

**BOCC Action on PLB Tax Deeds
June 13, 2017**

2. Authorization to apply for tax deeds on Port LaBelle parcels

Mr. Lapp said this is for 430 parcels in Port LaBelle. Ms. Butler said in order to get property back on the tax roll she suggests they start with these Port LaBelle properties. Ms. Davis said they could get the funds from different accounts this year and then every year budget for it.

Motion made by Commissioner Turner, seconded by Commissioner Harris, called and unanimously carried to authorize staff to apply for tax deeds on the 430 parcels.

Ms. Butler informed the Board that she only has one employee that works diligently on tax deeds to keep up with the present load. If the demand increases then Ms. Butler will need to hire another person to help with tax deeds.



Board of County Commissioners Agenda Request

Date of Meeting: June 13, 2017
Date Submitted: June 2, 2017
To: Honorable Chairman and Members of the Board
From: Mark Lapp, County Attorney *MFL*
Agenda Location: Staff Reports
County Attorney
Subject: Authorization to apply for tax deeds on Port LaBelle parcels

Statement of Issue:

Authorization is sought to apply for tax deeds on certain Port LaBelle parcels.

Background:

When the Tax Collector Office holds its annual sale of tax certificates for parcels with delinquent taxes, the certificates are struck to the County when there are no bidders. In Port LaBelle, the County holds 22,885 tax certificates on 3,226 parcels. By law, the Clerk is required to apply for a tax deed for a County-held certificate two years after the certificate was issued for parcels valued at \$5,000 or more. Generally, the Clerk does not apply for tax deeds on parcels valued at less than \$5,000 due to the expense involved and the fact that the County spends a significant amount of money every year applying for tax deeds on the parcels valued in excess of \$5,000. The Clerk has not applied for tax deeds on the Port LaBelle tax certificates because the parcels are valued at less than \$5,000.

The Port LaBelle Utility System (PLUS) has incurred debt over the years to construct various infrastructure projects. The debt is repaid through special assessments imposed on landowners within Port LaBelle. When the taxes are not paid on a parcel, the special assessments are not paid either. In order for PLUS to be able to repay its debt, the number of parcels in Port LaBelle not paying taxes needs to be reduced substantially.

Analysis:

Staff and PLUS's consultant, John Capece, have determined that the County needs to apply for tax deeds for parcels with County-held tax certificates. The standard fee charged by the Tax Collector to apply for a tax deed is \$250 per parcel. Applying for tax deeds on all of the Port LaBelle parcels at one time is financially infeasible. Staff determined that it needed to prioritize which parcels had the highest likely return. Additionally, staff sought to obtain a fee reduction from the Tax Collector's Office.

Through discussions with Tax Collector Pat Langford and the office's designated title company, Florida Hometown Title, staff was able to secure a \$50 reduction (\$25 reduction by both the Tax Collector's Office and the title company) to a fee of \$200.

Staff has determined that the Port LaBelle parcels that are most marketable are the ones in Units 1-9, as contrasted with Units 10-13 (Banyan Village). Additionally, staff decided that it made the most sense to apply for tax deeds only on parcels where the County held all of the certificates. (Some parcels have outstanding certificates for multiple years, some of which are held by private parties.) Additionally, staff determined that it made the most sense to apply for tax deeds on parcels fronting on a paved street. (Some parcels in Port LaBelle do not front on paved streets.) Four hundred and thirty parcels fit the above stipulations. At \$200 per parcel, the County will need to pay \$86,000 to apply for tax deeds on these parcels.

Parcels that are purchased at the tax deed auction will have all delinquent taxes and special assessments brought current. Parcels that are not purchased at the tax deed auction go on the list of lands available for taxes. Anyone may purchase parcels off of the list of lands available for taxes, at which time the outstanding taxes and special assessments would be paid. If no one purchases a parcel off of the list of lands available for taxes, after three years the parcel escheats to the County. The County has been actively selling the parcels that come into its ownership through escheatment and has been putting the proceeds into the County's general operating account. Staff believe that all proceeds from sale of escheated tax deed parcels in Port LaBelle, after reimbursing the general fund for out of pocket expenses, should be given to PLUS for debt retirement.

Fiscal Impact:

\$86,000 to apply for the tax deeds. Office of Management and Budget Director Jennifer Davis has advised that she will draw the money from unspent funds in various accounts.

