

Meeting Date
February 21, 2017



AGENDA	
Section	Consent
Item No.	<i>II.D.5</i>

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Brevard Property Appraiser Homestead Audit program
DEPT/OFFICE:	Property Appraiser

Requested Action:

Please approve the three-party interlocal agreement for use of property tax collections to fund exemption audit services between the Brevard County Board of County Commissioners, the Brevard County Property Appraiser, and the Brevard County Tax Collector.

Summary Explanation & Background:

The Brevard County Property Appraiser's Office (BCPAO) is working on an initiative to perform an audit on the tax roll countrywide to ensure that all recipients of homestead exemptions are valid. To have a homestead exemption on real property is a valuable benefit to a taxpayer, the result of which is that we do have a very small percentage of cases where there is fraud, either accidental or intentional.

BCPAO has an internal ongoing effort using investigators on our staff to identify and address this fraud, but due to the volume of exemptions in Brevard (over 150,000), investigators are generally limited to being reactive to cases that present themselves, either through neighbor complaints, returned mail, listings for rent, etc.

A relatively recent effort that other property appraisers are using is to contract with a third-party to do a mass 'big-data' exercise to quickly help identify potential cases of fraud using resources we could not ever be able to scale up to. The cases a third party would identify will still be reviewed and vetted by Property Appraiser staff, but these data mining companies do the heavy lifting to find the 1-2% of fraudulent situations among the 150,000 possibilities.

BCPAO has elected to go that route in working with the Brevard Tax Collector's office, utilizing a recent procurement by Duval County to hire Tax Management Associates (TMA), a leader in this field of large scale tax roll audits and the only responsive company in recent Florida RFPs. TMA current customers include Sarasota County and Pinellas County. TMA is compensated for their work on a contingency basis only. When TMA identifies a fraudulent case, BCPAO investigative staff proofs the case and a lien filed and then collected. When the lien is paid, by TMA's agreement with the Property Appraiser and Tax Collector, they would receive 28% of the amount collected. We look at these situations to largely be ones that we would not be able to identify using currently or foreseeable available resources, so there is no quantifiable present or future negative financial impact to taxing authorities. To the contrary, it is a positive financial impact. Our current limited investigative effort results in approximately \$1 million in liens filed annually, covering only a small portion of the tax roll. We anticipate that one-time returns would be a significant multiple of that amount. Once complete, we anticipate repeating the effort (as a separate effort and agreement with your agency) approximately every five years.

To formally agree to participate in the audit, accept payment of collected funds, and payment of contingency fees to TMA, the Board of County Commissioners would have to agree to a three party interlocal agreement with the Brevard County Tax Collector and the Brevard County Property Appraiser (attached).

Clerk to the Board Instructions:

Exhibits Attached: BCPAO Background Memo; Homestead Audit funding agreement (for action); Homestead Audit service contract (info only)

Contract /Agreement (If attached): Reviewed by County Attorney	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	PR <input type="checkbox"/>
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County Manager	Assistant County Manager	Department Director / Extension
<i>Stockton Whitten</i>	Assistant County Manager	Dana Blickley, Property Appraiser, 264-6952 Milo Zonka, Sr. Director, Finance & Admin, 264-6764



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Tammy.Rowe@brevardclerk.us

February 22, 2017

Honorable Dana Blickley
Brevard County Property Appraiser
400 South Street
Titusville, FL 32780

Attention: Milo Zonka, Senior Director of Finance and Administration

Dear Ms. Blickley:

Re: Item II.D.5., Three-Party Interlocal Agreement for Use of Property Tax Collections to Fund Exemption Audit Services

The Board of County Commissioners, in regular session on February 21, 2017, executed Three-Party Interlocal Agreement for use of property tax collection to fund exemption audit services between Brevard County Board of County Commissioners, Brevard County Property Appraiser, and Brevard County Tax Collector. Enclosed is executed Agreement.

Upon execution by the Brevard County Property Appraiser and Brevard County Tax Collector, please return the fully-executed Agreement to this office for inclusion in the official minutes.

Your continued cooperation is greatly appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

Encl. (1)

cc: County Manager
Tax Collector
Contracts Administration
Finance
Budget

**Agreement for Use of Property Tax Collections to Fund
Exemption Audit Services**

THIS AGREEMENT (“Agreement”) is made and entered into as of this 21 day of February, 2017, by and between the BREVARD COUNTY PROPERTY APPRAISER (“PROPERTY APPRAISER”), BREVARD COUNTY TAX COLLECTOR (“TAX COLLECTOR”), and the undersigned Local Governing Boards of the TAXING AUTHORITIES of Brevard County, hereinafter referred to collectively as the “TAXING AUTHORITIES.”

