

Santa Rosa County, Florida

Municipal Services Benefit Unit (MSBU) Guidelines

Background:

The Board of County Commissioners, pursuant to Florida statute and county ordinance, may create a Municipal Services Benefit Unit (MSBU) to serve a specific area of the county. The MSBU may be created for: road paving, sewer lines, street lighting, speed humps, and fire protection, etc. The rates, frequency, and duration of assessments are set forth in the ordinance creating the district. Notice of the proposed assessment will be on the Proposed Tax Notice (TRIM) sent out to the property owners sometime in August each year, indicating the rates, the time, and the place of the public hearing (normally late August). After hearing comments from the public, the Board of County Commissioners will approve/disapprove establishing or changing the MSBU.

Timetable:

The process normally begins with a homeowners group, an interested resident, or a County Commissioner requesting an MSBU be established for a particular purpose. Your **letter request with estimate and \$100 application fee** should be submitted to the county's Office of Management & Budget (OMB) department by the following dates: (OMB will obtain estimates for county maintained roads.)

- Road Paving: January 30
- Sewer Installation: January 30
- Canal Dredging: January 30
- Lighting District: February 15
- Speed Humps: February 15

OMB department will coordinate the county process with the requesting representatives: County Attorney; County Administrator; Public Works; Engineering; etc. OMB will draft the petition once all costs are determined. This petition will be mailed to the individual requesting the project to collect signatures from affected property owners. A minimum of 66% (60% for street lighting; 75% for speed humps) of affected property owners' signatures are needed to establish an MSBU; however, state law allows the Board of County Commissioners to impose an MSBU at any time it is deemed necessary. The entire process, including return of signed petition to OMB, must be completed by March 25 or the following Monday if the 25th falls on the weekend.

If the OMB department receives signed petitions by March 25 with a minimum of 66% approval (60% for street lighting; 75% for speed humps) of affected property owners, letters will be mailed out notifying all property owners of the pending MSBU.

Before April 1, the OMB department notifies the Property Appraiser of the proposed MSBU. If the MSBU is approved, the Property Appraiser will send the data to the Tax Collector to appear on the annual tax bills as non-valorem assessments, along with millage based taxes.

Questions: phone: 850-983-1860 or email: budget@santarosa.fl.gov

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All MSBUs:

1. The person requesting an MSBU be established must own property on the street or in the subdivision that is affected.
2. To establish an MSBU, 66% (60% for street lighting; 75% for speed humps) of the affected property owners must sign and approve a petition prepared by the Office of Management and Budget (OMB). Each property owner equates to one vote regardless of the number of lots owned. The County recommends that all affected property owners sign the petition with either a Yes or No vote.
3. If bid costs exceed estimated costs by 20% or more a new petition will be required.

Road Paving:

All lot owners of County maintained roads are responsible for cost of road materials only. All lot owners of Non-County maintained roads are responsible for the full costs of the project including engineering fees, materials, labor, and any other associated fees. Paving costs are typically allocated by front footage of parcel unless another method allocates costs more equitably. (See **Separate Instructions for Non-County Maintained Road Paving Projects**.)

Street Lighting:

Residents wishing to install street lights may establish an MSBU. Subdivisions with privately paid streetlights may establish an MSBU. Existing MSBUs wishing to modify their MSBU must obtain prior approval from the OMB department before additional poles or lights are installed: a new petition may be required. All lot owners are responsible for costs for poles, light fixtures and monthly power usage. Costs are divided equally per parcel.

Canal Maintenance:

County Engineering (850-981-7100) must review plans before the MSBU process begins. All lot owners are responsible for the full cost of the project. Costs are allocated per lot or front footage of property, whichever provides the most equitable cost distribution.

Sewer / Water:

County Engineering (850-981-7100) must review plans before the MSBU process begins. All lot owners are responsible for the full cost of the project. Costs are allocated per lot or front footage of property; generally by lot. (See **Separate Instructions Sewer/Water Projects**.)

Speed Humps:

County Public Works (850-981-7100) must assess the area before a speed hump MSBU is considered. All lot owners are responsible for the full cost of the project. Generally, costs are divided equally per parcel. Assessment is for one year only.

Miscellaneous MSBUs:

All lot owners are responsible for the full cost of the project. Costs are divided based on the most equitable cost distribution.

