



# Memorandum



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To: The Honorable Carlos A. Gimenez, Mayor, Miami-Dade County  
The Honorable Jean Monestime, Chairman  
and Members, Board of County Commissioners, Miami-Dade County

The Honorable Perla Tabares Hantman, Chairwoman  
and Members, Miami-Dade County School Board  
Alberto Carvalho, Superintendent, Miami-Dade County Public Schools

Commissioner Juan C. Zapata, Chairman  
and Members, Value Adjustment Board, Miami-Dade County

The Honorable Pedro J. Garcia, Property Appraiser, Miami-Dade County

The Honorable Harvey Ruvin, Clerk, Miami-Dade County

From: Mary T. Cagle, Inspector General 

Date: March 29, 2016

Subject: Receipt of Status Reports Pertaining to OIG's Review of the Value  
Adjustment Board, IG14-13

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On September 14, 2015, the Office of the Inspector General (OIG) issued its final report regarding the Value Adjustment Board (VAB). The final report contained sixteen recommendations resulting from our review of the processes and procedures utilized by the Clerk of Courts (COC) and the Property Appraiser's Office (PAO) to schedule and hear property valuation appeals. Eight recommendations were directed to the COC pertaining to its VAB-related responsibilities; three recommendations were directed to the PAO, also pertaining to its VAB-related functions; four recommendations were directed to the VAB Attorney for a response; and one was directed to both the COC and the PAO. In our final report, we requested the responsible parties to provide us with status reports detailing their implementation of the adopted recommendations.

The OIG is in receipt of the COC's and the PAO's status reports dated December 10, 2015 and December 14, 2015 (Attachments A and B, respectively). We have reviewed the two status reports and met with COC and PAO administrators, and the VAB Attorney, to further discuss the implementation of these recommendations. We are pleased to announce that twelve of the sixteen recommendations have been fully adopted. While some OIG recommendations that the VAB obtain legal advisory opinions from the Florida

Department of Revenue are still pending, we are confident that the actions implemented thus far will go a long way to ensuring that, prospectively, the VAB concludes its hearings in a timely manner and allows for timely certification of the tax rolls.

Furthermore, on March 25, 2016, Governor Rick Scott signed into law House Bill 499, which amends and/or enacts new procedures pertaining to ad valorem taxation and value adjustment boards. Many of the proposed amendments from the Miami-Dade County Public Schools' legislative package were included in the final bill that passed. The District, and the work of the Office of Management and Compliance Audits, should be commended in making the proposed amendments a reality. Highlights from the bill that affect the value appeals process include:

- Requires the VAB to submit the certified assessment roll to the Property Appraiser by June 1<sup>st</sup> following the year in which the assessments were made, or by December 1<sup>st</sup> in any year that the number of petitions filed increased over the prior year by more than 10%.
- Limits the representation of a taxpayer to only the following classes of individuals: certain licensed professionals, an employee of the taxpayer, a person with power of attorney from the taxpayer, or an uncompensated individual with written authorization from the taxpayer that is only valid for one year.
- Changes the interest rate (for overpayments and underpayments) from 12% to the bank prime loan rate, and requiring that interest on overpayments be proportionately funded by each taxing authority that was overpaid.
- Limits rescheduling of a hearing by the petitioner or the property appraiser to only one reschedule each and for good cause only; reduces the notice period from 25 days to 15 days when the rehearing is requested by the petitioner.
- Makes permanent the ability of a school district to levy 75% of a school district's most recent prior period funding adjustment millage in the event that the final tax roll is delayed for longer than one year.

We are hopeful that these amendments, along with the OIG's recommendations, will provide for a more efficient VAB process and the timely certification of the Miami-Dade County tax roll. The OIG considers our review of the VAB, which resulted in the aforementioned final report, to be closed.

Last of all, the OIG would like to thank the Clerk of Courts, the Property Appraiser and their staff members, as well as the Value Adjustment Board for their cooperation during this review.

cc: Manuel A. Blanco, Attorney, Value Adjustment Board  
Mark A. Martinez, Director, Value Adjustment Board (Clerk of Courts)  
Robert Alfaro, Manager, Value Adjustment Board (Clerk of Courts)  
Marcus Saiz, Tax Collector  
Lazaro Solis, Deputy Property Appraiser  
Cathy Jackson, Director, Audit and Management Services  
Charles Anderson, Commission Auditor  
Jose Montes de Oca, Chief Auditor, Miami-Dade County Public Schools  
Walter J. Harvey, School Board Attorney, Miami-Dade County Public Schools



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

December 10, 2015

Mary T. Cagle, Inspector General  
Office of the Inspector General  
Miami-Dade County

Re: Written Plan Addressing Recommendations (VAB)

Dear Ms. Cagle,

I wanted to again thank you and your staff for looking at the Value Adjustment Board (VAB) operation and I am confident that the implemented recommendations, as provided below, will have a positive impact on the whole VAB process.