WHEREAS, the PROPERTY APPRAISER is responsible under Florida law for the administration of ad valorem property tax exemptions, including homestead exemption, and the preparing and filing of tax liens for back taxes related to the removal of undeserved exemptions; and

WHEREAS, the TAX COLLECTOR is responsible under Florida law for the collection and distribution of ad valorem property taxes, including back taxes and tax liens, and associated penalties, fees, and interest; and

WHEREAS, the TAXING AUTHORITIES receive local property tax revenue to fund essential public services; and

WHEREAS, the Parties to this Agreement recognize that there may be property owners on the Brevard County tax roll claiming undeserved and/or fraudulent personal exemptions from ad valorem property tax, such as the homestead exemption, (hereinafter collectively referred to as “Personal Exemptions”), which reduces property tax revenue and unfairly shifts the property tax burden to other property owners; and

WHEREAS, the PROPERTY APPRAISER and TAX COLLECTOR intend to contract with TAX MANAGEMENT ASSOCIATES, INC. (“TMA”) for audit services to identify properties with undeserved Personal Exemptions for the purpose of collecting taxes due on those properties, which funds would otherwise be unavailable to the TAXING AUTHORITIES (hereinafter the “TMA Audit Agreement”); and

WHEREAS, TMA shall provide said audit services in exchange for the fee established in the TMA Audit Agreement, which consists of an amount equal to twenty-eight percent (28%) of any tax, penalties, and interest collected from back taxes assessed or tax liens filed by the PROPERTY APPRAISER on parcels identified through a TMA audit as having undeserved Personal Exemption(s) (hereinafter, the “Fee”); and

WHEREAS, the Fee shall be paid exclusively from the taxes, penalties, and interest collected in relation to the removal of Personal Exemptions as a result of audits performed by TMA, and shall not constitute a pledge or general obligation of tax funds or create an obligation

on the TAXING AUTHORITIES to appropriate or make monies available for the purpose of this Agreement beyond the fiscal year in which the Agreement is executed; and

NOW, THEREFORE, the PROPERTY APPRAISER, TAX COLLECTOR, and undersigned TAXING AUTHORITY, for and in consideration of the mutual promises, covenants, and conditions herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, agree as follows:

TERMS

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated into and deemed a part of this Agreement.

2. Authorization of Reduced Collections for Fee Payment:

The undersigned TAXING AUTHORITY authorizes the TAX COLLECTOR to deduct TMA's Fee, as established in the TMA Audit Agreement, from the total property tax, penalties and interest collected as the result of the removal of Personal Exemption(s) pursuant to TMA audits. The TAX COLLECTOR shall distribute the remaining tax revenue to the undersigned TAXING AUTHORITY according to governing Florida law.

This Agreement does not constitute a pledge or general obligation of ad valorem taxation, or create any obligation on any TAXING AUTHORITY to appropriate or make monies available for any tax year, and does not create the right in any party to compel the exercise of the ad valorem taxing power of any TAXING AUTHORITY.

The TAX COLLECTOR shall annually make available to each TAXING AUTHORITY an accounting of all tax proceeds collected pursuant to the TMA Audit Agreement, the Fees paid to TMA, and the total funds distributed to each TAXING AUTHORITY.

3. Term & Termination: This Agreement shall be effective as of the date of execution for an initial term of twelve (12) months. Thereafter, the Agreement shall renew automatically on an annual basis until such time as the TMA Audit Agreement is terminated or otherwise expires. Upon termination or expiration of the TMA Audit Agreement, this Agreement automatically expires except for such provisions as survive termination as further agreed herein.

Any TAXING AUTHORITY may opt out of this Agreement provided it notifies the PROPERTY APPRAISER and TAX COLLECTOR in writing at least ninety (90) days before the end of a fiscal year. The option shall be effective upon the first day of the following fiscal year.

The parties acknowledge that TMA audit services shall not be provided for any parcel in a specific tax district if any TAXING AUTHORITY in that tax district does not sign, or

subsequently withdraws from, an agreement or memorandum of understanding for use of property tax collections to fund exemption audit services.

Upon termination of this Agreement, Fees for all audits completed by TMA in effected tax districts up to the date of the notification of termination shall be payable in accordance with the terms provided by the TMA Audit Agreement. Because tax liens may not be paid within the term of this Agreement, the authorization of reduced collections for Fee payment shall survive the termination of the Agreement, and shall terminate upon the later of the collection and payment of all liens related to TMA audits, or the expiration of such liens as a matter of Florida law.

