97%	114.14%	103.02%	108.82%	97.82%	94.87%	94.63%	93.04%	102.93%	101.69%	96.37%	105.24%
63	Union	99.93%	104.56%	109.31%	101.42%	112.42%	76.81%	98.18%	107.77%	96.44%	97.58%	100.44%	99.99%	100.74%
64	Volusia	103.88%	105.78%	106.52%	106.47%	100.08%	96.00%	96.09%	101.57%	96.18%	107.32%	101.99%	100.29%	103.12%
65	Wakulla	110.58%	106.63%	121.41%	98.75%	97.98%	93.35%	94.84%	91.66%	93.25%	99.01%	100.75%	94.69%	104.78%
66	Walton	105.83%	110.27%	128.59%	94.41%	96.35%	98.26%	97.41%	87.38%	96.42%	101.38%	101.63%	95.65%	105.62%
67	Washington	109.63%	101.56%	109.09%	141.61%	107.15%	94.28%	97.75%	93.95%	90.01%	101.94%	104.70%	95.91%	110.56%
State-wide Values:														
Average:		104.52%	104.68%	108.74%	109.39%	103.50%	96.51%	98.96%	97.12%	96.44%	99.98%	101.98%	98.12%	104.56%
Median:		103.88%	103.96%	105.96%	107.01%	103.92%	96.98%	98.56%	96.99%	96.76%	99.43%	101.50%	98.09%	104.41%
Percent Miami-Dade Varies From State-wide Average and Median Values:														
Average:		-3.68%	-1.09%	-7.31%	-11.77%	-1.17%	-1.97%	0.26%	-0.58%	4.18%	6.72%	-1.81%	2.66%	-4.61%
Median:		-3.08%	-0.41%	-4.87%	-9.81%	-1.57%	-2.44%	0.67%	-0.45%	3.83%	7.31%	-1.34%	2.69%	-4.47%

APPENDIX 5 - SCHEDULE OF CLOSED VALUE PETITIONS BY YEAR

Dates (Calendar Year and Week in Specific Year)	Percent						Count						Cumulative Percent				
	2009 File	2010 File	2011 File	2012 File	2013 File		2009 File	2010 File	2011 File	2012 File	2013 File		2009 File	2010 File	2011 File	2012 File	2013 File
2009 43	1%						1082						0.9%				
2009 49	0%						78						1.0%				
2009 50	0%						62						1.0%				
2009 52	0%						164						1.2%				
2009 53	0%						255						1.4%				
2010 2	0%						153						1.5%				
2010 3	0%						29						1.5%				
2010 4	0%						118						1.6%				
2010 5	0%						41						1.7%				
2010 6	0%						147						1.8%				
2010 7	0%						164						1.9%				
2010 8	0%						45						2.0%				
2010 9	0%						213						2.1%				
2010 10	0%						220						2.3%				
2010 11	0%						35						2.4%				
2010 12	0%						288						2.6%				
2010 13	0%						201						2.8%				
2010 14	1%						637						3.3%				
2010 15	0%						214						3.5%				
2010 16	0%						212						3.7%				
2010 17	3%						3139						6.3%				
2010 18	1%						1135						7.3%				
2010 19	2%						2112						9.0%				
2010 20	2%						1935						10.7%				
2010 21	2%						2796						13.0%				
2010 22	2%						2747						15.3%				
2010 23	2%						2963						17.8%				
2010 24	2%						2027						19.5%				
2010 25	1%						1056						20.4%				
2010 26	1%						1496						21.6%				
2010 27	2%						2868						24.1%				
2010 28	1%						984						24.9%				
2010 29	5%						6130						30.0%				
2010 30	2%						2501						32.1%				
2010 31	5%						5883						37.1%				
2010 32	2%						2604						39.3%				
2010 33	4%						4284						42.9%				
2010 34	4%						4171						46.4%				
2010 35	4%						4323						50.0%				
2010 36	2%						2623						52.2%				
2010 37	1%						1038						53.1%				
2010 38	1%						1783						54.6%				
2010 39	1%						1419						55.8%				
2010 40	2%						2100						57.5%				
2010 41	2%						2630						59.7%				
2010 42	2%						1916						61.3%				
2010 43	1%						1303						62.4%				
2010 44	3%						3140						65.1%				
2010 45	2%						1960						66.7%				
2010 46	1%						1085						67.6%				
2010 47	2%						2009						69.3%				
2010 48	1%						596						69.8%				
2010 49	1%						1563						71.1%				
2010 50	1%						1719						72.6%				
2010 51	1%	0%					1383	32					73.7%	0.0%			
2010 52	1%	0%					1368	129					74.9%	0.2%			
2011 2	2%	0%					2388	202					76.9%	0.4%			
2011 3	1%	0%					1614	157					78.3%	0.6%			
2011 4	1%	0%					1360	65					79.4%	0.7%			
2011 5	2%	0%					2021	62					81.1%	0.8%			
2011 6	1%	0%					1210	275					82.1%	1.1%			
2011 7	2%	0%					2515	148					84.2%	1.3%			

APPENDIX 5 - SCHEDULE OF CLOSED VALUE PETITIONS BY YEAR

Dates (Calendar Year and Week in Specific Year)	Percent						Count						Cumulative Percent				
	2009 File	2010 File	2011 File	2012 File	2013 File		2009 File	2010 File	2011 File	2012 File	2013 File		2009 File	2010 File	2011 File	2012 File	2013 File
2011 8	1%	0%					1776	38					85.7%	1.4%			
2011 9	2%	0%					1794	179					87.2%	1.6%			
2011 10	1%						1633	0					88.6%	1.6%			
2011 11	1%						1186	0					89.6%	1.6%			
2011 12	1%	0%					1122	31					90.5%	1.6%			
2011 13	1%	0%					612	52					91.0%	1.7%			
2011 14	1%	0%					718	80					91.6%	1.8%			
2011 15	1%						836	0					92.3%	1.8%			
2011 16	1%						1774	0					93.8%	1.8%			
2011 17	1%	0%					1293	63					94.9%	1.9%			
2011 18	2%	0%					1941	157					96.6%	2.1%			
2011 19	2%	0%					1795	9					98.1%	2.1%			
2011 20	1%	0%					1403	3					99.2%	2.1%			
2011 21	1%	1%					855	544					100.0%	2.7%			
2011 27	0%	2%					19	1566					100.0%	4.7%			
2011 28		1%						1006						5.9%			
2011 29		2%						1249						7.4%			
2011 30		2%						1271						9.0%			
2011 31		2%						1549						10.9%			
2011 32		3%						2272						13.7%			
2011 33		2%						1924						16.1%			
2011 34		2%						1630						18.1%			
2011 35		2%						1888						20.4%			
2011 36		2%						1432						22.2%			
2011 37		2%						1234						23.7%			
2011 38		1%						428						24.2%			
2011 39		2%						1221						25.7%			
2011 40		1%						949						26.9%			
2011 41		2%						1798						29.1%			
2011 42		2%						1288						30.7%			
2011 43		2%						1574						32.6%			
2011 44		3%						2808						36.1%			
2011 45		4%						3111						39.9%			
2011 46		2%						1629						41.9%			
2011 47		3%						2093						44.5%			
2011 48		2%						1516						46.4%			
2011 49		3%						2363						49.3%			
2011 50		2%						1690						51.4%			
2011 51		2%						1749						53.5%			
2011 52		4%	0%					2893	25					57.1%	0.0%		
2012 1		2%	0%					1713	103					59.2%	0.2%		
2012 2		2%	0%					1533	180					61.1%	0.4%		
2012 3		3%	0%					2358	49					64.0%	0.5%		
2012 4		3%						2711	0					67.3%	0.5%		
2012 5		4%						3513	0					71.6%	0.5%		
2012 6		2%	0%					2006	229					74.1%	0.8%		
2012 7		4%	0%					3024	150					77.8%	1.0%		
2012 8		5%	0%					4023	46					82.8%	1.1%		
2012 9		5%	0%					3702	47					87.3%	1.1%		
2012 10		2%	0%					1577	231					89.3%	1.5%		
2012 11		3%	0%					2245	185					92.0%	1.7%		
2012 12		2%	0%					1364	135					93.7%	1.9%		
2012 13		1%	0%					1182	69					95.2%	2.0%		
2012 14		1%	0%					939	35					96.3%	2.1%		
2012 15		1%						750	0					97.3%	2.1%		
2012 16		0%						298	0					97.6%	2.1%		
2012 17		0%						313	0					98.0%	2.1%		
2012 18		2%	0%					1285	23					99.6%	2.1%		
2012 19		0%	0%					97	21					99.7%	2.1%		
2012 20		0%	0%					228	20					100.0%	2.1%		
2012 23		0%	1%					2	401					100.0%	2.7%		
2012 24		0%	0%					1	244					100.0%	3.0%		

APPENDIX 5 - SCHEDULE OF CLOSED VALUE PETITIONS BY YEAR

Dates (Calendar Year and Week in Specific Year)	Percent						Count						Cumulative Percent				
	2009 File	2010 File	2011 File	2012 File	2013 File		2009 File	2010 File	2011 File	2012 File	2013 File		2009 File	2010 File	2011 File	2012 File	2013 File
2012 25			1%						460						3.7%		
2012 26			1%						1083						5.2%		
2012 27			2%						1318						7.0%		
2012 28			2%						1122						8.5%		
2012 29			2%						1300						10.3%		
2012 30			2%						1693						12.7%		
2012 31			2%						1207						14.4%		
2012 32			1%						1013						15.8%		
2012 33			2%						1179						17.4%		
2012 34			3%						2050						20.2%		
2012 35			2%						1753						22.7%		
2012 36			4%						3012						26.8%		
2012 37			1%						1048						28.3%		
2012 38			1%						832						29.4%		
2012 39			3%						2279						32.6%		
2012 40			5%						3817						37.9%		
2012 41			3%						2228						40.9%		
2012 42			4%						2952						45.0%		
2012 43			3%						2198						48.1%		
2012 44			4%						2752						51.9%		
2012 45			4%						3115						56.2%		
2012 46			3%						2356						59.4%		
2012 47			2%						1201						61.1%		
2012 48			2%						1565						63.3%		
2012 49			2%	0%					1468	6					65.3%	0.0%	
2012 50			4%	0%					3207	120					69.7%	0.3%	
2012 51			3%						1966	0					72.5%	0.3%	
2013 1			1%	1%					778	216					73.5%	0.8%	
2013 2			3%	0%					2277	83					76.7%	1.0%	
2013 3			3%	0%					2363	32					80.0%	1.1%	
2013 4			4%	0%					2539	88					83.5%	1.3%	
2013 5			3%	0%					2103	39					86.4%	1.4%	
2013 6			3%	0%					2385	17					89.7%	1.5%	
2013 7			2%	0%					1298	196					91.5%	2.0%	
2013 8			1%	0%					725	65					92.5%	2.1%	
2013 9			1%	0%					794	117					93.6%	2.4%	
2013 10			1%	0%					743	55					94.6%	2.5%	
2013 11			1%	0%					712	175					95.6%	3.0%	
2013 12			2%	0%					1240	78					97.3%	3.2%	
2013 13			1%	0%					825	182					98.5%	3.6%	
2013 14			1%	0%					748	52					99.5%	3.7%	
2013 15			0%						129	0					99.7%	3.7%	
2013 16			0%						127	0					99.8%	3.7%	
2013 17			0%						112	0					100.0%	3.7%	
2013 17				0%						14						3.8%	
2013 21				0%						37						3.9%	
2013 23				1%						230						4.4%	
2013 24				0%						134						4.8%	
2013 25				1%						221						5.3%	
2013 26				1%						220						5.8%	
2013 27				0%						180						6.3%	
2013 28				1%						465						7.4%	
2013 29				1%						270						8.1%	
2013 30				1%						501						9.3%	
2013 31				1%						277						10.0%	
2013 32				1%						330						10.8%	
2013 33				0%						193						11.3%	
2013 34				1%						211						11.8%	
2013 35				1%						370						12.7%	
2013 36				1%						468						13.9%	
2013 37				1%						204						14.4%	
2013 38				0%						115						14.6%	