As requested on your Final Report – OIG Review of the Value Adjustment Board, the following written plan is submitted referencing all recommendations made in that report:

The Clerk of Courts is committed to do everything within our statutory role and duties to enhance the quality of the VAB process while finishing the hearings in a timely manner. We have recently secured four additional hearing rooms; totaling thirteen (13) hearing rooms that are available daily. We likewise have additional resources to staff all the hearing rooms. As we discussed, our office cannot ensure that the number of cases heard are at its daily capacity without the cooperation of the other stakeholders such as the Property Appraiser's Office and the licensed agents representing property owners.

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Additionally, we are involved in preparing a Scope of Work for a new Value Adjustment System. Having a new modern system can shorten the hearing process and increase the quality of work.

**Recommendations of Tax Agents Filing Petitions that are not Authorized by the Taxpayers.**

**Recommendation 1).** The VAB should consider establishing an intake system ensuring all petitions are “complete” within the definition of Florida Statutes and DOR Regulations, particularly the petitions filed by unlicensed tax agents should be signed or accompanied by written authorization from the taxpayer.

*Plan: For online filers for tax year 2015, our office created an inbox for petitioners filing VAB petitions which require letters of authority when non-licensed agents filed their VAB petitions. Otherwise, the system will not allow the petition to be filed online. For walk-in and/or mail in VAB petitions, they were screened and verified when non-licensed agents were filing on behalf of property owners. We have contacted the petitioner to file the required document to ensure compliance. We will continue this practice and make them part of our operating procedures.*

**Recommendation 2).** The VAB should consider adding a designation to the tax agent registration number to differentiate licensed from unlicensed tax agents. It may be as simple as adding an “L” or a “U” as a suffix or a prefix to the number. The designation will assist the VAB in complying with its authorization requirements.

*Plan: A service request was submitted to the County’s Information Technology Department (ITD) to modify the current VAB computer system to accept and differentiate non-licensed agents with a special agent number sequence. As of this writing, this prefix is in effect.*

**Recommendation 3).** The VAB should consider lowering the number of petitions triggering registration. While anyone can represent a taxpayer, it is unlikely that tax agents representing more than a couple of taxpayers are individuals assisting friends or family members. A lower threshold, of 10 instead of 25, would ensure that the VAB maintains records of tax agents acting as a business enterprise. Adding agents to the registration system will also improve the scheduling process.

*Plan: This process is in place. Please note that statutorily, agents are not required to register with the VAB office.*

**Recommendation 4).** The VAB should periodically review and update its registration data to ensure tax agent information is current and accurate. Periodic notices and reminders to tax agents to update their information, or a system of deleting tax agents after a number of years of inactivity, will ensure an accurate registry is maintained.

*Plan: This process is in place. All licensed agents were screened for licensure and/or memberships. We will perform this task on an annual basis and continue this practice as well as make them part of our operating procedures.*

Recommendation 5). The VAB should establish a system to track complaints and their resolutions. Without a formal complaint system, the VAB was not able to provide, other than anecdotally, any actual complaint regarding unauthorized representations or other issues. Meaningful review of problems cannot be made without a system in place that tracks the types of complaints and records the resolutions.

*Plan: VAB has acquired software which will track complaints submitted to the VAB office. "Mail Tracker," an in house program, allows us to enter, retrieve and generate reports of complaints submitted to the VAB.*

#### Recommendations of VAB Scheduling Process

Recommendation 6). Once the number of petitions for the tax year has been determined, the VAB and PAO should agree on a written action plan that includes the amount and frequency of Boards needed to complete the process by a target date, regardless of any settlement process. Deciding on a plan and a target date will allow the PAO to implement settlement initiatives and ensure that the VAB meets its responsibility of scheduling hearings. Most of all, it will ensure the process moves forward and is not delayed, as it was in 2012.

*Plan: Our office has met on several occasions with the different sections of the Property Appraiser's Office (legal, tangible personal property and real estate) throughout the tax appeal year to strategize and to monitor the scheduling of VAB hearings. We have the number of hearings needed weekly to complete the 2015 tax appeal cycle by June 1, 2016. We have also met with the agents to inform them of this schedule. We will submit this plan to the VAB attorney to memorialize this plan. We will likewise continue to meet with the PAO to monitor our progress.*

Recommendation 7). The PAO should document the analysis undertaken by staff in arriving at settlements. The OIG recognizes that some of the information contained in a taxpayer's file maintained by the PAO is confidential under Florida law, the analysis should be written to allow for transparency and consistency.

