



How to Establish an MSBU or MSTU in Osceola County

The Osceola County Board of County Commissioners adopted a Special Assessments Policy for the establishment of Municipal Service Taxing Units (MSTUs) and Municipal Service Benefit Units (MSBUs) on October 20, 2014. Below is a summary of the procedures for creating an MSTU or an MSBU. Please refer to the County Manager Procedures document which is included in this packet for detailed information.

Pursuant to the Special Assessments Policy, Sections 9.5-4 and 9.5-5 an application fee, the cost of postage for mailing petitions and the first year's individually mailed notices for newly created MSBUs are the financial responsibility of the applicant.

An **MSBU** is a service unit which receives a specific benefit for which a special assessment is imposed to cover the cost of providing the service or improvement. Every property owner is assessed the same amount per unit regardless of their property value.

1. A request for the establishment of an MSBU should be submitted to the Special Assessment's Office by October 1st of each year. The application fee is to be submitted along with the initial request for the establishment of an MSBU. The actual mailing cost for the petitions and notices will be collected after the MSBU application has been reviewed.
2. A Notice of Intent Resolution, which is the first legal step required, must be presented and approved by the Board of County Commissioners by January 1st for consideration of the establishment of the MSBU. This simply declares the intent to create an MSBU but does not obligate the County to do so.
3. The Special Assessment's Office will mail a petition to the affected property owners with a letter explaining the purpose for the petition. The petition serves as the property owner's opportunity to communicate their support or opposition of the proposed MSBU. The affected property owners are required to respond within 30 days from the date the petition is mailed.
4. The Special Assessment's Office will need to have received at least two-thirds (2/3) or sixty-six percent (66%) approval of the signed petitions from the affected property owners within the legal boundary of the requested MSBU.
5. Once the required percentage of the affected property owners have communicated their support to establish an MSBU, an Initial Assessment Resolution must be approved by the Board of County Commissioners by August 15th. If the Board of County Commissioners approves the Initial Assessment Resolution, the next step is for Special Assessments to mail an individual notice to the affected property owners at least 20 days prior to the public hearing to adopt the Final Rate Resolution. The Final Rate Resolution generally is presented to the Board of County Commissioners prior to September 14th. Once the Board of County Commissioners approves the Final Rate Resolution, the assessment fee will be levied and collected on the individual property owner's real-estate tax bill mailed in November of that calendar year. In most instances, services for the MSBU may commence October 1st of the next fiscal year.

An **MSTU** is a service unit for which an ad valorem tax levy is imposed to cover the cost of providing a service or improvement, based upon taxable value. The ad valorem tax, which is calculated based on an established millage rate, is applied to all property owners; however, the amount paid by each property owner may vary depending on the individual's property value.

1. A request for the establishment of an MSTU should be submitted to the Special Assessment's Office by October 1st of each year. The application fee is to be submitted along with the initial request for the establishment of an MSTU. The actual mailing cost for the petitions will be collected after the MSTU application has been reviewed.
2. The Special Assessment's Office will mail a petition to the affected property owners with a letter explaining

the purpose for the petition. The petition serves as the property owner's opportunity to communicate their support or opposition of the proposed MSBU. The affected property owners are required to respond within 30 days from the date the petition is mailed.

3. The Special Assessments Office will need to have received at least two-thirds (2/3) or sixty-six percent (66%) approval of the signed petitions from the affected property owners within the legal boundary of the requested MSTU.
4. Once the required percentage of the affected property owners have communicated their support to establishing an MSTU; an Ordinance proposing the creation of an MSTU must be approved by the Board of County Commissioners by January 1st, and the approval of a Millage Rate by September 30th. If the Board of County Commissioners approves the Final Millage Rate Resolution, the MSTU Millage Rate will be levied and collected on the individual property owner's real-estate tax bill mailed in November of that calendar year. In most instances, services for the MSTU may commence October 1st of the next fiscal year.

For any additional questions regarding the informational packet or application attached, please contact the Special Assessments Department at 407-742-1800.