Options:

- Option # 1: Authorize staff to apply for tax deeds on the 430 parcels.
- Option # 2: Decline to authorize staff to apply for tax deeds
- Option # 3: Board provide direction.

Recommendation:

Option # 1

cc: The Honorable Pat Langford
The Honorable Barbara Butler
Roger Greer – PLUS
John Capece

**Analysis of Tax Payment Rates
for Hendry County Properties
in the Port LaBelle Utility System Service Area**

Supplemental Report #2

May 12, 2017

**Sanjiv Jagtap
John Capece
Michal Fidler**

Table 1. Parcels in Units 1-9 and 10-13 (Banyan Village) with unredeemed tax certificates held by Hendry County in 2016 (updated Table 3 from Supplemental Report #1).

	Number of Parcels	Number of Tax Certificates	Face Value of Tax Certificates	Current Value of Tax Certificates
Parcels in tax year 2016 which have	ALL held by Hendry County			
1 year unredeemed certificate	416	416	\$95,531	\$105,134
2 years unredeemed certificates	99	198	\$49,298	\$82,785
3 years unredeemed certificates	71	213	\$46,077	\$65,531
4 years unredeemed certificates	94	376	\$79,903	\$114,226
5 years unredeemed certificates	273	1365	\$287,893	\$396,664
6 years unredeemed certificates	158	948	\$208,612	\$330,182
7 years unredeemed certificates	184	1288	\$320,603	\$529,324
8 years unredeemed certificates	582	4656	\$1,386,854	\$2,490,959
9 years unredeemed certificates	65	585	\$256,070	\$475,057
10 years unredeemed certificates	1284	12840	\$8,217,480	\$15,778,830
TOTAL:	3226	22885	\$10,948,323	\$20,368,692

Parcels in tax year 2016 which have	Units 1-9			
1 year unredeemed certificate	279	279	\$57,476	\$67,080
2 years unredeemed certificates	64	128	\$32,080	\$55,134
3 years unredeemed certificates	42	126	\$25,917	\$41,232
4 years unredeemed certificates	81	324	\$59,178	\$75,703
5 years unredeemed certificates	189	945	\$184,141	\$253,450
6 years unredeemed certificates	125	750	\$167,651	\$271,121
7 years unredeemed certificates	155	1085	\$268,735	\$445,377
8 years unredeemed certificates	413	3304	\$1,063,647	\$1,965,950
9 years unredeemed certificates	25	225	\$65,897	\$126,668
10 years unredeemed certificates	0	0	\$0	\$0
TOTAL:	1373	7166	\$1,924,721	\$3,301,713

Parcels in tax year 2016 which have	Banyan Village (Units 10-13)			
1 year unredeemed certificate	137	137	\$38,055	\$38,055
2 years unredeemed certificates	35	70	\$17,218	\$27,652
3 years unredeemed certificates	29	87	\$20,161	\$24,299
4 years unredeemed certificates	13	52	\$20,725	\$38,523
5 years unredeemed certificates	84	420	\$103,752	\$143,214
6 years unredeemed certificates	33	198	\$40,962	\$59,062
7 years unredeemed certificates	29	203	\$51,868	\$83,947
8 years unredeemed certificates	169	1352	\$323,208	\$525,009
9 years unredeemed certificates	40	360	\$190,173	\$348,389
10 years unredeemed certificates	1284	12840	\$8,217,480	\$15,778,830
TOTAL:	1853	15719	\$9,023,602	\$17,066,979

Table 2. Parcels in Units 1-9 for which tax certificates are all currently held by Hendry County and which will have at least one certificate two or more years old for the projected years 2017-2023. Projected years assume that Hendry County does not obtain new tax certificates after 2016, and that held tax certificates are neither bought nor redeemed.

Year	Eligible for Tax Deed Application	First Year Eligible for Tax Deed Application	New Parcels that are Eligible for Tax Deed Applications this Year
2017	452	12	452
2018	632	120	180
2019	747	0	115
2020	1016	0	269
2021	1048	0	32
2022	1144	0	96
2023	1270	0	126

Table 3. The numbers of unredeemed tax certificates associated with parcels in 2017 that are within Units 1-9 and that are all held by Hendry County with at least one certificate two or more years old.

Number of Unredeemed Tax Certificates per Parcel in 2017	Number of Parcels
3	12
4	20
5	54
6	64
7	20
8	282