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Additional Fees and Costs – All MSBUs:

- Four (4) percent adjustment is added to the costs to account for an early payment discount offered through the Tax Collector’s office,
- Two (2) percent collection commission assessed by the Tax Collector
- Ten (10) percent Board of County Commissioners’ administrative fee

These extra costs are added to all MSBUs so the amount collected will cover total costs.

NOTE: If a bank loan is required to fund a particular project, the interest on that loan must be added to the cost(s) for the project.

<u>Cost allocation example (costs & assessments per parcel)</u>		
Project estimate:	\$ 16,270.00	
Adjusted for discount & fees (Estimate /.96/.98/.90)	\$ 19,215.32	(Recognizes 4% early pay discount; 2% Tax Collector fee; and 10% administrative fee)
Add loan interest (if applicable):	\$ -	
Project estimate adjusted:	\$ 19,215.32	
Divided by number of parcels:	12	
Total cost per parcel:	\$ 1,601.28	
Divided by number of years:	3	
Annual Assessment Amount:	\$ 533.76	Will be added as a non-ad valorem assessment on annual property tax bill.

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Separate Instructions – Non-County Maintained Road Paving Projects

On roads or county right of way where the County Road and Bridge Department does not maintain the road (regular grading and drainage clearing), the entire cost of paving the road is borne by the property owners. This would include all engineering and surveying fees, materials and labor.

1. The first step in the process for the homeowners is to obtain a written cost estimate for the engineering work and construction. There should be an understanding with the engineering company that all costs for their initial work, if any, will be paid by the property owners and not by the proposed MSBU. Only after the MSBU is approved can costs be charged to the MSBU account.
2. Once a written cost estimate is obtained, it is then submitted along with the “Request for the Establishment of an MSBU.” These must be submitted by January 30th.
3. The Office of Management and Budget (OMB) provides a copy of the engineering cost estimate to Santa Rosa County Engineering for review and pre-approval.
4. After County Engineering has pre-approved the project, all costs have been calculated by OMB, and a final cost per lot is developed; a petition is drafted by the OMB and sent to the requesting homeowner to collect signatures.
5. If at least 66% of the affected property owners agree to the project and it is approved by the County Commissioners at the annual MSBU Public Hearing, the person initiating the MSBU would then request the engineering firm that did the preliminary plans and cost estimates to develop a complete set of plans for the project and submit them to the County Engineer for approval.
6. Once the county’s engineering department approves the plans, the project would then go out for bid through the county’s procurement department.
7. The county’s engineering department will follow up with the request for bids and follow on work.
8. A bank loan may be necessary for projects involving non-county maintained roads or large projects. If one is needed, the OMB will solicit bids for loans to obtain the lowest interest rate as possible.

NOTE: Engineering firms are not required for non-county maintained roads that will be paved and **not brought to county standards**. Paving companies can be used if the road will not be turned over to the county after being completed.

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Separate Instructions – Sewer/ Water Projects

The entire costs of sewer/ water projects are borne by the property owners. This would include all engineering and surveying fees, materials and labor.

1. The first step in the process for the homeowners is to obtain a written cost estimate for the engineering work and construction. There should be an understanding with the engineering company that all costs for their initial work, if any, will be paid by the property owners and not by the proposed MSBU. Only after the MSBU is approved can costs be charged to the MSBU account.
2. **If a sewer and water system is to be installed, then a letter from the utility company who will be assuming maintenance of the system is required. It must state there is sufficient capacity for the number of lots involved and the proposed system is appropriate for the area.**
3. Once a written cost estimate is obtained, and a letter from the utility company, they are then submitted along with the “Request for the Establishment of an MSBU.” These must be submitted by January 30.
4. The Office of Management and Budget (OMB) will provide a copy of the engineering cost estimate to Santa Rosa County Engineering for review and pre-approval.
5. After County Engineering has pre-approved the project, all costs have been calculated by OMB, and a final cost per lot is developed; a petition is drafted by OMB and sent to the requesting homeowner to collect signatures.
6. If at least 66% of the affected property owners agree to the project and it is approved by the County Commissioners at the annual MSBU Public Hearing in August, the person initiating the MSBU would then request the engineering firm that did the preliminary plans and cost estimates to develop a complete set of plans for the project and submit them to the County Engineer for approval.
7. Once the plans are approved by the County Engineering Department, the project would then go out for bid.
8. The County Engineering Department will follow up with the request for bids and follow on work.
9. A bank loan may be necessary for large projects. If one is needed, the OMB will solicit bids for loans to obtain the lowest interest rate as possible.