4. Severability: Should any provision, portion, or application of this Agreement be determined by a court of competent jurisdiction to be illegal, unenforceable, or in conflict with any applicable law or constitutional provision, or should future changes to Florida law conflict with any portion of this Agreement, the parties shall negotiate an equitable adjustment in the affected provisions of this Agreement with a view toward effecting the purpose of this Agreement, and the validity and enforceability of the remaining provisions, portions, or applications thereof, shall not be impaired. If a future change to Florida law conflicts with or preempts the entirety of this agreement, the agreement will be immediately terminated, subject to the termination provisions herein.

5. Public Records: The parties are public agencies subject to Florida's public records laws, including records retention, production, and confidentiality provisions. The PROPERTY APPRAISER and TAX COLLECTOR agree to retain all records maintained by their agencies and associated with the performance of this Agreement in compliance with applicable Florida records retention schedules, and to make all non-confidential or exempt records available for inspection or copying upon request and in compliance with Florida's public records laws.

6. Liability: The PROPERTY APPRAISER retains sole discretion and authority to grant, deny or remove exemptions, or file liens for undeserved Personal Exemptions in accordance with Florida law. All legal costs involving appeals of the removal of Personal Exemptions resulting from audits shall be the responsibility of the PROPERTY APPRAISER. The undersigned TAXING AUTHORITY has no decision-making authority in relation to exemptions or liens under this Agreement and assumes no liability for any claims, damages, losses, or expenses, direct, indirect or consequential, arising out of or resulting from the actions of TMA, the PROPERTY APPRAISER, or the TAX COLLECTOR under this Agreement or the TMA Audit Agreement.

7. Notice: Any notice required to be given under this Agreement shall be made in writing and sent by first class mail, postage paid, or by hand delivery to, the contact and address for the party as it appears on the signatory page of this Agreement.

8. Applicable Law: The terms and conditions of this Agreement shall be governed by the laws of the State of Florida.

9. Sole Benefit: This Agreement is for the sole benefit of the parties hereto, and in no event shall this Agreement be construed to be for the benefit of any third party, nor shall any party be liable for any loss, liability, damages or expenses to any person not a party to this Agreement.

10. Headings: Headings herein are for convenience of reference only and shall not be considered in any interpretation of this Agreement.

11. Execution: The parties agree that this Agreement may be signed in counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by the proper officer of each, as of the date first written above.

PROPERTY APPRAISER:

DATE:

DANA BLICKLEY, CFA
PROPERTY APPRAISER
400 SOUTH STREET
TITUSVILLE, FL 32780
321-264-6700

APPROVED AS TO LEGAL FORM

For the Property Appraiser:

Signature: _____

TAX COLLECTOR:

DATE:

LISA CULLEN, CFC
TAX COLLECTOR
400 SOUTH STREET
TITUSVILLE, FL 32780
321-264-6969

APPROVED AS TO LEGAL FORM

For the Tax Collector:

Signature: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by the proper officer of each, as of the date first written above.

TAXING AUTHORITY
NAME: _____

AUTHORIZED SIGNATURE: 

PRINT NAME: CURT SMITH

TITLE: CHAIRMAN

DATE SIGNED: FEBRUARY 21, 2017

Approved by Board 2/21/17

PRIMARY CONTACT: _____

ADDRESS 1: _____

ADDRESS 2: _____

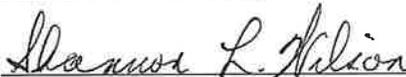
CITY, STATE, ZIP: _____

PHONE: _____

EMAIL: _____

APPROVED AS TO LEGAL FORM

For the TAXING AUTHORITY:

Signature: 

Name & Title: Shannon L. Wilson, Deputy
County Attorney

ATTEST:


SCOTT ELLIS, CLERK

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Dana Blickley, CFA
Brevard County Property Appraiser
P.O. Box 429
Titusville, FL 32781-0429
(321) 264-6700
www.BCPAO.us

MEMORANDUM

DATE: February 1, 2017

TO: Brevard County Taxing Authorities

FROM: Milo M. Zonka, Sr. Director, Finance & Administration MMZ

RE: Homestead Exemption Audit Agreement Background

The Homestead Property Tax Exemption, which is defined by the Florida Constitution, is a valuable benefit for permanent Florida residents. Coupled with the Save Our Homes cap, homeowners' savings on property taxes can climb into the thousands of dollars annually. Due to its money-saving benefits, the Homestead Property Tax Exemption is ripe for fraudulent or improper claims. A claim of improper homestead exemption shifts the burden of property tax payments to other property owners, and denies cities, school districts and other taxing authorities of needed revenue.