APPENDIX 5 - SCHEDULE OF CLOSED VALUE PETITIONS BY YEAR

Dates (Calendar Year and Week in Specific Year)	Percent						Count						Cumulative Percent				
	2009 File	2010 File	2011 File	2012 File	2013 File		2009 File	2010 File	2011 File	2012 File	2013 File		2009 File	2010 File	2011 File	2012 File	2013 File
2013 39				1%						574						16.1%	
2013 40				2%						988						18.5%	
2013 41				4%						1486						22.1%	
2013 42				2%						761						24.0%	
2013 43				2%						790						25.9%	
2013 44				3%						1283						29.1%	
2013 45				4%						1641						33.1%	
2013 46				2%						968						35.5%	
2013 47				3%						1281						38.7%	
2013 48				1%						555						40.0%	
2013 49				3%						1303						43.2%	
2013 50				4%						1713						47.4%	
2013 51				2%						937						49.7%	
2014 1				1%	1%					323	146					50.5%	0.5%
2014 2				5%	0%					1871	21					55.1%	0.6%
2014 3				4%						1579	0					59.0%	0.6%
2014 4				1%						437	0					60.1%	0.6%
2014 5				2%	2%					924	494					62.4%	2.4%
2014 6				2%						707	0					64.1%	2.4%
2014 7				4%						1554	0					67.9%	2.4%
2014 8				2%						868	0					70.0%	2.4%
2014 9				2%						782	0					72.0%	2.4%
2014 10				2%	0%					934	46					74.3%	2.6%
2014 11				1%	0%					551	93					75.6%	2.9%
2014 12				2%	0%					618	54					77.1%	3.1%
2014 13				1%	0%					512	71					78.4%	3.4%
2014 14				1%	0%					486	85					79.6%	3.7%
2014 15				5%	0%					2000	4					84.5%	3.7%
2014 16				8%	0%					3319	53					92.7%	3.9%
2014 17				3%	0%					1208	23					95.6%	4.0%
2014 18				2%	0%					833	64					97.7%	4.2%
2014 19				2%	0%					641	75					99.2%	4.5%
2014 20				1%	0%					306	32					100.0%	4.6%
2014 22					0%						50						4.8%
2014 23					0%						37						4.9%
2014 24					0%						34						5.1%
2014 25					0%						62						5.3%
2014 26					2%						435						6.9%
2014 27					4%						1038						10.7%
2014 28					4%						1087						14.7%
2014 29					3%						947						18.2%
2014 30					4%						1069						22.1%
2014 31					4%						1153						26.3%
2014 32					2%						449						27.9%
2014 33					0%						29						28.1%
2014 34					6%						1749						34.5%
2014 35					4%						1165						38.7%
2014 36					3%						797						41.7%
2014 37					6%						1542						47.3%
2014 38					4%						1007						51.0%
2014 39					3%						764						53.8%
2014 40					4%						1006						57.5%
2014 41					5%						1240						62.0%
2014 42					4%						1032						65.8%
2014 43					6%						1588						71.6%
2014 44					6%						1771						78.1%
2014 45					10%						2620						87.7%
2014 46					12%						3308						99.9%
2014 47					0%						36						100.0%
119012 81221 72265 40694 27276																	

APPENDIX 6 – SCHEDULED PETITION HEARINGS (ALL TYPES) – DATE AND COUNT

Dates	Count		Dates	Count		Dates	Count		Dates	Count
12/17/2010 Count	54		2/22/2011 Count	453		4/20/2011 Count	914		7/8/2011 Count	442
12/20/2010 Count	1414		2/23/2011 Count	376		4/21/2011 Count	369		7/11/2011 Count	284
12/21/2010 Count	454		2/24/2011 Count	1206		4/22/2011 Count	451		7/12/2011 Count	277
12/22/2010 Count	463		2/25/2011 Count	728		4/25/2011 Count	457		7/13/2011 Count	386
12/27/2010 Count	121		2/28/2011 Count	2299		4/26/2011 Count	491		7/14/2011 Count	341
12/28/2010 Count	120		3/1/2011 Count	244		4/27/2011 Count	669		7/15/2011 Count	266
12/29/2010 Count	44		3/2/2011 Count	292		4/28/2011 Count	1535		7/18/2011 Count	268
1/3/2011 Count	463		3/3/2011 Count	380		4/29/2011 Count	427		7/19/2011 Count	306
1/4/2011 Count	823		3/4/2011 Count	220		5/2/2011 Count	1168		7/20/2011 Count	320
1/5/2011 Count	367		3/7/2011 Count	237		5/3/2011 Count	476		7/21/2011 Count	308
1/6/2011 Count	906		3/8/2011 Count	354		5/4/2011 Count	455		7/22/2011 Count	459
1/7/2011 Count	1197		3/9/2011 Count	493		5/5/2011 Count	381		7/25/2011 Count	557
1/10/2011 Count	397		3/10/2011 Count	329		5/6/2011 Count	543		7/26/2011 Count	571
1/11/2011 Count	575		3/11/2011 Count	505		5/9/2011 Count	278		7/27/2011 Count	842
1/12/2011 Count	359		3/14/2011 Count	35		5/10/2011 Count	367		7/28/2011 Count	974
1/13/2011 Count	427		3/15/2011 Count	147		5/11/2011 Count	369		7/29/2011 Count	519
1/14/2011 Count	412		3/16/2011 Count	255		5/12/2011 Count	429		8/1/2011 Count	771
1/18/2011 Count	459		3/17/2011 Count	2108		5/13/2011 Count	359		8/2/2011 Count	1064
1/19/2011 Count	434		3/18/2011 Count	1787		5/16/2011 Count	346		8/3/2011 Count	456
1/20/2011 Count	485		3/21/2011 Count	175		5/17/2011 Count	269		8/4/2011 Count	293
1/21/2011 Count	493		3/22/2011 Count	167		5/18/2011 Count	257		8/5/2011 Count	1019
1/24/2011 Count	1396		3/23/2011 Count	108		5/19/2011 Count	706		8/8/2011 Count	1732
1/25/2011 Count	524		3/24/2011 Count	356		5/27/2011 Count	1		8/9/2011 Count	387
1/26/2011 Count	517		3/25/2011 Count	227		6/2/2011 Count	19		8/10/2011 Count	580
1/27/2011 Count	491		3/28/2011 Count	127		6/6/2011 Count	345		8/11/2011 Count	402
1/28/2011 Count	485		3/29/2011 Count	313		6/8/2011 Count	4		8/12/2011 Count	474
1/31/2011 Count	349		3/30/2011 Count	108		6/9/2011 Count	18		8/15/2011 Count	354
2/1/2011 Count	481		3/31/2011 Count	154		6/15/2011 Count	58		8/16/2011 Count	381
2/2/2011 Count	379		4/1/2011 Count	1268		6/20/2011 Count	133		8/17/2011 Count	471
2/3/2011 Count	520		4/4/2011 Count	264		6/21/2011 Count	149		8/18/2011 Count	420
2/4/2011 Count	704		4/5/2011 Count	224		6/22/2011 Count	49		8/19/2011 Count	494
2/7/2011 Count	2126		4/6/2011 Count	95		6/23/2011 Count	121		8/22/2011 Count	732
2/8/2011 Count	488		4/7/2011 Count	306		6/24/2011 Count	106		8/23/2011 Count	443
2/9/2011 Count	426		4/8/2011 Count	154		6/27/2011 Count	543		8/24/2011 Count	661
2/10/2011 Count	551		4/11/2011 Count	418		6/28/2011 Count	433		8/25/2011 Count	424
2/11/2011 Count	583		4/12/2011 Count	444		6/29/2011 Count	436		8/26/2011 Count	348
2/14/2011 Count	1239		4/13/2011 Count	478		6/30/2011 Count	426		8/29/2011 Count	415
2/15/2011 Count	530		4/14/2011 Count	472		7/1/2011 Count	537		8/30/2011 Count	466
2/16/2011 Count	395		4/15/2011 Count	375		7/5/2011 Count	163		8/31/2011 Count	482
2/17/2011 Count	451		4/18/2011 Count	277		7/6/2011 Count	262		9/1/2011 Count	379
2/18/2011 Count	367		4/19/2011 Count	457		7/7/2011 Count	280		9/2/2011 Count	611