*Plan: The Property Appraiser's Office should respond with their plan to this recommendation.*

Recommendation 8). The VAB should seek to upgrade its computer system and software. The software updates should include the ability to group agendas to be

heard together, either by allowing the PAO access to do those groupings, or by having the PAO provide its methodology or parameters for such groupings. Such functionality would allow the VAB to independently schedule Boards and still maintain the efficiencies that PAO believes are essential.

*Plan: Analysis was performed identifying and documenting all workflows by the VAB Unit. Additionally, other system requirements that are not currently part of the current VAB system were also identified. This document was provided to ITD for them to generate the scope of work and a RFP. ITD has completed the 1<sup>st</sup> draft of the scope of work and RFP for all the stakeholders to review. Once reviewed, the documents will be returned to ITD for finalization. After finalization of those documents, the scope of work and a RFP will be sent to Procurement.*

**Recommendation 9).** The PAO should establish a staffing formula. Using the historical data available, the PAO should be able to establish a staffing formula that ensures that the necessary personnel are available to staff Boards. Having the aforementioned written action plan {Recommendation 7 (a)} will assist the PAO in establishing said staffing formula, i.e. determining the number of staff necessary to complete the hearings by a target date.

*Plan: The Property Appraiser's Office should respond with their plan to this recommendation.*

**Recommendation 10).** The VAB should review its criteria for rescheduling and ensure that staff has sufficient categories and indicator codes to accurately track the reasons for rescheduling a hearing. While the OIG understands that many of the scheduling and coding problems arise from an antiquated computer system, there are measures that could be taken immediately. Using the existing system, the VAB can re-categorize the indicator codes to allow for accurate recording of the rescheduling. Using the same indicator codes and criteria within the VAB's various reporting systems would be a first step in ensuring consistency and accuracy.

*Plan: A service request has been submitted to ITD to add additional rescheduling indicator codes such as reschedule requests submitted by the PAO, one time free reschedule (freebie) and others. These codes are now in place in our current system. Additionally, these codes will be a requirement of the new system.*

**Recommendation 11).** The PAO should ensure that copies of any requests to reschedule hearings sent to the VAB are provided to the petitioner in accordance with DOR Rule 12D-9.019(4) (c) F.A.C., and maintain documentation of the copy sent to the petitioner.

*Plan: The Property Appraiser's Office should respond with their plan to this recommendation.*

**Recommendation 12).** The VAB should seek an advisory opinion regarding whether insufficient staffing constitutes a conflict pursuant to DOR Rule 12D-9.019(4) (c) F.A.C.

*Plan: We have requested, in writing, that the VAB attorney seek this advisory opinion. If the Advisory Opinion is not requested we will notify the VAB.*

**Recommendation 13).** The VAB should seek an opinion from the DOR regarding whether a petitioner should be charged with their one-time rescheduling without cause after the PAO has requested cancellation of the hearing.

*Plan: In instances where a petitioner requests a reschedule after the PAO has requested cancellation of a hearing, we will code as a PAO cancellation. Continued training has been conducted to teach staff the new codes. Additional staff will be trained to process these reschedule requests in an expeditious manner. With the new rescheduling codes in place and additional staff trained, this should not be an issue.*

#### Recommendations on Special Magistrates

**Recommendation 14).** The VAB should request DOR guidance and training for special magistrates regarding conflicts requiring recusal.

*Plan: We have requested, in writing, that the VAB attorney address and respond to this matter. If this guidance is not requested, we will notify the VAB.*

**Recommendation 15).** The OIG acknowledges the VAB's recent efforts to minimize the perception of bias regarding Agent Boards by expanding Agent Board assignments to all special magistrates. In order to improve the efficiency of the Agent Board system, the VAB should implement training guides for those special magistrates that have never handled Agent Boards.

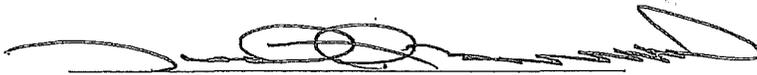
*Plan: We have requested, in writing, that the VAB attorney address and respond to this matter. If the training guides are not implemented, we will notify the VAB.*

**Recommendation 16).** The OIG recommends that the VAB perform an annual evaluation of the magistrates. The evaluation should focus on the efficiency, timeliness, and completeness of the disposition by the special magistrates. The annual evaluation should be sent to the Board to assist in making the following year's appointments.