Florida Statute 196.011 (9) provides a process for filing liens for back taxes, 50% penalties, and 15% interest per annum for a period up to ten (10) years on parcels that receive undeserved homestead exemption. The amounts collected are returned to the taxing authorities by the Tax Collector. The Property Appraiser does not receive any portion of the funds collected under this statute.

The current method of detecting possible homestead exemption fraud relies primarily on reports from citizens and returned mail from the post office. The majority of potential fraud cases come in as tips and complaints from the general public. We also rely heavily on our returned, undeliverable mail as that is a red flag that a homestead exemption is no longer valid. Our homestead fraud department has a staff of four plus a manager. In 2016, this limited staff worked 988 cases generated by these reactive methods, resulting in 251 new liens totaling \$738,410 being filed and \$1,140,876 being collected and paid to the taxing authorities from previously filed liens. From 1999 through 2016, the investigative efforts of this staff have resulted in \$235 million in property value being returned to the tax roll countywide, with \$5.6 million in back payments, penalties and interest collected via property liens per applicable state statutes.

There are many cases of homestead fraud that go undetected using these methods. There are new technological developments in software and database mining that allow companies to run statistical, mass data analysis that we do not have the capabilities to run. This software enables us to uncover potential undeserved homestead exemptions by identifying property owners who receive benefits or have indications of residence in other jurisdictions nationwide.

We desire to contract with a vendor who offers a service that has helped to recover millions in tax dollars for other counties. They use their mass data analysis software to detect possible homestead exemption fraud paired with their highly trained investigative staff to verify information. They then return their findings to us so that we can validate that the homestead was improper and file liens against parcels receiving underserved benefits.

We believe that a more aggressive and comprehensive discovery approach of improper homestead will occur if we utilize a qualified third-party vendor versus increasing our staffing to more proactively work this higher volume. We also believe that taxing authorities will receive a greater financial gain using this approach despite the fact that a portion of the proceeds will be paid to the vendor (a maximum of 28% of collected liens). If no liens are filed and paid, the vendor will not be paid.

This proposal will require the Property Appraiser and Tax Collector to execute an Interlocal Agreement with each taxing authority in which the taxing authority agrees to have 28% of the proceeds of the lien collections paid to the vendor, plus the Tax Collector's authorized reimbursement rate.

The Property Appraiser and Tax Collector have selected Tax Management Associates (TMA) as the vendor for this project, using a piggyback on TMA's recent agreement with the Duval County Tax Collector and Property Appraiser. TMA was selected as a result of Duval County's RFP process and is an established market leader in this field. TMA currently contracts with Sarasota and Pinellas counties as well, and we have received strong references from each. We are confident that TMA will execute their portion of the project expeditiously and professionally.

We expect to achieve the necessary taxing authority agreement approvals by March/April 2017. TMA will begin their work immediately and the Property Appraiser's review and approval effort will begin thereafter. In order to maintain an orderly work flow, we will meter cases through the Property Appraiser's office to ensure that both the Property Appraiser and Tax Collector can handle the workflow without additional staffing. Based on the Property Appraiser's previous experience, it is anticipated that taxing authorities will begin to see lien payments in 2017 that will continue into 2018 and beyond as liens are paid off.

The proposal creates a funding mechanism to allow us to review the validity of all residency-based property tax exemptions and should serve to decrease the number of exemptions that are improperly claimed. A copy of the proposed Agreement between your agency and the Property Appraiser and Tax Collector is attached as an action item for your consideration.

We respectfully request that you join us in our efforts to reduce the incidence of improper exemptions by executing the attached Agreement.

For your review only, also included is a copy of the agreement between TMA and the Property Appraiser and Tax Collector offices.

**Tax Management Associates, Incorporated
& Brevard County, Florida
Agreement for Provision of Exemption Audit Services for Tax
Revenue Enhancement**

This Agreement (the "Agreement") is made and entered into this _____ day of _____, 2017 by and between the BREVARD COUNTY PROPERTY APPRAISER, with its principal place of business located at 400 South St. Titusville, FL 32780 ("PROPERTY APPRAISER"), the BREVARD COUNTY TAX COLLECTOR, with its principal place of business located at 400 South St. Titusville, FL 32780 ("TAX COLLECTOR"), and TAX MANAGEMENT ASSOCIATES, INC. [TMA] a company authorized to conduct business in Florida, to assist the PROPERTY APPRAISER through the performance of audits to verify entitlement to personal exemptions from ad valorem taxation granted on the County tax roll. The PROPERTY APPRAISER, TAX COLLECTOR, and TMA are hereinafter jointly referred to as "Parties."