APPENDIX 6 – SCHEDULED PETITION HEARINGS (ALL TYPES) – DATE AND COUNT

Dates	Count		Dates	Count		Dates	Count		Dates	Count
9/6/2011 Count	247		11/3/2011 Count	1514		1/13/2012 Count	619		3/13/2012 Count	195
9/7/2011 Count	469		11/4/2011 Count	1726		1/17/2012 Count	716		3/14/2012 Count	394
9/8/2011 Count	789		11/7/2011 Count	187		1/18/2012 Count	373		3/15/2012 Count	2597
9/9/2011 Count	431		11/8/2011 Count	1093		1/19/2012 Count	655		3/16/2012 Count	545
9/12/2011 Count	145		11/9/2011 Count	437		1/20/2012 Count	1024		3/19/2012 Count	382
9/13/2011 Count	151		11/10/2011 Count	596		1/23/2012 Count	1081		3/20/2012 Count	393
9/14/2011 Count	115		11/14/2011 Count	2264		1/24/2012 Count	806		3/21/2012 Count	392
9/15/2011 Count	150		11/15/2011 Count	1788		1/25/2012 Count	387		3/22/2012 Count	413
9/16/2011 Count	124		11/16/2011 Count	254		1/26/2012 Count	764		3/23/2012 Count	390
9/19/2011 Count	1		11/17/2011 Count	925		1/27/2012 Count	625		3/26/2012 Count	255
9/20/2011 Count	660		11/18/2011 Count	776		1/30/2012 Count	2276		3/27/2012 Count	582
9/21/2011 Count	399		11/21/2011 Count	1029		1/31/2012 Count	873		3/28/2012 Count	481
9/22/2011 Count	430		11/22/2011 Count	554		2/1/2012 Count	743		3/29/2012 Count	295
9/23/2011 Count	352		11/23/2011 Count	387		2/2/2012 Count	738		3/30/2012 Count	258
9/26/2011 Count	126		11/28/2011 Count	1343		2/3/2012 Count	1399		4/2/2012 Count	3046
9/27/2011 Count	338		11/29/2011 Count	562		2/6/2012 Count	433		4/3/2012 Count	184
9/28/2011 Count	267		11/30/2011 Count	428		2/7/2012 Count	466		4/4/2012 Count	230
9/29/2011 Count	212		12/1/2011 Count	450		2/8/2012 Count	343		4/5/2012 Count	256
9/30/2011 Count	372		12/2/2011 Count	628		2/9/2012 Count	1767		4/6/2012 Count	395
10/3/2011 Count	522		12/5/2011 Count	494		2/10/2012 Count	303		4/9/2012 Count	72
10/4/2011 Count	738		12/6/2011 Count	403		2/13/2012 Count	3651		4/10/2012 Count	249
10/5/2011 Count	232		12/7/2011 Count	548		2/14/2012 Count	1041		4/11/2012 Count	2964
10/6/2011 Count	1398		12/8/2011 Count	677		2/15/2012 Count	403		4/12/2012 Count	97
10/7/2011 Count	6		12/9/2011 Count	594		2/16/2012 Count	279		4/13/2012 Count	265
10/11/2011 Count	689		12/12/2011 Count	544		2/17/2012 Count	743		4/16/2012 Count	1
10/12/2011 Count	341		12/13/2011 Count	629		2/20/2012 Count	76		4/17/2012 Count	119
10/13/2011 Count	574		12/14/2011 Count	34		2/21/2012 Count	2066		4/19/2012 Count	79
10/14/2011 Count	95		12/15/2011 Count	461		2/22/2012 Count	321		4/20/2012 Count	122
10/17/2011 Count	144		12/16/2011 Count	526		2/23/2012 Count	2524		4/24/2012 Count	321
10/18/2011 Count	137		12/19/2011 Count	1290		2/24/2012 Count	2304		4/26/2012 Count	99
10/19/2011 Count	394		12/20/2011 Count	2053		2/27/2012 Count	1766		4/27/2012 Count	56
10/20/2011 Count	4508		12/21/2011 Count	534		2/28/2012 Count	1537		4/30/2012 Count	39
10/21/2011 Count	2098		12/22/2011 Count	2964		2/29/2012 Count	296		5/1/2012 Count	734
10/24/2011 Count	1588		1/3/2012 Count	714		3/1/2012 Count	1038		5/2/2012 Count	358
10/25/2011 Count	695		1/4/2012 Count	355		3/2/2012 Count	3999		5/3/2012 Count	516
10/26/2011 Count	281		1/5/2012 Count	876		3/5/2012 Count	159		5/4/2012 Count	560
10/27/2011 Count	843		1/6/2012 Count	538		3/6/2012 Count	1101		5/9/2012 Count	92
10/28/2011 Count	1100		1/9/2012 Count	399		3/7/2012 Count	478		5/10/2012 Count	41
10/31/2011 Count	1390		1/10/2012 Count	403		3/8/2012 Count	268		5/16/2012 Count	1
11/1/2011 Count	1256		1/11/2012 Count	398		3/9/2012 Count	823		5/17/2012 Count	894
11/2/2011 Count	509		1/12/2012 Count	393		3/12/2012 Count	411		6/5/2012 Count	324

APPENDIX 6 – SCHEDULED PETITION HEARINGS (ALL TYPES) – DATE AND COUNT

Dates	Count		Dates	Count		Dates	Count		Dates	Count
6/7/2012 Count	118		8/13/2012 Count	189		10/16/2012 Count	1549		12/17/2012 Count	1238
6/8/2012 Count	1		8/14/2012 Count	291		10/17/2012 Count	376		12/18/2012 Count	380
6/12/2012 Count	132		8/15/2012 Count	274		10/18/2012 Count	156		12/19/2012 Count	404
6/14/2012 Count	120		8/16/2012 Count	456		10/19/2012 Count	147		12/20/2012 Count	309
6/19/2012 Count	166		8/17/2012 Count	156		10/22/2012 Count	1338		12/21/2012 Count	491
6/21/2012 Count	120		8/20/2012 Count	305		10/23/2012 Count	548		1/2/2013 Count	206
6/22/2012 Count	234		8/21/2012 Count	1407		10/24/2012 Count	268		1/3/2013 Count	416
6/25/2012 Count	271		8/22/2012 Count	336		10/25/2012 Count	764		1/4/2013 Count	746
6/26/2012 Count	357		8/23/2012 Count	782		10/26/2012 Count	623		1/7/2013 Count	277
6/27/2012 Count	233		8/24/2012 Count	536		10/29/2012 Count	1797		1/8/2013 Count	931
6/28/2012 Count	211		8/27/2012 Count	807		10/30/2012 Count	540		1/9/2013 Count	93
6/29/2012 Count	172		8/28/2012 Count	761		10/31/2012 Count	381		1/10/2013 Count	727
7/2/2012 Count	483		8/29/2012 Count	364		11/1/2012 Count	2219		1/11/2013 Count	2333
7/3/2012 Count	456		8/30/2012 Count	407		11/2/2012 Count	897		1/14/2013 Count	1693
7/5/2012 Count	469		8/31/2012 Count	597		11/5/2012 Count	847		1/15/2013 Count	344
7/6/2012 Count	396		9/4/2012 Count	731		11/6/2012 Count	961		1/16/2013 Count	217
7/9/2012 Count	339		9/5/2012 Count	252		11/7/2012 Count	409		1/17/2013 Count	370
7/10/2012 Count	229		9/6/2012 Count	595		11/8/2012 Count	954		1/18/2013 Count	164
7/11/2012 Count	181		9/7/2012 Count	2975		11/9/2012 Count	731		1/22/2013 Count	431
7/12/2012 Count	424		9/10/2012 Count	855		11/13/2012 Count	1837		1/23/2013 Count	289
7/13/2012 Count	412		9/11/2012 Count	530		11/14/2012 Count	297		1/24/2013 Count	1620
7/16/2012 Count	369		9/12/2012 Count	69		11/15/2012 Count	1012		1/25/2013 Count	702
7/17/2012 Count	437		9/13/2012 Count	593		11/16/2012 Count	818		1/28/2013 Count	411
7/18/2012 Count	354		9/14/2012 Count	166		11/19/2012 Count	773		1/29/2013 Count	407
7/19/2012 Count	142		9/20/2012 Count	1391		11/20/2012 Count	575		1/30/2013 Count	147
7/20/2012 Count	324		9/21/2012 Count	1244		11/21/2012 Count	341		1/31/2013 Count	772
7/23/2012 Count	389		9/24/2012 Count	1173		11/26/2012 Count	255		2/1/2013 Count	835
7/24/2012 Count	530		9/25/2012 Count	1074		11/27/2012 Count	243		2/4/2013 Count	2078
7/25/2012 Count	398		9/26/2012 Count	362		11/28/2012 Count	378		2/5/2013 Count	393
7/26/2012 Count	414		9/27/2012 Count	686		11/29/2012 Count	638		2/6/2013 Count	273
7/27/2012 Count	397		9/28/2012 Count	839		11/30/2012 Count	361		2/7/2013 Count	693
7/30/2012 Count	203		10/1/2012 Count	3708		12/3/2012 Count	293		2/8/2013 Count	357
7/31/2012 Count	415		10/2/2012 Count	521		12/4/2012 Count	266		2/11/2013 Count	1032
8/1/2012 Count	202		10/3/2012 Count	312		12/5/2012 Count	271		2/12/2013 Count	315
8/2/2012 Count	459		10/4/2012 Count	1160		12/6/2012 Count	767		2/13/2013 Count	451
8/3/2012 Count	303		10/5/2012 Count	1121		12/7/2012 Count	183		2/14/2013 Count	446
8/6/2012 Count	357		10/9/2012 Count	1550		12/10/2012 Count	1076		2/15/2013 Count	1340
8/7/2012 Count	317		10/10/2012 Count	348		12/11/2012 Count	954		2/19/2013 Count	159
8/8/2012 Count	299		10/11/2012 Count	450		12/12/2012 Count	360		2/20/2013 Count	294
8/9/2012 Count	151		10/12/2012 Count	1322		12/13/2012 Count	401		2/21/2013 Count	267
8/10/2012 Count	205		10/15/2012 Count	1903		12/14/2012 Count	1351		2/22/2013 Count	341

APPENDIX 6 – SCHEDULED PETITION HEARINGS (ALL TYPES) – DATE AND COUNT

Dates	Count		Dates	Count		Dates	Count		Dates	Count
2/25/2013 Count	167		6/13/2013 Count	172		8/16/2013 Count	96		10/22/2013 Count	534
2/26/2013 Count	216		6/14/2013 Count	149		8/19/2013 Count	100		10/23/2013 Count	368
2/27/2013 Count	337		6/17/2013 Count	82		8/20/2013 Count	85		10/24/2013 Count	469
2/28/2013 Count	307		6/18/2013 Count	200		8/22/2013 Count	68		10/25/2013 Count	425
3/1/2013 Count	237		6/19/2013 Count	43		8/23/2013 Count	123		10/28/2013 Count	877
3/4/2013 Count	233		6/20/2013 Count	99		8/26/2013 Count	141		10/29/2013 Count	436
3/5/2013 Count	191		6/21/2013 Count	138		8/27/2013 Count	141		10/30/2013 Count	432
3/6/2013 Count	166		6/24/2013 Count	145		8/29/2013 Count	110		10/31/2013 Count	399
3/7/2013 Count	256		6/25/2013 Count	145		8/30/2013 Count	192		11/1/2013 Count	387
3/8/2013 Count	227		6/26/2013 Count	91		9/3/2013 Count	314		11/4/2013 Count	516
3/11/2013 Count	495		6/27/2013 Count	83		9/4/2013 Count	237		11/5/2013 Count	864
3/12/2013 Count	274		7/1/2013 Count	95		9/5/2013 Count	97		11/6/2013 Count	1794
3/13/2013 Count	322		7/2/2013 Count	154		9/6/2013 Count	67		11/7/2013 Count	1044
3/14/2013 Count	310		7/3/2013 Count	93		9/9/2013 Count	60		11/8/2013 Count	495
3/15/2013 Count	138		7/8/2013 Count	116		9/10/2013 Count	141		11/12/2013 Count	354
3/18/2013 Count	396		7/9/2013 Count	714		9/11/2013 Count	91		11/13/2013 Count	371
3/19/2013 Count	167		7/10/2013 Count	185		9/12/2013 Count	63		11/14/2013 Count	643
3/20/2013 Count	1029		7/11/2013 Count	231		9/13/2013 Count	71		11/15/2013 Count	405
3/21/2013 Count	423		7/12/2013 Count	61		9/18/2013 Count	122		11/18/2013 Count	415
3/22/2013 Count	297		7/15/2013 Count	61		9/19/2013 Count	93		11/19/2013 Count	1298
3/25/2013 Count	879		7/16/2013 Count	58		9/20/2013 Count	89		11/20/2013 Count	507
3/26/2013 Count	272		7/17/2013 Count	158		9/23/2013 Count	403		11/21/2013 Count	785
3/27/2013 Count	422		7/18/2013 Count	152		9/24/2013 Count	272		11/22/2013 Count	399
3/28/2013 Count	367		7/19/2013 Count	131		9/25/2013 Count	330		11/25/2013 Count	860
3/29/2013 Count	696		7/22/2013 Count	153		9/26/2013 Count	671		11/26/2013 Count	496
4/1/2013 Count	499		7/23/2013 Count	640		9/27/2013 Count	582		12/2/2013 Count	537
4/2/2013 Count	29		7/24/2013 Count	498		9/30/2013 Count	505		12/3/2013 Count	358
4/3/2013 Count	135		7/25/2013 Count	253		10/1/2013 Count	343		12/4/2013 Count	479
4/4/2013 Count	71		7/26/2013 Count	237		10/2/2013 Count	353		12/5/2013 Count	494
4/5/2013 Count	423		7/29/2013 Count	708		10/3/2013 Count	1565		12/6/2013 Count	906
4/9/2013 Count	147		7/30/2013 Count	74		10/4/2013 Count	579		12/9/2013 Count	616
4/15/2013 Count	116		7/31/2013 Count	87		10/7/2013 Count	537		12/10/2013 Count	742
4/19/2013 Count	69		8/1/2013 Count	57		10/8/2013 Count	1631		12/11/2013 Count	431
4/22/2013 Count	371		8/2/2013 Count	123		10/9/2013 Count	338		12/12/2013 Count	941
4/26/2013 Count	21		8/5/2013 Count	585		10/10/2013 Count	1213		12/13/2013 Count	891
5/23/2013 Count	45		8/6/2013 Count	196		10/11/2013 Count	472		12/16/2013 Count	488
6/5/2013 Count	328		8/7/2013 Count	41		10/15/2013 Count	341		12/17/2013 Count	692
6/6/2013 Count	330		8/8/2013 Count	67		10/16/2013 Count	1196		12/18/2013 Count	280
6/7/2013 Count	160		8/9/2013 Count	115		10/17/2013 Count	644		12/19/2013 Count	609
6/10/2013 Count	169		8/13/2013 Count	147		10/18/2013 Count	71		12/20/2013 Count	325
6/11/2013 Count	146		8/14/2013 Count	59		10/21/2013 Count	370		1/2/2014 Count	173