*Plan: We have requested, in writing, that the VAB attorney address and respond to this matter. If the annual evaluations of the magistrates are not performed, we will notify the VAB.*

Sincerely,

HARVEY RUVIN, CLERK  
CIRCUIT AND COUNTY COURTS



By: Mark A. Martinez, Senior Deputy

cc: Harvey Ruvin, Clerk of Courts  
Luis Montaldo, Chief General Counsel to the Clerk



**ATTACHMENT B**  
MIAMI-DADE COUNTY  
PROPERTY APPRAISER  
ADMINISTRATIVE DIVISION

**PEDRO J. GARCIA**  
**PROPERTY APPRAISER**

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December 14, 2015

Ms. Mary T. Cagle, Inspector General  
Miami-Dade County  
Office of Inspector General  
19 West Flagler Street, Suite 220  
Miami, FL 33130

Re: Follow up to OIG Final Report, IG14-13

Dear Ms. Cagle:

The Miami-Dade County Property Appraiser's Office (PAO) reiterates its commitment to implementing changes that will improve the Value Adjustment Board (VAB) process. From the beginning, the PAO has been dedicated to working cooperatively with the VAB and all interested partners to create the most efficient process possible for the benefit of the residents and taxpayers of Miami-Dade County.

Out of the eight recommendations proposed in the Final Report, three are within the Property Appraiser's Office purview and one remains a joint effort between the VAB and the PAO. All recommendations were carefully considered and appropriate actions have been undertaken to address each concern. The following provides an update on each of the recommendations offered:

**OIG Recommendation: Page 36, 7(a) Once the number of petitions for the tax year has been determined, the VAB and PAO should agree on a written action plan that includes the amount and frequency of Boards needed to complete the process by a target date, regardless of any settlement process. Deciding on a plan and a target date will allow the PAO to implement settlement initiatives and ensure that the VAB meets its responsibility of scheduling hearings. Most of all, it will ensure the process move forward and is not delayed, as it was in 2012.**

The Property Appraiser and Clerk of Courts' staff have met on several occasions to develop and implement a plan for a timely completion of the 2015 VAB hearings. This plan considers the number of petitions submitted by agents within each class of property, the number of board rooms available, and the level of staff necessary. The target date for completion of all hearings is May 2, 2016. Based on these factors, the VAB Manager has met with the agents who filed the largest number of petitions and advised them of the number of their cases that will be scheduled weekly.

The agents were given an opportunity to consider several alternative options for completing these cases such as full agent boards, double agent boards, settlement agreements with the PAO, or any combination that meets the target completion date.

The PAO's staff remains in constant communication with the VAB Manager in an effort to ensure that the agreed upon plan adapts to changing conditions.

**OIG Recommendation: Page 37, 7(b) The PAO should document the analysis undertaken by staff in arriving at settlements. The OIG recognizes that some of the information contained in a taxpayer's file maintained by the PAO is confidential under Florida law, the analysis should be written to allow for transparency and consistency.**

This recommendation was already implemented for the 2014 petition cycle. The Property Appraiser's Office has strengthened its policy on requiring staff to sufficiently document the analysis undertaken in arriving at settlements. Staff has been trained on the required documentation to be attached, and the policy has been reinforced for the 2015 petition cycle.

**OIG Recommendation: Page 37, 7(d) The PAO should establish a staffing formula. Using the historical data available, the PAO should be able to establish a staffing formula that ensures that the necessary personnel are available to staff Boards. Having the aforementioned written action plan [Recommendation 7(a)] will assist the PAO in establishing said staffing formula, i.e., determining the number of staff necessary to complete the hearings by a target date.**

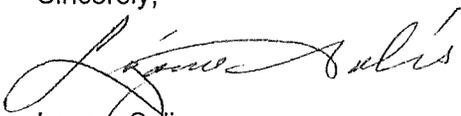
By analyzing historical data and current petition trends, the PAO has increased its VAB appeals staff by more than 50% over the last two years. It has done so by reallocating staff and hiring forty-two new employees. However, the PAO has found that as the private market improves, it becomes more difficult to attract qualified and licensed candidates to the public sector. To address this problem, the PAO has implemented several new recruiting tools to help attract prospective employees from across the state. While the increase in appeals staff has been substantial, the increase alone cannot ensure that the hearings are completed by a target date. The PAO will continue working with the Clerk of Courts and the VAB to evaluate our staffing formula to allocate personnel accordingly.

**OIG Recommendation: Page 38, 7(f) The PAO should ensure that copies of any requests to reschedule hearings sent to the VAB are provided to the petitioner in accordance with DOR Rule 12D-9.019(4)(c) F.A.C., and maintain documentation of the copy sent to the petitioner.**

The Property Appraiser's Office has already implemented a procedure to ensure copies of any requests to reschedule hearings will be sent directly to the petitioners and copies of such requests will be maintained in PAO's files.

While there are a number of factors that may affect the target date, the PAO staff will continue to proactively monitor the progress of the hearings. The PAO remains committed to completing the VAB hearings timely and will meet with VAB Manager to develop a plan prior to the commencement of each VAB cycle.

Sincerely,



Lazaro Solis  
Deputy Property Appraiser