Contractual services may begin upon full execution of this contract.

WITNESSETH:

WHEREAS, the PROPERTY APPRAISER is responsible under Florida law for the administration of ad valorem property tax exemptions and the preparing and filing of tax liens for back taxes related to the removal of undeserved exemptions; and

WHEREAS, the TAX COLLECTOR is responsible under Florida law for the collection and distribution of ad valorem property taxes, including tax liens, and associated penalties, fees, and interest; and

WHEREAS, the PROPERTY APPRAISER desires to obtain services to Audit the Brevard County tax roll (hereinafter "Audit Services") to identify undeserved personal exemptions from ad valorem property tax. Such exemptions include, but may not be limited to, the homestead exemption granted pursuant to Article VII, section 6 of the Florida Constitution, and exemptions governed by Chapters 193 and 196, Florida Statutes (hereinafter collectively "Personal Exemptions"); and

NOW, THEREFORE, in consideration of the promises mutually exchanged, the Parties agree as follows:

- 1) **INCOPORATION OF RECITALS.** The recitals set forth above are hereby incorporated into and deemed a part of this Agreement.
- 2) **EXEMPTION AUDIT SERVICES**
 - a. TMA agrees to furnish Audit Services to identify undeserved Personal Exemptions on the Brevard County tax roll. The Audit Services provided by

TMA will be performed in accordance with the terms and conditions in this Agreement and in compliance with all applicable Florida law.

- b. It is expressly agreed by the Parties that the PROPERTY APPRAISER shall retain the final discretion to act on any and all Audit recommendations made by TMA. The PROPERTY APPRAISER shall remove Personal Exemptions and prepare and file tax liens in accordance with governing Florida law and PROPERTY APPRAISER internal policies and procedures. The PROPERTY APPRAISER retains the right to limit a lien to certain tax years, waive penalties and interest, or revoke a lien, as allowed by Florida law. This Agreement does not, and shall not be construed to delegate any of the PROPERTY APPRAISER'S statutory duties, obligations, or decision-making authority related to the administration of exemptions.
- c. The PROPERTY APPRAISER shall assign properties to TMA for Audit Services as may hereafter be deemed appropriate. TMA agrees that no TMA employee will discuss any aspect of an Audit being performed, except with authorized TMA personnel, authorized PROPERTY APPRAISER or TAX COLLECTOR officials, and the property owner being audited (to the extent hereafter determined appropriate by the PROPERTY APPRAISER), unless otherwise directed to do so by the PROPERTY APPRAISER. All correspondence to property owners in connection with audits will be signed by the PROPERTY APPRAISER or by its authorized designee.
- d. TMA agrees to audit all Personal Exemptions assigned for Audit for the most current year and applicable prior years in compliance with Florida Statutes, which provide for property tax liens for undeserved Personal Exemption for up to ten (10) years.
- e. The PROPERTY APPRAISER agrees to make available to TMA the Brevard County tax roll of granted exemptions for the years for which audits are to be performed. Additionally, as necessary, the PROPERTY APPRAISER may make available copies of Personal Exemption applications and supporting documents, or information provided in said applications, subject to confidentiality provisions established by Florida law and addressed in Section (3), herein.
- f. TMA agrees to provide training to designated employees of the PROPERTY APPRAISER as to all aspects of the Audit Services provided pursuant to this Agreement. Any appropriate designee of the PROPERTY APPRAISER may perform an Audit with TMA personnel, provided the PROPERTY APPRAISER shall be responsible for any related expenses of such PROPERTY APPRAISER employee.

3) PUBLIC RECORDS RETENTION & CONFIDENTIALITY

- a. The PROPERTY APPRAISER and TAX COLLECTOR are public agencies subject to Florida's Public Records Law, including records retention, production, and confidentiality provisions.