APPENDIX 6 – SCHEDULED PETITION HEARINGS (ALL TYPES) – DATE AND COUNT

Dates	Count		Dates	Count		Dates	Count		Dates	Count
1/3/2014 Count	763		3/5/2014 Count	229		5/1/2014 Count	79		7/28/2014 Count	681
1/6/2014 Count	315		3/6/2014 Count	394		5/2/2014 Count	234		7/29/2014 Count	499
1/7/2014 Count	716		3/7/2014 Count	246		5/5/2014 Count	323		7/30/2014 Count	486
1/8/2014 Count	1457		3/10/2014 Count	193		5/6/2014 Count	255		7/31/2014 Count	312
1/9/2014 Count	1807		3/11/2014 Count	306		5/7/2014 Count	188		8/1/2014 Count	557
1/10/2014 Count	217		3/12/2014 Count	225		5/8/2014 Count	149		8/4/2014 Count	303
1/13/2014 Count	346		3/13/2014 Count	312		5/9/2014 Count	96		8/5/2014 Count	118
1/14/2014 Count	210		3/14/2014 Count	140		5/12/2014 Count	71		8/6/2014 Count	119
1/15/2014 Count	1343		3/17/2014 Count	171		5/13/2014 Count	36		8/7/2014 Count	121
1/16/2014 Count	939		3/18/2014 Count	271		5/14/2014 Count	169		8/13/2014 Count	65
1/17/2014 Count	387		3/19/2014 Count	174		5/15/2014 Count	124		8/19/2014 Count	110
1/21/2014 Count	208		3/20/2014 Count	265		5/16/2014 Count	73		8/20/2014 Count	993
1/22/2014 Count	115		3/21/2014 Count	129		5/21/2014 Count	65		8/21/2014 Count	600
1/23/2014 Count	306		3/24/2014 Count	117		5/28/2014 Count	55		8/22/2014 Count	848
1/24/2014 Count	52		3/25/2014 Count	248		6/4/2014 Count	51		8/25/2014 Count	499
1/27/2014 Count	233		3/26/2014 Count	105		6/11/2014 Count	51		8/26/2014 Count	448
1/28/2014 Count	706		3/27/2014 Count	386		6/18/2014 Count	67		8/27/2014 Count	1744
1/29/2014 Count	376		3/28/2014 Count	80		6/20/2014 Count	1		8/28/2014 Count	1112
1/30/2014 Count	318		3/31/2014 Count	50		6/23/2014 Count	352		8/29/2014 Count	521
1/31/2014 Count	459		4/1/2014 Count	218		6/24/2014 Count	239		9/2/2014 Count	392
2/3/2014 Count	1159		4/2/2014 Count	185		6/25/2014 Count	54		9/3/2014 Count	408
2/4/2014 Count	125		4/3/2014 Count	150		6/26/2014 Count	168		9/4/2014 Count	940
2/5/2014 Count	129		4/4/2014 Count	743		6/30/2014 Count	434		9/5/2014 Count	299
2/6/2014 Count	322		4/7/2014 Count	794		7/1/2014 Count	468		9/8/2014 Count	817
2/7/2014 Count	215		4/8/2014 Count	809		7/2/2014 Count	580		9/9/2014 Count	523
2/10/2014 Count	75		4/9/2014 Count	767		7/3/2014 Count	123		9/10/2014 Count	731
2/11/2014 Count	722		4/10/2014 Count	1013		7/7/2014 Count	544		9/11/2014 Count	492
2/12/2014 Count	181		4/11/2014 Count	416		7/8/2014 Count	231		9/12/2014 Count	215
2/13/2014 Count	899		4/14/2014 Count	1183		7/9/2014 Count	140		9/15/2014 Count	302
2/14/2014 Count	698		4/15/2014 Count	725		7/10/2014 Count	427		9/16/2014 Count	1441
2/18/2014 Count	439		4/16/2014 Count	917		7/11/2014 Count	329		9/17/2014 Count	481
2/19/2014 Count	939		4/17/2014 Count	1054		7/14/2014 Count	323		9/18/2014 Count	417
2/20/2014 Count	591		4/18/2014 Count	1181		7/15/2014 Count	943		9/19/2014 Count	457
2/21/2014 Count	72		4/21/2014 Count	530		7/16/2014 Count	115		9/22/2014 Count	234
2/24/2014 Count	366		4/22/2014 Count	695		7/17/2014 Count	126		9/23/2014 Count	305
2/25/2014 Count	314		4/23/2014 Count	472		7/18/2014 Count	218		9/24/2014 Count	512
2/26/2014 Count	144		4/24/2014 Count	325		7/21/2014 Count	401		9/25/2014 Count	421
2/27/2014 Count	344		4/25/2014 Count	205		7/22/2014 Count	272		9/26/2014 Count	302
2/28/2014 Count	330		4/28/2014 Count	217		7/23/2014 Count	616		9/29/2014 Count	427
3/3/2014 Count	1871		4/29/2014 Count	291		7/24/2014 Count	308		9/30/2014 Count	358
3/4/2014 Count	270		4/30/2014 Count	251		7/25/2014 Count	861		10/1/2014 Count	454

APPENDIX 6 – SCHEDULED PETITION HEARINGS (ALL TYPES) – DATE AND COUNT										
Dates	Count		Dates	Count		Dates	Count		Dates	Count
10/2/2014 Count	311		10/8/2014 Count	441		10/15/2014 Count	414		10/21/2014 Count	349
10/3/2014 Count	290		10/9/2014 Count	171		10/16/2014 Count	174		10/22/2014 Count	556
10/6/2014 Count	209		10/10/2014 Count	262		10/17/2014 Count	375		10/23/2014 Count	454
10/7/2014 Count	369		10/14/2014 Count	329		10/20/2014 Count	328		10/24/2014 Count	402

Management's Responses (Complete text)



MIAMI-DADE COUNTY
PROPERTY APPRAISER
ADMINISTRATIVE DIVISION

PEDRO J. GARCIA
PROPERTY APPRAISER

June 30, 2015

Mr. Jose F. Montes de Oca, Chief Auditor
Miami-Dade County Public Schools
Office of Management and Compliance Audits
1450 N.E. 2nd Avenue, Room 415
Miami, Florida 33132

Dear Mr. de Oca:

I would like to take this opportunity to reiterate how seriously I believe the delays in the Value Adjustment Board (VAB) process have a negative impact not only on funding for Miami-Dade County Public Schools, but also on the residents of Miami-Dade County. This problem started in 2008 during the beginning of the historic recession that saw an unprecedented drop in real estate market values prompting property owners and their tax agents to take advantage of a new ten percent cap law that allowed non-homestead property owners to set their assessed values to the lowest possible amount. I consider these factors combined contributed greatly to the record number of appeals and the backlog that even today we are struggling to overcome.

This past year, we have been tackling these challenges on multiple fronts. We have worked closely with the Miami-Dade County Public School Board Administration in an effort to pass legislation that will mitigate some of the delays by closing loopholes in current state law and administrative rules. We have increased our appeals staff by another twenty-four positions, in addition to the eighteen positions that were added last year. This represents an increase of over fifty percent to our appeal staff in the last two years. Furthermore, we continue to work closely with the VAB and the County Clerk of Courts to ensure that proper procedures are being followed and the alignment of the Property Appraiser's staff with available hearing rooms are maximized in an effort to improve the efficiency of the scheduling process.

I want to thank you and your staff for your work. This is an intricate process that is not easily understood.

Attached are our responses to the draft report dated June 26, 2015.

Sincerely,

A handwritten signature in blue ink, appearing to read "PJG", is written over a horizontal line.

Pedro J. Garcia
Property Appraiser

cc: The Honorable Chair and Members of the School Board of Miami-Dade County
Mr. Alberto M. Carvalho, Superintendent of Schools
The Honorable Chair and Members of the Board of County Commissioners
The Honorable Carlos A. Gimenez, Mayor, Miami-Dade County
The Honorable Harvey Ruvin, Clerk of the Circuit and County Courts

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**PROPERTY APPRAISER'S OFFICE ("PAO") DRAFT RESPONSE TO AUDIT OF
MIAMI-DADE COUNTY VALUE ADJUSTMENT BOARD**

APPEALS PROCESS (PHASE 2)

FINDING No. 1: The inability of the VAB and Property Appraiser to optimize the use of their resources in scheduling and staffing hearings contributes to delays in the VAB Appeals Process

RECOMMENDATIONS:

1.1 The Property Appraiser's Office should utilize its staff more efficiently and effectively in order to expedite the VAB hearings process by ensuring that staff is available to participate in VAB hearings whenever needed.

Having the appropriate level and type of staff is a necessary but not sufficient condition to expediting the processing of VAB petitions. This past year alone we increased the PAO's appeal staff by another 24 positions in addition to the 18 positions that were added last year. This represents an increase of over 50 percent in the last two years. Although personnel may be a factor in the process, there are a number of additional factors that disproportionately impact the time it takes to complete a petition cycle, not all of which are explored in this report.

One important factor is the number of petitioner reschedules. The data analysis section states "*cases that were rescheduled more than twice do not represent a material number of cases in relation to the total number of cases filed each year during the tax years 2009 through 2012...*". The audit report seems to conclude that these reschedules do not have a material impact on the PAO's ability to timely complete the petition process. This is incorrect.

To further illustrate the impact of reschedules the report's data on petitions and reschedules for 2009-2012 were used to create the table below showing the impact of reschedules during this period. The number of petitions for each year was multiplied by the number of reschedules to derive the total "effective" petitions that had to be scheduled.

