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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 11(A)(15)

TO: Honorable Chairman Jean Monestime and Members, Board of County Commissioners

DATE: April 5, 2016

FROM: Abigail Price-Williams County Attorney

SUBJECT: Resolution expressing concerns to the United States Treasury Secretary regarding a January 13, 2016 Geographic Targeting Order issued by the Treasury Department that targets Miami-Dade County by temporarily requiring title insurance companies to identify the natural persons behind companies that pay more than one million in cash for residential real estate in Miami-Dade County

Resolution No. R-297-16

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Sally A. Heyman.

Abigail Price-Williams
County Attorney

APW/lmp

MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: April 5, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 11(A)(15)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Statement of social equity required**

_____ **Ordinance creating a new board requires detailed County Mayor's report for public hearing**

__✓__ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(15)
4-5-16

RESOLUTION NO. R-297-16

RESOLUTION EXPRESSING CONCERNS TO THE UNITED STATES TREASURY SECRETARY REGARDING A JANUARY 13, 2016 GEOGRAPHIC TARGETING ORDER ISSUED BY THE TREASURY DEPARTMENT THAT TARGETS MIAMI-DADE COUNTY BY TEMPORARILY REQUIRING TITLE INSURANCE COMPANIES TO IDENTIFY THE NATURAL PERSONS BEHIND COMPANIES THAT PAY MORE THAN ONE MILLION IN CASH FOR RESIDENTIAL REAL ESTATE IN MIAMI-DADE COUNTY

WHEREAS, on January 13, 2016, the Financial Crimes Enforcement Network ("FinCEN"), a bureau of the United States Department of the Treasury, issued Geographic Targeting Orders (the "Orders") temporarily requiring title insurance companies to identify the natural persons behind companies that pay more than $1 million in cash to purchase high-end residential real estate in Miami-Dade County, and more than $3 million in cash to purchase high-end residential real estate in the Borough of Manhattan in New York City, New York; and

WHEREAS, specifically, the Orders require title insurance companies, from March 1, 2016 to August 27, 2016, to file a report with FinCEN identifying the individual or individuals who own the company used to purchase the property; and

WHEREAS, Miami-Dade County and the Borough of Manhattan are the only two jurisdictions that have been targeted with such Orders; and

WHEREAS, the purpose of the Orders, as explained by FinCEN, is to identify individuals who are laundering illicit money through the real estate market; and

WHEREAS, this Board supports federal efforts to combat money laundering in the real estate sector; however, this Board also has concerns that the Miami-Dade Order may have unintended consequences that could negatively impact legitimate real estate purchases in Miami-Dade County; and

WHEREAS, indeed, there is a widespread misperception that the identity of the individual owner or owners of the purchasing company, as disclosed in the new report required under the Orders, will become publicly available, despite the fact that it appears the information disclosed in such report will be confidential and only accessible to law enforcement personnel; and

WHEREAS, as a result, and because privacy in general is so important to many individuals, real estate experts have indicated that these new reporting requirements will likely have a chilling effect on the real estate market in Miami-Dade County; and

WHEREAS, additionally, real estate agents in neighboring counties have already begun steering purchasers away from Miami-Dade County if they wish to buy high-end real estate and avoid FinCEN's new reporting requirements, thus putting Miami-Dade County's real estate market at a potential unfair business disadvantage; and

WHEREAS, moreover, the federal government already requires businesses and financial institutions to report whenever they receive more than $10,000.00 cash in a trade or business transaction, so much of the information disclosed by the new report required under the Orders will be duplicative of information that is already required to be reported under existing federal laws aimed at combatting money laundering; and

WHEREAS, this Board also has concerns that Miami-Dade County, as one of only two locations targeted by the Orders, is being unfairly targeted despite the fact that all-cash purchases of high-end residential real estate occur in many other large metropolitan areas throughout the country; and

WHEREAS, this Board would like to express concerns to the United States Treasury Secretary related to the Treasury Department's Geographic Targeting Order directed at Miami-Dade County regarding high-end residential real estate purchases,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Expresses concerns to the United States Treasury Secretary regarding the targeting of Miami-Dade County and the potential negative impact on legitimate real estate purchases in Miami-Dade County by a January 13, 2016 Geographic Targeting Order issued by the Treasury Department that temporarily requires title insurance companies to identify the natural persons behind companies that pay more than $1 million in cash for residential real estate in Miami-Dade County.

Section 2. Directs the Clerk of the Board to transmit a certified copy of this resolution to the members of the Miami-Dade Congressional Delegation, the United States Treasury Secretary, the United States Attorney for the Southern District of Florida and the Manhattan Borough President.

The Prime Sponsor of the foregoing resolution is Commissioner Sally A. Heyman. It was offered by Commissioner **Sally A. Heyman**, who moved its adoption. The motion was seconded by Commissioner **Xavier L. Suarez** and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman	**nay**		
Esteban L. Bovo, Jr., Vice Chairman	**aye**		
Bruno A. Barreiro	**aye**	Daniella Levine Cava	**nay**
Jose "Pepe" Diaz	**absent**	Audrey M. Edmonson	**aye**
Sally A. Heyman	**aye**	Barbara J. Jordan	**aye**
Dennis C. Moss	**aye**	Rebeca Sosa	**absent**
Sen. Javier D. Souto	**nay**	Xavier L. Suarez	**aye**
Juan C. Zapata	**absent**		

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of April, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: Christopher Agrippa
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. MJM

Michael J. Mastrucci