- b. TMA and its employees and agents shall be bound by all applicable public records laws to the same extent that those laws apply to the PROPERTY APPRAISER and TAX COLLECTOR, (collectively the “public agency”). These requirements include but may not be limited to those stated in Chapter 119, Florida Statutes, and Sections 193.114 and 193.074 Florida Statutes, under which social security numbers, Personal Exemption applications and supporting documents and any information provided within the application or supporting documents, are CONFIDENTIAL and EXEMPT from disclosure.
- c. Specifically, TMA agrees to
- i. Keep and maintain public records required by the public agency to perform the Audit Services.
 - ii. Upon request from the public agency’s custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided by law.
 - iii. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the term of this Agreement and following completion of the contract if the contractor does not transfer the records to the public agency.
 - iv. Upon completion of this Agreement, transfer, at no cost to the public agency, all public records in possession of TMA or keep and maintain public records required by the public agency to perform the Audit Services. If TMA transfers all public records to the public agency upon completion of this Agreement, TMA shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If TMA keeps and maintains public records upon completion of this Agreement, TMA shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency’s custodian of public records, in a format that is compatible with the information technology systems of the public agency.

4) COSTS AND PAYMENT FOR AUDIT SERVICES:

- a. For services furnished under this Agreement TMA shall be paid an amount equal to twenty-eight percent (28%) of the gross taxes, penalties, and interest collected by the Tax Collector in relation to the removal of Personal Exemptions as a result of any audit performed by TMA (hereinafter the “Fee”).
- i. The Property Appraiser shall file liens on properties submitted by TMA as ineligible for the homestead exemption when the Property Appraiser

has determined in his sole discretion that such properties are ineligible for the exemption.

- ii. If, prior to filing a lien, the Property Appraiser determines in his sole and absolute discretion to not pursue the lien as such filing is not warranted or not supportable in a court of law, then such audit services shall be considered to not have produced any compensable service.
 - iii. If, after filing a lien, the Property Appraiser determines to remove or delete, or otherwise abate amounts that are not properly owed on homestead properties as previously determined to be ineligible for the homestead exemption through the TMA audit, then TMA will not be paid on such amounts meeting these criteria.
- b. The Fee shall be calculated upon full or partial payment of any qualifying tax lien, whether payment is made prior to or after recording of the lien, and shall be calculated based on taxes levied by all taxing authorities in the tax district of the audited property for each tax year, pursuant to associated Interlocal Agreements with each taxing authority. If no Interlocal Agreement exists with a specific taxing authority for whatever reason, the PROPERTY APPRAISER shall not provide Personal Exemptions for that non-participating taxing authority to TMA for Audit Services. The partial or full payment of any tax lien arising during a period of non-participation by a taxing authority is not a qualifying tax lien, and no portion of the collection of a non-qualifying tax lien shall be included in the calculation of fees due TMA.
 - c. The Fee shall be paid exclusively from the taxes, penalties, and interest collected in relation to the removal of Personal Exemptions as a result of audits performed by TMA. The Fee shall not be payable from future ad valorem tax levies.
 - d. This Agreement does not constitute a pledge or general obligation of ad valorem taxation, or create any obligation on any taxing authority to appropriate or make monies available for the purpose of the Agreement for any tax year. This Agreement does not create the right in any party to compel the exercise of the ad valorem taxing power of any taxing authority, and does not impair the taxing power of any taxing authority.
 - e. To facilitate TMA's billing for audit fees, the Tax Collector agrees to provide TMA a monthly report listing all taxes, penalties and interest collected as a result of TMA's audits. The report shall include the parcel number, property owner, site address of the properties audited, total collected amount and the collection date. This report, if possible, should be in spreadsheet format; if not available in spreadsheet format, a system-generated report will be acceptable. TMA shall then invoice the Tax Collector monthly for applicable Audit Fees based on the Tax Collector's monthly report. Audit Fees will be due and payable within fifteen (15) days following the billing date.
 - f. If the TAX COLLECTOR distributes a TMA Fee based on a lien payment that is subsequently reversed for any reason—including but not limited to a correction to the tax roll, a final judgment in a lawsuit, or a bounced check—the TAX

COLLECTOR provides notice to TMA and TMA shall return the Fee to the Tax Collector. If, in a month immediately following the payment reversal, the total balance of TMA Fees for the monthly distribution exceeds the Fee made pursuant to the reversed payment (the “reversed Fee”), said reversed Fee will be withheld from the monthly distribution. Any such withholding will be reflected in the TAX COLLECTOR’S monthly report. If the balance of the TMA Fees in the following month is not sufficient to cover the reversed Fee, the TAX COLLECTOR will send TMA a bill for the remainder of the reversed fee, and TMA will remit the full amount billed within 30 days. Regardless, the Tax Collector may continue to withhold from payments owed to TMA such amounts as necessary to recover all reversed Fees. Should a reversed payment be subsequently repaid or otherwise restored for any reason, TMA retains the right to the reversed Fee, which will be redistributed upon receipt by the TAX COLLECTOR of a new payment, in full accordance with this Agreement.