Times Petition Rescheduled	Year 2009	Effective Petitions	2010	Effective Petitions	2011	Effective Petitions	2012	Effective Petitions
0	81,047	81,047	60,847	60,847	53,737	53,737	34,530	34,530
1	37,667	37,667	26,769	26,769	21,564	21,564	26,133	26,133
2	11,120	22,240	8,758	17,516	4,354	8,708	9,833	19,666
3	4,119	12,357	4,271	12,813	2,266	6,798	2,228	6,684
4	1,366	5,464	1,534	6,136	764	3,056	435	1,740
5	3,093	15,465	986	4,930	490	2,450	18	90
Net Petitions Filed	138,412	174,240	103,165	129,011	83,175	96,313	73,177	88,843
Reschedule Effect		35,828		25,846		13,138		15,666
		25.9%		25.1%		15.8%		21.4%

Those chosen instances (cases rescheduled more than twice) represent cumulative rates of 14%, 15%, 9% and 18% for the years 2009 through 2012 respectively. Notwithstanding the seemingly arbitrary and unexplained focus on the cases with three or more reschedules, the audit completely disregards the higher reschedule rates for single reschedule instances and their attendant substantial number of petitions that were so rescheduled. According to the audit's own data analysis on page 20, 37,667 petitions (27%) for 2009, 26,769 (26%) for 2010, 21,564 (26%) for 2011, and 26,133 (37%) for 2013 were rescheduled. The material consequence of each reschedule is an increase on the number of petitions that must be processed. For example, for 2009 the number of closed petitions was 138,412. However, once the reschedules are taken into account, which the audit does not, the number climbs to 174,240, a massive increase of 25.9% in the number of petitions that must be worked.

Even one case that is rescheduled one time at the conclusion of a cycle can delay the certification of the entire tax roll by up to 25 days due to the mandatory 25 day notice requirement being applied similarly to reschedules under section 194.032(2)(a), Florida Statutes. Considering that the administrative rules allow for unlimited additional reschedules for "good cause," when one case is rescheduled five times, it can have the same impact on the PAO's resources as five different petitions since each reschedule requires a separate 25 day notice period and causes the petition to be put back in the pool for re-assignment, which often leads to different staff members being assigned to the same petition in order to ensure that PAO staff is available.

Table 1 (Page 18) and **"Scheduling Hearings"** (Page 24 & 25): In the 2012 appeal cycle the PAO attempted to accelerate the VAB petition process by increasing the number of staff working on settlements. Any petitions settled would reduce the backlog of pending petitions obviating the need to schedule them for

hearings, thereby reducing the number of boards necessary and shortening the hearing cycle accordingly. Although this strategy was clearly communicated to the VAB Manager on a number of occasions, rooms were deliberately scheduled beyond the PAO's capacity to staff hearing rooms. This caused the PAO to request a rescheduling of these hearings. It is important to note that the PAO allocates on average over 25% of its full-time staff to the VAB process. This allocation of staff far exceeds the staffing level of any other county in the state. Although the VAB staff was split between settlements and hearings, at all relevant times, the entire Appeals staff was dedicated to the same universe of petitions.

The report states that for tax years 2010 through 2013, the VAB began hearing petitions between 11 and 14 weeks after the close of the 25-day petition filing deadline. During multiple meetings with the auditors, PAO staff explained the close-out process required at the end of every petition cycle in order to properly finalize and certify the final tax roll. This process is crucial in order to ensure that the new values and changes are rolled over into the following year's assessment in preparation for the subsequent year's petition cycle. It should also be noted that magistrates have up to two weeks after the conclusion of a hearing to submit supporting documentation. This can delay the process up to two weeks. Therefore, due to the backlog in petitions, the close-out and ramp-up processes have occurred back to back for the last few cycles.

Table 7 Distribution of Petitions Scheduled in Groups (Page 24) simply lists data on the numbers of petitions (folios) actually heard, but it neglects to account for the total number of petitions originally scheduled. The original number of petitions scheduled was much higher than the number of petitions actually heard. In fact, based on the graph on page 20 of this report, 26% to 37% of petitions were rescheduled at least one time during the 2009 – 2012 petition cycles. Furthermore, specific cases on a board could be rescheduled resulting in fewer petitions heard on a given date than the number originally scheduled. The report does not provide data on the number of petitions originally scheduled, only the lower number of petitions actually heard, that is, those petitions remaining at a given board after all reschedules were removed from the assigned board. Due to the legal notification requirement referenced above, petitions being rescheduled require a minimum of a 25 day hearing notice. Thus, any reschedule requests received less than 25 days from the hearing date do not allow sufficient time for another petition to be substituted in its place.

Table 6 (Page 23) lists the "number of weeks in which closed value petitions could *theoretically* (emphasis added) be completed," but this analysis does not factor in **any** impact from rescheduling, which the report's own data

analysis (Table 1 and the graphs on page 20) demonstrate is a material factor. Thus, the timeframes quoted in Table 6 are not achievable given the current conditions and regulations (one no-cause reschedule as of right, a potential unlimited number of reschedules for "good cause," high interest rates paid on tax refunds, 25 day rescheduling notice requirement, case complexity and the agent's availability, etc.). Therefore, the report's assertion that the VAB process could have been reduced by half is at best misleading.

As discussed with the auditors, there is often a sharp reduction in the number of boards and cases available for hearings at the end of a cycle due to a number of factors. An important such factor to consider is that due to the very high concentration of folios represented by agents in Miami-Dade County (approximately 95%), most outstanding petitions are distributed across a handful of agents who file the overwhelming majority of the petitions. Even with the full availability of PAO staff, agents are often unwilling or unable to attend boards at the full capacity of the available rooms which, in essence, would require their simultaneous appearance in several hearing rooms as scheduled. This creates a bottleneck, which serves to prolong the conclusion of the hearing cycle. The sample taken in Table 8 (Page 26) is only for the last few months of the 2013 cycle and over one-third of the sampled dates fall within the last six weeks. Therefore, the data presented in the table does not represent a random sample of the board rooms used and petitions heard throughout the entire 2013 petition cycle. The report alludes to the sharp reduction during this period: "Also, at the end of March and the beginning of April 2015, the number of cases/folios scheduled to be heard decreased significantly. This period coincided with the close of the 2013 tax year and the start of the 2014 tax year," but fails to explain the systemic factors that contributed to it.

1.2 The VAB should analyze its case load scheduling pattern to ensure that efficient scheduling of its cases is being achieved. The VAB should also consider shortening the time between the petition deadline and the commencement of hearings, as well as scheduling the maximum number of "boards" to improve efficiency and reduce delays. To achieve this objective, the VAB should consider scheduling value petitions for a current tax year as soon as possible, as resources allow and circumstances permit, rather than delaying the scheduling of these types of petitions until after all petitions from the prior year have been heard.

In Miami-Dade County, a very high percentage of VAB petitions (approximately 95%) are filed by tax agents. Agents are compensated on a

contingency basis as a percentage of the total tax reduction achieved through the VAB appeal process. The payment of 12% APR interest on the overpaid amount constitutes a strong incentive for both petitioners and their agents to file an appeal with the VAB and to reschedule their petition to latest possible date in an effort to delay their appearance and lengthen the period of time during which interest accrues on their tax refund. This incentive ultimately contributes to delays in certifying the final tax roll. However, the audit report does not consider the effect this incentive has on the PAO and the VAB Manager in scheduling efficiently. Additionally, the report also fails to mention that the interest is only payable as a result of a reduction by a magistrate; thereby, giving agents an additional incentive to force a hearing even when a proposed settlement is acceptable in terms of the proposed settlement value. Therefore, the PAO concurs with finding 9.0 in the Value Adjustment Board Appeals Process (Phase 1) dated March 2015 and the accompanying recommendation to pursue modification to Section 194.014(2), F.S. to bring the annual rate of interest more in line with market rates.

As repeatedly explained to the audit staff, real estate assessed values are capped pursuant to both the Florida Constitution and sections 193.155, 193.1554, and 193.1555 of the Florida Statutes. Pursuant to Florida law, properties receiving a homestead exemption receive a yearly three percent cap to the increase in their assessed values while non-homestead properties receive a ten percent cap on yearly increases. Accordingly, a change to Just (Market) Value in a prior year could affect the property's Assessed Value in a subsequent year. Both tax agents and the PAO may submit value reconsiderations to the magistrates after a petition is heard contesting the Just (Market) Value. These requests may be submitted to the magistrates at any time prior to the certification of the final roll. If a magistrate reconsiders his or her decision, it could affect the cap value in a subsequent year. Because all cap values need to be final and processed appropriately before the parcel is heard at the subsequent year's hearing, the petition cycle for the subsequent year cannot commence before the prior year's roll is finalized, certified, and processed.

1.3 The Property Appraiser's Office should develop mitigation plans to be invoked when a specific percentage or number of petitions has been filed with the VAB that it believes will significantly impact its normal operations and/or the timely completion of the VAB appeals process.

The PAO must submit to the DOR his or her proposed budget for the fiscal year beginning on October 1st on or before June 1st, prior. The proposed budget is then reviewed and approved by the DOR by August 15th. The TRIM Notices

are mailed no later than August 24th and the VAB petitions must be filed within 25 days of the TRIM Notice being mailed. Therefore, the number of petitions filed is not known until well after the PAO's budget is submitted and approved by the DOR for the coming fiscal year. Furthermore, even when the state and county have made it possible to add resources mid-year, it is difficult to find personnel with the required experience especially during times of improving market conditions where employment opportunities in the non-governmental sector are more abundant. As noted in the report, PAO shifts resources from other areas within the office whenever feasible, in an effort to accelerate the conclusion of the VAB cycle.

FINDING No. 2: The Property Appraiser 's Office does not appear to be authorized to recover, from the school district, some of its annual costs related to supporting the VAB process.

RECOMMENDATIONS:

2.3 The Property Appraiser should discontinue its practice of invoicing the School District for any expenses related to the VAB appeals process.

This matter is under review.

FINDING No. 3: Miami-Dade and various other counties' Preliminary Property Tax Values were greater than the final value in some years between 2003 and 2012, but the difference was substantially greater for Miami-Dade.

RECOMMENDATIONS:

3.1 In an effort to more closely align the value of its final and preliminary tax rolls, the Property Appraiser should perform a comprehensive review of the methodologies his office uses in assessing property value. The review should include an objective analysis of the factors considered and not considered in the assessment process and their applicability. At a minimum, the Property Appraiser should explore possible refinements to methods his office utilizes in valuing property within the county, including ensuring that all relevant and current information is obtained and included in the valuation exercise.

With regard to methodology, section 193.011, F.S., describes the eight factors that property appraisers shall consider when arriving at just value. When applying these eight factors to a specific parcel, the PAO cannot ensure that "all relevant and current information" pertaining to a specific folio will be included in the valuation exercise. That could only occur if the PAO conducted an individual appraisal of each and every folio on an annual basis and key confidential and private data would not be withheld by property owners or their agents. As a matter of procedure, the PAO mails yearly requests for financial information to commercial property owners for a more accurate, individualized assessment. However, on average only 3% of property owners or their agents provide the requested information.