- g. Collections on all properties the Property Appraiser authorizes TMA to send a Homestead Audit Questionnaire to that are identified by TMA as potentially having received undeserved Personal Exemption(s) shall be construed to be the result of the provided Audit Services and shall be subject to TMA’s Fee under these payment provisions. However, no fee shall be paid on properties the Property Appraiser identified as potentially having received undeserved Personal Exemptions prior to providing TMA the Personal Exemption data file, or if the PROPERTY APPRAISER discovers an undeserved Personal Exemption on a property that was not identified by TMA as potentially having received undeserved Personal Exemption(S), no Fee shall be paid in relation to that property.
- i. Each individual property, as denoted by the parcel identification number on the property tax roll, shall be treated as a separate account under these payment terms. Any individual account is severable and treated as unique and distinct in terms of the amount owed to TMA for services provided under this contract. Payments of the Fee for multiple accounts may be made together provided that an accounting of the Fee for each individual account is provided.
- h. All expenses incurred by TMA in performing audits under this Agreement including, but not limited to, travel, food, lodging, mileage, postage, salaries, etc. shall be the responsibility of TMA. TMA shall maintain a sufficient workforce of employees necessary to provide the contracted services, and there shall be no additional compensation paid to TMA for said employees.
- i. All legal costs involving appeals of the removal of Personal Exemptions resulting from audits shall be the responsibility of the PROPERTY APPRAISER. TMA shall be responsible for defending its audit findings throughout any appeals process, as appropriate and necessary, without additional cost to the PROPERTY APPRAISER. Defense of audit findings may include personal appearances at meetings with property owners or their representatives, and provision of testimony and evidence concerning information identified in an audit at any administrative, judicial, or quasi-judicial hearings.

5) **TERMINATION**

- a. This Agreement shall become effective from the date entered above and shall remain in effect for an initial term of twelve (12) months from the effective date as specified in a Notice to Proceed letter issued to TMA by the PROPERTY APPRAISER, and at the PROPERTY APPRAISER'S election, in his sole discretion, shall continue in effect thereafter on a year-to-year basis, but not to extend beyond April 12, 2021. After the initial term, any Party can terminate this agreement by providing thirty (30) days' notice of termination to the other Parties in writing.
- b. If through any cause, TMA, the PROPERTY APPRAISER, or the TAX COLLECTOR fails to fulfill its obligations as provided by this Agreement, or materially violates any of the covenants or stipulations within this Agreement, or becomes unsatisfied with services rendered, and such failure or violation continues for thirty (30) days after written notice thereof by a Party, any Party shall thereupon have the right to terminate this Agreement immediately upon giving written notice to the other Parties. Said notice shall be delivered to the Parties by hand delivery or first class mail, postage paid to the mailing address as specified herein under "Notice."
- c. In the event that the two largest county-wide taxing authorities terminate the Interlocal Agreement or sufficient funds are otherwise not available to support this Agreement for a new fiscal period, the PROPERTY APPRAISER shall notify TMA of such occurrence and the Agreement shall terminate on the last day of the current fiscal period without penalty or expense. In the event of such termination, Fees for all Audits completed by TMA up to the date of the notification of termination of the Interlocal Agreement or insufficient budgeted funds shall be payable in accordance with the terms provided by this Agreement.
- d. In the event of termination for any reason other than those specified in paragraph 5)c., all Audits assigned to TMA and on which TMA has initiated work or expended resources, shall be completed by TMA and all Fees for completed audits shall be payable in accordance with the terms as provided by this Agreement. Because tax liens may not be paid within the term of this Agreement, provisions related to the payment of Fees shall survive the termination of the Agreement term, and shall terminate upon the later of the collection and payment of all liens related to TMA audits, or five (5) years after a lien has been filed.
- e. Upon completion of all Audits, TMA shall provide any records related to this Agreement to the PROPERTY APPRAISER for record retention purposes, as further addressed in Section (3), herein.

6) **GENERAL PROVISIONS**

- a. **INDEMNIFICATION:** To the fullest extent permitted by law, TMA shall indemnify, defend and hold harmless the PROPERTY APPRAISER, TAX COLLECTOR, the taxing authorities, and their officials, agents, and employees, from and against all claims, damages, losses and expenses, direct, indirect or consequential (including, but not limited to, fees and charges of attorneys and

other professionals and costs related to court action or arbitration) arising out of or resulting from the performance of this contract or the actions of TMA or its officials, employees, agents, or contractors under this Agreement or under any agreements entered into by TMA in connection with this Agreement. This indemnification shall survive the termination of this Agreement.