Further individual analysis into all the residential and commercial properties in Miami-Dade County is not only "impractical" as the report states, but also impossible to implement for a county with over 900,000 real estate properties. Mass appraisal is, by its very nature, a broader approach, where similar properties are grouped together for purposes of arriving at just values in a timely basis in order to certify a preliminary tax roll. This recommendation conflates the concept of mass appraisal with that of individual appraisals. Nonetheless, the Department of Revenue ("DOR") reviews and approves the PAO's preliminary roll every year in conjunction with a biannually audit. The PAO's preliminary tax roll has consistently been found to be in compliance with all the proper statutory requirements. In contrast, there is no such systematic audit of the VAB results

from the DOR or from any other independent body to ensure the VAB adequately adheres to the criteria listed in section 193.011 and other professionally accepted approaches to value.

3.2 The Property Appraiser should consider conducting a post-VAB appeal review of selected property folios that exceed established threshold amount of adjustment proposed by the VAB's special magistrates. These reviews should entail identifying and determining the relevant factors considered by the special magistrates in arriving at their adjustment and considering these factors in future assessments, as deemed applicable.

The PAO's staff already conducts multiple reviews of the post VAB hearing results. The first level of review is done by PAO staff after attending a VAB hearing. The person attending the VAB hearing is responsible for notifying the appropriate PAO District (residential or commercial) when he or she identifies any information, such as property characteristics, land use restriction, etc., provided by the taxpayer/agent that may affect the valuation in subsequent years.

The second level of review is done by the PAO's Legal Section. This second level of review involves analyzing the results of the VAB hearing in conjunction with the valuation method used in arriving at Just (Market) Value. If the appropriate legal thresholds are met (refer to section 194.036(1)(b), F.S.), the properties are then referred to PAO Administration and a determination is made as to whether a legal challenge will be filed in circuit court.

In both these instances when information that affects the assessment for a subsequent year is identified, the information is considered when determining the following year's Just Value. It is imperative to highlight that although section 193.011 states that the Property Appraiser shall take into consideration the eight factors outlined in the statute in order to determine Just Value, Magistrates occasionally deviate from the eight factors during the administrative review. Magistrates may add additional criteria or can double on the same criterion, for example, the cost of sale (factor 8) is granted above the cost of sale already allocated in the PAO's assessment. This problem is exacerbated by the fact that Magistrates do not always document or adequately explain their decisions in their Findings of Fact and Law as required by section 194.035(1), F.S. In the past, this concern has been raised with the VAB administrative staff (See Letter to Mr. Steven Schultz dated May 21, 2013 attached). The PAO has previously provided the audit team with multiple examples of VAB "Fact Sheets" to illustrate the issue. Although the matter has improved since the concern was raised, the VAB Fact Sheets still lack sufficient detail to make the appropriate adjustments to subsequent year's assessment.

FINDING No. 4: VAB's Process for scheduling hearings enables the Property Appraiser's Office to impact the hearing calendar and to be non-complaint with rescheduling notifications requirements.

RECOMMENDATIONS:

4.1 Although we acknowledge that coordination between the VAB and the Property Appraiser is essential for effective planning, the scheduling function is the responsibility of the VAB. Therefore, we recommend that the VAB ensures compliance with DOR Rule 12D-9.005.

The PAO does not agree that the current procedures in place for coordinating scheduling and resources with the VAB are non-compliant with DOR Rule 12D-9.005. While the audit recognizes on page 46 that "coordination and cooperation between the VAB and Property Appraiser's Office is critical to ensure effective scheduling of VAB hearings", this recommendation implies that the VAB and the PAO are somehow not complying with state law or DOR Rules. At no point in time has the PAO in any way influenced any part of the VAB process. The VAB resources and personnel are controlled exclusively by the board, and PAO staff is not used in VAB proceedings.

DOR Rule 12D-9.005(2)(a) states "Value adjustment boards may have additional internal operating procedures, not rules, that do not conflict with, change, expand, suspend, or negate the rules adopted in this rule chapter or other provisions of law, and only to the extent indispensable for the efficient operation of the value adjustment board process." To efficiently perform its scheduling duty, the VAB has an additional internal operating procedure whereby the PAO provides the VAB with prospective scheduling lists from which the VAB actually selects the petitions it deems appropriate to load the hearing schedule. Due to serious deficiencies in an antiquated VAB computer system, the VAB Manager is unable to group and schedule properties by the necessary criteria. As a result of these system deficiencies, the PAO staff assists the VAB staff by providing lists of properties depending on their physical characteristics and the PAO staff's availability.

Factors to consider when scheduling:

- Property land use, size, value, complexity of assessment, economic unit, and geography
- PAO staff years of experience, appraisal experience, and availability

Such assistance, without which the scheduling of petitions and their efficient disposition through hearings comprised of properties aggregated along essential feature considerations, would simply not occur. This interaction between PAO and VAB staff is crucial and enables the process to flow as smoothly and efficiently as possible given the existing constraints. Otherwise this process would become chaotic and grind to a halt as, for instance, unrelated petitions are grouped together, entire hearings are assigned to staff without the requisite expertise, agent appearances are simultaneously interspersed at random through the day, etc., all of which would require massive rescheduling as the errors come to light during hearing preparation. Obviously the increase in reschedules would delay the completion of the cycle.

Petitions are not commodities, indistinguishable from each other, that can be treated in the same manner. For instance, traffic or parking tickets, or code enforcement citations, where the similarity of the cases and their relatively mechanical, codified handling would allow for a blind calculation of putative disposition timeframe estimates strictly based on quantity alone. Petitions represent properties, and properties are inherently different by definition and must be treated as such and this simply negates a volume approach to scheduling without consideration of individual property characteristics.

As stated on page 46 "Furthermore, the VAB typically awaits input from the Property Appraiser's Office before it can schedule hearing for filed petitions." – The VAB is the sole entity with the authority to schedule hearings and may do so at any time. It does not need to, and at times has not, waited for PAO input to schedule board hearings. Experience, however, has shown that the hearing process is more efficient when the PAO aggregates similar type properties and provides these as a group for the VAB to schedule. Furthermore, for the VAB Manager to not take into account the availability of PAO staff when scheduling hearings leads to an unnecessary increase in the number of rescheduled boards and petitions.

With regard to the decision to increase settlement efforts during the 2012 appeal cycle, the Property Appraiser has complete authority over the allocation of staff. Regardless of whether the PAO appeals staff is working on settlements or attending VAB boards, both are addressing the same universe of petitions. Broward County, the closest comparable to Miami-Dade County in terms of size, makes heavy use of settlements, as do other Florida counties. Though it can be debated whether it is more efficient for the PAO to allocate staff to boards or to

settlements, the PAO does not believe that assigning staff to settlements constitutes "control or influence" on the VAB process.

4.2 The VAB should periodically review its internal controls to ensure that its processes remain independent and free from control or influence or the perception thereof, from any other entity. Such controls should be documented in an internal policy and procedures manual.

4.3 The Property Appraiser's Office should provide notification to petitioners when a rescheduling request originates from that office, as required pursuant to DOR Rule 12D-9.019.

Through custom and usage, as neither taxpayers nor agents notify the PAO of any schedule requests, directing such requests directly to the VAB, who in turn notifies the PAO, the PAO staff directed the requests to the VAB with the knowledge that the VAB would in turn notify the taxpayer/agent and advise of any scheduling conflict arising from the request. Going forward, the PAO will ensure that all reschedule requests are simultaneously communicated to the taxpayer/agent.

FINDING No. 5: Some Documentation and authorization requirements in the petition process are incomplete.

RECOMMENDATIONS:

5.1 The Property Appraiser's Office representative should ensure that all files are complete and in proper order prior to submitting for processing. This will ensure that a subsequent review or audit of the valuation process will arrive at a reasonably similar conclusion based on the file's content.

As a matter of procedure Property Appraiser's Office representatives do ensure that all files are complete and in proper order prior to processing.

The following response addresses the individual folios provided by the auditors in reference to Table 13 on page 49:

Summary of Findings 2011

No Date on TP/Agent Evidence 2011

Item 34.

Evidence submitted by taxpayer or agent is solely under taxpayer or agent control, therefore, the condition is not applicable to the Property Appraiser.

Incomplete TP/Agent Evidence 2011

Items 28, 32

Evidence submitted by taxpayer or agent is solely under taxpayer or agent control, therefore, the condition is not applicable to the Property Appraiser.

No Date on PAO Evidence 2011

Item 29

Evidence is dated

Origin of Evidence 2011

Item 11

Documents in the file contain identifying distinctive marks as appropriate, i.e., agent's letterhead and PA cover sheet.

Summary of Findings 2012

No TP/Agent Evidence 2012

Item 22

TP/Agent submitted evidence.

Item 29

TP/Agent submitted evidence.

No Date on TP/Agent Evidence 2012

Items 11, 13, 21, 32, 33, 36, 40

Evidence submitted by taxpayer or agent is solely under taxpayer or agent control, therefore, the condition is not applicable to the Property Appraiser.

No Date on PAO Evidence 2012

Item 21

Evidence is dated

Item 36

Evidence is dated

No Exchange of Evidence Invoked 2012

Items 3, 12

Use of the exchange of evidence is voluntary pursuant to the provisions of Florida Statute §194.011 and Department of Revenue Rule 12D-9.020.

Summary of Findings 2013

No TP/Agent Evidence 2013

Item 8

TP/Agent did not contest the case at the hearing ("comp. support") no evidence was submitted.

Item 10

TP/Agent submitted evidence.

Item 17

TP/Agent submitted evidence.

Item 18

TP/Agent did not contest the case at the hearing ("comp. support") no evidence was submitted

Item 21

TP/Agent submitted evidence.

Item 23

TP/Agent submitted evidence.

Item 26

TP/Agent submitted evidence.

Item 35

TP/Agent submitted evidence.

Item 39

TP/Agent submitted evidence.

Item 40

TP/Agent submitted evidence.

No Date on TP/Agent Evidence 2013

Item 4

TP/Agent evidence is solely under taxpayer or agent control, therefore the condition is not applicable to the Property Appraiser.

No PAO Evidence 2013

Item 19

PA submitted evidence.

No Date on PAO Evidence 2013

Item 8

Evidence is dated.

Item 16

Evidence is dated.

Origin of Evidence 2013

Item 33

Evidence is clearly identifiable.

No Exchange of Evidence Invoked 2013

Item 7

Use of the exchange of evidence is voluntary pursuant to the provisions of Florida Statute §194.011 and Department of Revenue Rule 12D-9.020

5.2 The Property Appraiser should ensure that all Property Appraiser's Office representatives are following the required approval levels reflected in its VAB Cycle Staff Member Training manual for each respective tax year prior to making changes in the CAMA.

The PAO has implemented new procedures to ensure that all settlements have the required signatures. The PAO reviewed the specific folios referenced in Table 13 page 50 and offers the following responses:

Item 1: The 8.8% reduction is less than 15%, which is the required level of additional authorization. While the change in value for this agenda was 753,955 seemingly exceeding the amount level to which the staff was authorized, this agenda was a multi-folio agenda and the individual changes run from 25,430 to 107,965 clearly within the staff's authority. Therefore, the additional signature was not required.

Item 2: The reduction was made at 18% and the settlement letter is in fact missing the additional authorizing signature, required above 15%, which the staff failed to obtain when executing the settlement. However, in the supporting documentation prepared during the preliminary review of the case, an analysis sheet was found initialed by the authorizing staff approving the change, which was required in order to proceed with the settlement and without which the staff would not have execute the settlement. The settlement staff, while first properly obtaining approval, failed to have the settlement letter signed by the authorizing staff.

Item 3: The level of reduction, when calculated at the individual folio level, stands at 48.7% and it would have required a higher authorization if that was in fact the case. However, the particular folio in question is a component of a multi-folio property comprised of an additional four folios, all operating as a single economic unit. When all the folios are taken into account, as they were all part of the same settlement, the actual reduction percentage is 31% well below the 45% level requiring higher authorization. Therefore, the additional signature was not required.



MIAMI-DADE COUNTY
OFFICE OF THE PROPERTY APPRAISER
ADMINISTRATIVE DIVISION

Carlos Lopez-Cantera
Property Appraiser

May 21, 2013

Sent Via Email

Mr. Steven Schultz, Attorney
Value Adjustment Board
Clerk of Courts
111 N.W. 1 Street
Miami, FL 33128

Dear Mr. Schultz:

As you know, hearings on petitions filed for the 2012 tax year are scheduled to begin shortly after certification of the 2011 tax roll. While the 2012 tax roll was set by the previous administration, Property Appraiser Lopez-Cantera has been diligent in implementing new policies in an effort to expedite the hearing process and make certain that taxpayers are receiving a fair and just value for their property.

Consequently, I am again bringing to your attention a concern our office raised several months ago regarding written recommended decisions, commonly referred to as "Fact Finding Sheets", being produced by various special magistrates. Specifically, the decisions did not contain sufficient factual and legal information and reasoning to enable the parties to understand the basis for the decision. Based on these concerns, you issued a March 11, 2013, memorandum to "All Appraiser Special Magistrates", wherein you addressed the detail required by law when preparing a written recommended decision. *(Please See Attached March 11, 2013 Memorandum)*

Florida Statute § 194.035(1) requires that in making a recommendation to the value adjustment board a special magistrate "shall include proposed findings of fact, conclusions of law, and reasons for upholding or overturning the determination of the property appraiser." Furthermore, Rule 12D-9.030(1) of the Florida Administrative Code further states:

For each petition not withdrawn or settled, special magistrates shall produce a written recommended decision that contains findings of fact, conclusions of law, and reasons for upholding or overturning the property appraiser's determination. Each recommended decision shall contain sufficient factual and legal information and reasoning to enable the parties to understand the basis for the decision, and shall otherwise meet the requirements of law.

A cursory review of written recommended decisions, subsequent to your March 11, 2013 memorandum, revealed that various special magistrates have ignored your directive and continue to operate in disregard of the law by not sufficiently completing their written recommended decisions. For instance, when explaining the basis for a change to an assessed value, several decisions simply stated:

"AFTER REVIEWING ALL OF THE EVIDENCE, A REDUCTION IS WARRANTED"
"COMPS & TESTIMONY SUPPORT REDUCTION"
"COMP SALES AND INCOME"
"COMPARABLE SALES SUPPORT A REDUCTION"

(Please See Attached Written Recommended Decisions)

It is imperative that our office be fully versed as to how each special magistrate arrives at their assessment should there be a change in value. Doing so allows our office to make the appropriate changes to future tax rolls, thereby, potentially alleviating the need for a taxpayer to file a petition in subsequent years. Additionally, this information is valuable in light of Mr. Lopez-Cantera's new approach to future litigation.

Please advise how you will ensure that moving forward special magistrates comply with the law. Do not hesitate to contact me should you have any questions.

Sincerely,




Joseph Ruiz
General Counsel
Miami-Dade County Office of the Property Appraiser

Attachments

cc: Honorable Lynda Bell
Honorable Juan C. Zapata
Dr. Dorothy Bendross-Mindingall
Mr. Anibal Duarte-Viera
Mr. Hani Jardack
Mr. Robert Alfaro

MEMORANDUM

To: All Appraiser Special Magistrates
From: Steven A. Schultz, Esq. 
Date: March 11, 2013
Subject: Completion of Fact Finding Sheets

We have been advised that many of you have not been completing your Fact Sheets with sufficient detail. This has been a chronic problem which we have addressed in the past.

We understand that you may have a substantial caseload and it may be difficult at times to complete your Fact Sheets with the desired detail. Nevertheless, the law requires sufficient explanations for your recommendations so that a reasonable person can understand how you derived the result. Apparently, many of you simply state that "comps support" a reduction (or the assessment) without anything more. We would like you to supplement this language by adding more detail about the comparable sales you relied on. For example, you might specify the particular sales or range of sales you relied upon, together with the square footage rate. In addition, we understand that sometimes magistrates may state that they relied on "comparable sales" but in fact no sales of any kind may have been submitted by either party; or even if submitted, were not in fact the basis of the decision. In either event, do not indicate that you relied on "comparable sales" when in fact that was not the case. It is possible that absent the submission of "comparable sales" in a particular case, sales may have been submitted in previous cases relating to properties located in the same general area (e.g. by an agent with several cases involving similarly situated properties). If you rely on these "comparable sales", please provide sufficient detail so that they may be identified.

If you have any questions regarding the foregoing, please contact me or Robert Alfaro.

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SPECIAL MAGISTRATE'S FINDINGS OF FACT/ CONCLUSIONS OF LAW AND RECOMMENDATIONS TO THE MIAMI DADE COUNTY VALUE ADJUSTMENT BOARD REAL PROPERTY VALUATION ISSUES FOR TAX YEAR 2011

JEFFREY L.
 MANDLER, ESQ.
 RENNERT VOGEL
 MANDLER
 RODRIGUEZ
 100 SE 2 STREET
 SUITE 2900
 MIAMI FL

Folio #: 0101030901010 Agenda #: 11-30276
 Property : 164 NE 9 ST
 Owner : PWV GROUP 1 HOLDINGS LLC
 Hearing : 03/29/2013 Time : 8:30A
 Room : C Type : V

Appearance

☐ Taxpayer ☒ Agent ☐ NoShow ☐ Withdrew

Basic and underlying facts

☐ No Change ☐ Market value reduced but not below assessed
☐ Assessed reduced ☒ Market value reduced below assessed

Changes, if any based on:

☒ Comparable Sales ☐ Physical Condition ☐ Income ☐ Cost
☐ Homestead value limits ☐ Pre-existing property ☐ New improvements

Explain : COMPARABLE SALES SUPPORT A REDUCTION

Ultimate findings:

"Assessed Value(s)" ☒ does exceed "Market Value(s)" and/or ☐ The
 "assessed value(s)" exceeds statutory homestead prop value limit

S.M.'s	LAND	IMPROVEMT	TOTAL	TOT EXMP	TAXABLE
RECOM	385000	12555	397555	0	397555
ASSESSED			397555		
MARKET	495000	12555	507555	0	437459
			ASSESSED:		437459

3/29/2013

Date

MIKUS, PATRICK J

(AUTHENTICATED AND APPROVED BY SPECIAL
 MAGISTRATE)

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05/21/2013

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**SPECIAL MAGISTRATE'S FINDINGS OF FACT/
 CONCLUSIONS OF LAW AND RECOMMENDATIONS
 TO THE MIAMI DADE COUNTY VALUE ADJUSTMENT BOARD
 REAL PROPERTY VALUATION ISSUES FOR TAX YEAR 2011**

FPTS OF MIAMI-DADE
 FLORIDA
 PROPERTY TAX SERVICE
 329 PALERMO AVE
 SUITE 101
 CORAL GABLES FL

Folio # : 3040030000020
 Property : 7993 W FLAGLER ST
 Owner : MCDONALD'S RESTAURANTS OF FLA INC
 Hearing : 03/13/2013
 Room : A

Agenda # : 11-05055
 Time : 9:30A
 Type : V

Appearance

☐ Taxpayer ☒ Agent ☐ NoShow ☐ Withdrew

Basic and underlying facts

☐ No Change ☐ Market value reduced but not below assessed
☐ Assessed reduced ☒ Market value reduced below assessed

Changes, if any based on:

☒ Comparable Sales ☐ Physical Condition ☐ Income ☐ Cost
☐ Homestead value limits ☐ Pre-existing property ☐ New improvements

Explain : AGENT'S LAND SALES SUPPORTS A REDUCTION IN LAND ASSESSMENT.

Ultimate findings:

"Assessed Value(s)" ☒ does exceed "Market Value(s)" and/or ☐ The "assessed value(s)" exceeds statutory homestead prop value limit

S.M.'s	LAND	IMPROVEMT	TOTAL	TOT EXMP	TAXABLE
RECOM	896000	414343	1310343	0	1310343
ASSESSED			1310343		
MARKET	1176000	414343	1590343	0	1590343
		ASSESSED:	1590343		

3/13/2013

Date

SPOOL, PHILIP G.

(AUTHENTICATED AND APPROVED BY SPECIAL MAGISTRATE)

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**SPECIAL MAGISTRATE'S FINDINGS OF FACT/
 CONCLUSIONS OF LAW AND RECOMMENDATIONS
 TO THE MIAMI DADE COUNTY VALUE ADJUSTMENT BOARD
 REAL PROPERTY VALUATION ISSUES FOR TAX YEAR 2011**

ALAN ZIRLIN Folio # : 0102020101130 Agenda # : 11-17771
 ZIRLIN- Property : 679 SW 3 ST
 ROUNSAVILLE PROP Owner : GUSTAVO RODRIGUEZ
 TAX ADV Hearing : 03/21/2013 Time : 9:30A
 48 E FLAGLER Room : J Type : V
 STREET SUITE 381
 MIAMI FL

Appearance

☐ Taxpayer ☒ Agent ☐ NoShow ☐ Withdrew

Basic and underlying facts

☐ No Change ☐ Market value reduced but not below assessed
☐ Assessed reduced ☒ Market value reduced below assessed

Changes, if any based on:

☐ Comparable ☐ Physical ☒ Income ☐ Cost
 Sales Condition
☐ Homestead ☐ Pre-existing
 value limits property ☐ New improvements

Explain : AFTER REVIEWING ALL OF THE EVIDENCE, A REDUCTION
 IS WARRANTED BASED ON THE INCOME.