- b. **NON-DISCRIMINATION:** TMA represents that it has adopted and will maintain throughout the term of this Agreement a policy of nondiscrimination or harassment against any person with regard to race, color, sex (including pregnancy), sexual orientation, gender identity or expression, religion, political affiliation, national origin, disability, age, marital status, veteran status, or any other impermissible factor in recruitment, hiring, compensation, training, placement, promotion, discipline, demotion, transfers, layoff, recall, termination, working conditions and related terms and conditions of employment.
- c. **LAW CONTROLLING:** The laws of the state of Florida shall control and govern this Agreement.
- d. **NON-ASSIGNMENT:** This Agreement is not assignable by any Party, by operation of law or otherwise.
- e. **MODIFICATION:** This Agreement may be modified only by a written agreement executed by all Parties hereto.
- f. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement of the Parties and no other agreement or modification to this agreement, expressed or implied, shall be binding on any Party unless same shall be in writing and signed by all Parties. This Agreement may not be orally modified. Any modifications must be in writing, expressly titled a modification or addendum to this Agreement, attached to this Agreement, and signed by all Parties.
- g. **SEVERABILITY:** Should any provision, portion, or application thereof of this Agreement be determined by a court of competent jurisdiction to be illegal, unenforceable, or in conflict with any applicable law or constitutional provision, or should future changes to Florida law conflict with any portion of this Agreement, the Parties shall negotiate an equitable adjustment in the affected provisions of this Agreement with a view toward effecting the purpose of this Agreement, and the validity and enforceability of the remaining provisions, portions, or applications thereof, shall not be impaired. If a future change to Florida law conflicts with or preempts the entirety of this Agreement, the Agreement will be immediately terminated, subject to the public records provisions herein.
- h. **HEADINGS:** The subject headings of the paragraphs are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions. This Agreement shall be deemed to have been drafted by all Parties, and no purposes of interpretation shall be made to the contrary.

- i. **NOTICE:** Any notices to be given or submitted by any Party to the others pursuant to this Agreement shall be made in writing and sent by first class mail, postage paid or by hand delivery to:

PROPERTY APPRAISER:
BREVARD COUNTY PROPERTY APPRAISER
400 South Street
Titusville, FL 32780
ATTN: Dana Blickley, Property Appraiser

TAX COLLECTOR:
BREVARD COUNTY TAX COLLECTOR
400 South Street
Titusville, FL 32780
ATTN: Lisa Cullen, Tax Collector

TMA:
TAX MANAGEMENT ASSOCIATES, INC
2225 Coronation Blvd.
Charlotte, NC 28227
ATTN: Richard Cooke, Jr. Chief Executive Officer

EXECUTED AND ENTERED INTO BY THE PARTIES HERETO.

PROPERTY APPRAISER AUTHORIZED SIGNATURE:

Dana Blickley
TITLE: As PROPERTY APPRAISER
BREVARD COUNTY PROPERTY APPRAISER

DATE: _____

**STATE OF FLORIDA
COUNTY OF BREVARD**

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by, **Dana Blickley as Brevard County Property Appraiser**, who is personally known to me or has produced _____ as identification. _____

Notary Public Signature _____

Notary Seal:

TAX COLLECTOR AUTHORIZED SIGNATURE:

Lisa Cullen
TITLE: As TAX COLLECTOR
BREVARD COUNTY TAX COLLECTOR

DATE: _____

**STATE OF FLORIDA
COUNTY OF BREVARD**

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by
Lisa Cullen as Brevard County Tax Collector, who is personally known to me or has produced
_____ as identification. _____

Notary Public Signature _____

Notary Seal:

TMA AUTHORIZED SIGNATURE:

Richard Cooke, Jr.
TITLE: As CHIEF EXECUTIVE OFFICER
TAX MANAGEMENT ASSOCIATES, INC

DATE: _____

**STATE OF NORTH CAROLINA
COUNTY OF Mecklenburg**

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by,
_____ as _____ of _____,
on behalf of the company, who is personally known to me or has produced _____ as identification.

Notary Public Signature _____

Notary Seal:

FOR INFO ONLY

APPROVED AS TO LEGAL FORM AS TO
THE PROPERTY APPRAISER AND TAX
COLLECTOR ONLY BY THE
OFFICE OF GENERAL COUNCIL, BREVARD COUNTY

Signature: _____