Ultimate findings:

"Assessed Value(s)" ☒ does exceed "Market Value(s)" and/or ☐ The
 "assessed value(s)" exceeds statutory homestead prop value limit

S.M.'s	LAND	IMPROVEMT	TOTAL	TOT EXMP	TAXABLE
RECOM	63000	5000	68000	0	68000
ASSESSED			68000		
MARKET	67500	36338	103838	0	103838
		ASSESSED:	103838		

3/21/2013

Date

LOPEZ, PEDRO A
 (AUTHENTICATED AND APPROVED BY SPECIAL
 MAGISTRATE)

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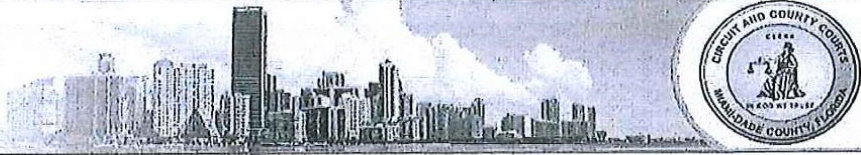
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**SPECIAL MAGISTRATE'S FINDINGS OF FACT/
 CONCLUSIONS OF LAW AND RECOMMENDATIONS
 TO THE MIAMI DADE COUNTY VALUE ADJUSTMENT BOARD
 REAL PROPERTY VALUATION ISSUES FOR TAX YEAR 2011**

MIGUEL A. VELOZ Folio #: 3530330040010 Agenda #: 11-20026
 PROPERTY TAX Property : 1640 NW 87 AVE
 SPECIALIST INC Owner : A MINI STORAGE AIRPORT W LLC
 PO BOX 720670 Hearing : 03/14/2013 Time : 1:30P
 MIAMI FL Room : C Type : V

Appearance

☐ Taxpayer ☒ Agent ☐ NoShow ☐ Withdrew

Basic and underlying facts

☐ No Change ☐ Market value reduced but not below assessed
☐ Assessed reduced ☒ Market value reduced below assessed

Changes, if any based on:

☒ Comparable ☐ Physical ☐ Income ☒ Cost
 Sales Condition
☐ Homestead ☐ Pre-existing
 value limits property ☐ New improvements

Explain : LAND SALES PRESENTED BY PETITIONER SUPPORT
 REDUCTION

Ultimate findings:

"Assessed Value(s)" ☒ does exceed "Market Value(s)" and/or ☐ The
 "assessed value(s)" exceeds statutory homestead prop value limit

S.M.'s	LAND	IMPROVEMT	TOTAL	TOT EXMP	TAXABLE
RECOM	549500	6326950	6876450	0	6876450
ASSESSED			6876450		
MARKET	673050	6326950	7000000	0	7000000
		ASSESSED:	7000000		

3/14/2013

Date

ORTEGA, JOSE A
 (AUTHENTICATED AND APPROVED BY SPECIAL
 MAGISTRATE)

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05/21/2013

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HARVEY RUVIN
CLERK of the COURTS
 MIAMI-DADE COUNTY, FLORIDA



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**SPECIAL MAGISTRATE'S FINDINGS OF FACT/
 CONCLUSIONS OF LAW AND RECOMMENDATIONS
 TO THE MIAMI DADE COUNTY VALUE ADJUSTMENT BOARD
 REAL PROPERTY VALUATION ISSUES FOR TAX YEAR 2011**

ERIC S. COPELAND, ESQ. Folio # : 3030150170010 Agenda # : 11-03580
 DADE PROPERTY TAX ADVISOR Property : 8490 NW 64 ST
 3162 COMMODORE PLAZA SUITE 2-H Owner : CLINTON H LINGERFELT
 MIAMI FL Hearing : 03/15/2013 Time : 8:30A
 Room : B Type : V

Appearance

☐ Taxpayer ☒ Agent ☐ NoShow ☐ Withdrew

Basic and underlying facts

☐ No Change ☐ Market value reduced but not below assessed
☐ Assessed reduced ☒ Market value reduced below assessed

Changes, if any based on:

☐ Comparable Sales ☐ Physical Condition ☒ Income ☐ Cost
☐ Homestead value limits ☐ Pre-existing property ☐ New Improvements

Explain : REDUCTION BASED ON INCOME VALUATION ANALYSIS.

Ultimate findings:

"Assessed Value(s)" ☒ does exceed "Market Value(s)" and/or ☐ The
 "assessed value(s)" exceeds statutory homestead prop value limit

S.M.'s	LAND	IMPROVEMT	TOTAL	TOT EXMP	TAXABLE
RECOM	536676	287870	824546	0	824546
ASSESSED			824546		
MARKET	651678	320921	972599	0	972599
		ASSESSED:	972599		

3/15/2013

Date

FLORENCE MOSES C
 (AUTHENTICATED AND APPROVED BY SPECIAL
 MAGISTRATE)

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05/21/2013



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MIAMI-DADE CLERK
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DADE COUNTY COURTHOUSE
ROOM 242
73 West Flagler Street
Miami, FL 33130

June 30, 2015

Jose F. Montes De Oca, Chief Auditor
Miami-Dade County Public School
Office of Management and Compliance Audits

Re: Audit of Miami-Dade County Value Adjustment Board Appeal Process (Phase 2)

Dear Mr. Montes De Oca,

Thank you for the opportunity to respond to the latest Audit Report that we received on June 12, 2015. The following responses follow the order of the issues presented in the findings:

Finding 1.2 The VAB should analyze its case load scheduling patterns to ensure that efficient scheduling of its cases is being achieved. The VAB should also consider shortening the time between the petition deadline and the commencement of hearings, as well as scheduling the maximum number of “boards” to improve efficiency and reduce delays. To achieve this objective, the VAB should consider scheduling value petitions for a current tax year as soon as possible, as resources allow and circumstances permit, rather than delaying the scheduling of these types of petitions until after all petitions from the prior year have been heard.

Response: The Miami-Dade Value Adjustment Board (VAB) analyzes the number of petitions to schedule each year by meeting with the Property Appraiser’s Office (PAO) to determine the number of boards that must be scheduled. Subsequent meetings take place throughout the year to monitor the number of pending hearings and to make necessary adjustments. To reduce the number of reschedules and improve efficiency in scheduling, the VAB historically has scheduled its hearings according to the PAO’s availability to support these hearings. Pursuant to F.S. § 194.032(2)(a) and with the Department of Revenue (DOR) rule 12D-9(3)(a) states that *“the hearing notice shall be received by the petitioner no less than 25 calendar days prior to the hearing date.”* Having to reschedule unnecessarily lengthens the time to complete hearings thus creating an inefficient process.

Comptroller/Auditor • Civil Division • Criminal Division • Family Division • Juvenile Division • Traffic Division • District Courts Division
Technical Services Division • Clerk of the Board of County Commissioners • Marriage License • Parking Violations • Recording • Records/Archives
Management • Code Enforcement Support • Value Adjustment Board Support • Human Resources and Administrative Services Division

The VAB schedules its real estate valuation hearings as soon as possible. However, record setting caseloads dating back to 2008, 2009 & 2010, extended the tax appeal cycles to more than 6 months each tax appeal year causing the overlapping of tax appeal years. Due to this overlapping of tax appeal years, the period of time between the petition deadline and the commencement of real estate valuation hearings has been prolonged. The VAB has taken steps to expedite the scheduling and adjudicating of the hearings by adding 4 extra hearing rooms in the past 5 years. However, factors out of the control of the VAB, such as free agent/petitioner reschedules pursuant to DOR rule 12D-9.019(4)(a) and PAO's staffing. The VAB starts scheduling its tangible personal property and legal cases within two months after the petitions are filed. This is done to maximize the usage of hearing rooms while the real estate valuation cases from the previous tax year are being finalized.

Finding 4.1 Although we acknowledge that coordination between the VAB and Property Appraiser is essential for effective planning, the scheduling function is the responsibility of the VAB. Therefore, we recommend that the VAB ensures compliance with DOR Rule 12D-9.005.

Response: We concur that coordination between the VAB and the PAO is essential for effective planning. Furthermore, the scheduling function has been and continues to be the responsibility of the VAB. The procurement of a new VAB system should enhance this coordination.


Finding 4.2 The VAB should periodically review its internal controls to ensure that its processes remain independent and free from control or influence or the perception thereof, from any other entity. Such controls should be documented in an internal policy and procedures manual.

Response: Please see the previous response to Finding 1.2. Additionally, the procurement of a new VAB system should help minimize that perception. We will incorporate these procedures into our existing internal policies and procedures manual.

If you require any further information, please do not hesitate to contact me.

Sincerely,

HARVEY RUVIN, CLERK
CIRCUIT AND COUNTY COURTS



By: Mark A. Martinez, Senior Deputy

cc: Harvey Ruvin, Clerk of Courts
Liza Saboya Fernandez, Director, Clerk's Strategic Management and Budget

MEMORANDUM

July 1, 2015

TO: Mr. Jose Montes de Oca, Chief Auditor
Office of Management and Compliance Audits

FROM: Judith M. Marte, Chief Financial Officer
Financial Services

SUBJECT: ADMINISTRATIVE RESPONSE TO THE AUDIT OF MIAMI-DADE
COUNTY VALUE ADJUSTMENT BOARD APPEALS PROCESS
(PHASE 2)

- 2.1 Florida State Statutes s. 192.091 provides that the budget of the assessor's office, as approved by the Dept. of Revenue, shall be the basis upon which the tax authorities of each county, *except municipalities and the district school board*, shall be billed by the assessor for services rendered. The School District will not pay the invoice dated June 2, 2015. Further, based on a preliminary review of the report, it is the intent of the Superintendent of Schools to request a review by the School Board Attorney of all available means to recover prior payments to the county that were rendered based on a reference to Florida State Statutes s. 194.015 included in current and prior invoices dating as far back as 1992.
- 2.2 The Administration agrees with recommended action bullet number one as noted in 2.1 above. Additionally, the District will seek to have SB 972 from the 2015 legislative session relating to modifying the VAB process re-filed for the 2016 legislative session, which would provide school districts the explicit ability to audit Property Appraiser's Office expenditures.

JMM:adm
M-003

cc: Mr. Leo Fernandez
Ms. Iraida R. Mendez-Cartaya

Anti-Discrimination Policy

Federal and State Laws

The School Board of Miami-Dade County, Florida adheres to a policy of nondiscrimination in employment and educational programs/activities and strives affirmatively to provide equal opportunity for all as required by:

Title VI of the Civil Rights Act of 1964 - prohibits discrimination on the basis of race, color, religion, or national origin.

Title VII of the Civil Rights Act of 1964 as amended - prohibits discrimination in employment on the basis of race, color, religion, gender, or national origin.

Title IX of the Education Amendments of 1972 - prohibits discrimination on the basis of gender.

Age Discrimination in Employment Act of 1967 (ADEA) as amended - prohibits discrimination on the basis of age with respect to individuals who are at least 40.

The Equal Pay Act of 1963 as amended - prohibits gender discrimination in payment of wages to women and men performing substantially equal work in the same establishment.

Section 504 of the Rehabilitation Act of 1973 - prohibits discrimination against the disabled.

Americans with Disabilities Act of 1990 (ADA) - prohibits discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications.

The Family and Medical Leave Act of 1993 (FMLA) - requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons.

The Pregnancy Discrimination Act of 1978 - prohibits discrimination in employment on the basis of pregnancy, childbirth, or related medical conditions.

Florida Educational Equity Act (FEEA) - prohibits discrimination on the basis of race, gender, national origin, marital status, or handicap against a student or employee.

Florida Civil Rights Act of 1992 - secures for all individuals within the state freedom from discrimination because of race, color, religion, sex, national origin, age, handicap, or marital status.

Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA) - prohibits discrimination against employees or applicants because of genetic information.

Boy Scouts of America Equal Access Act of 2002 – no public school shall deny equal access to, or a fair opportunity for groups to meet on school premises or in school facilities before or after school hours, or discriminate against any group officially affiliated with Boy Scouts of America or any other youth or community group listed in Title 36 (as a patriotic society).

Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 295.07 (Florida Statutes), which stipulate categorical preferences for employment.

In Addition:

School Board Policies 1362, 3362, 4362, and 5517 - Prohibit harassment and/or discrimination against students, employees, or applicants on the basis of sex, race, color, ethnic or national origin, religion, marital status, disability, genetic information, age, political beliefs, sexual orientation, gender, gender identification, social and family background, linguistic preference, pregnancy, and any other legally prohibited basis. Retaliation for engaging in a protected activity is also prohibited.

INTERNAL AUDIT REPORT

Audit of the Miami-Dade County Value Adjustment Board (VAB) Appeals Process - Phase 2



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