

# **MSTBU Frequently Asked Questions**

<http://www.leegov.com/budget/mstbu/faq>

The MSTBU Office understands that you may have questions about starting a unit, what happens after the unit has been started or what resources available to learn more about the process. Below you will find answers to many of these questions.

## **Q: What is an MSTU or MSBU?**

A: Many of Lee County's expenses are paid for by "Taxing Authorities." An MSTU or MSBU is a type of Taxing Authority, which has its own budget for both revenues and expenses. This budget is approved at a public hearing.

Property owners in unincorporated Lee County who wish to implement special services or improvement projects to their neighborhood or community may petition the Board of County Commissioners to create a Municipal Service Taxing/Benefit Unit (MSTBU). There are two general categories of MSTBUs:

- Operation & Maintenance Projects (O&M) - An O&M project is ongoing and has its own budget for both revenues and expenses. This budget is determined by a volunteer committee of property owners in coordination with the MSTBU Coordinator and approved annually at a public hearing. O&M Projects typically cover services such as maintenance of roads, signs landscaping, irrigation, lighting, or ponds/lakes, canal dredging and channel marker maintenance. O&M Projects are also referred to as Special Improvement Units (SIU).
- Capital Improvement Projects (CIP) - A CIP project is a one-time only project. The final cost of a CIP project is determined upon completion. The property owner has the choice to pay it off all at once or pay it back over a period of time. These types of projects typically cover services such as conversion of roads from dirt to pavement, bridge replacement, canal dredging, and installation of water/sewer systems.

Municipal Service Taxing Units (MSTU) are funded by the collection of ad valorem taxes. Ad valorem taxes are based on the assessed value of the subject property.

Municipal Service Benefit Units (MSBU) are funded by the collection of special assessments or charges. The assessment may be applied in a variety of ways: per linear foot of road frontage, per parcel or lot, per STRAP number.

## **Q: Where can an MSTBU exist?**

A: An MSTBU can only be created in the unincorporated areas of Lee County. Municipalities must provide any services within the incorporated boundaries of Lee County. The incorporated areas are the City of Fort Myers, Town of Fort Myers Beach, City of Cape Coral, City of Sanibel, City of Bonita Springs, and the Village of Estero.

## **Q: Are there any restrictions in the unincorporated areas of Lee County?**

A: Yes. Property owned by a single entity (e.g. gated community) are excluded from forming a Taxing Authority through the MSTBU Office. Dredging of publicly accessible canals are excluded from this restriction.

## **Q: How is an MSTBU created?**

A: An MSTBU is a joint effort between the local community and the County. Detailed information can be found in Administrative Code AC 3-15 and in the instruction sheets found on the MSTBU Forms page.

*Community responsibilities:*

## Preliminary Procedures for Creating an Operating & Maintenance Unit (O&M)

Ongoing street lighting or special improvement units are known as Operating & Maintenance Units (O&M). Some examples of these types of units are:

Street Lights	Landscaping/Signage	Canal/Channel Maintenance	Security
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### Process Steps:

#### 1. *Property Owners:*

- a. Identify the specific project/improvement you would like to initiate with your neighbors.
  - Use the "Project Detail" page to provide the basic scope of the project & outline any additional items that will need to be addressed.
- b. Provide a map outlining the boundaries of the proposed unit, including all streets benefitting from the services.
- c. Provide a list including all addresses and/or STRAP numbers of the parcels and the owners of record in the proposed unit. The following agencies may be able to help locate this information:
  - Civic Association
  - Homeowner's Association
  - Lee County Property Appraiser (phone: 239-533-6100, web: [www.leepa.org](http://www.leepa.org))
- d. Informal Petition: A simple majority (50% plus one) of the owners of record will need to sign the informal petition (following these instructions) requesting Lee County provide a formal petition with an estimated budget.
- e. If a licensed engineer is necessary to determine an estimate, a non-refundable fee of \$500.00 is due at time of application. Contact the MSTBU office to verify if the fee is required. Make checks payable to Lee County BoCC.

#### **By Mail:**

MSTBU Services  
Office of Management & Budget  
P.O. Box 398  
Fort Myers, FL 33902

#### **In Person:**

MSTBU Services  
2115 Second Street  
4<sup>th</sup> Floor  
Fort Myers, FL 33901

#### 2. *Lee County:*

- a. If the request includes a large number of street lights, we will consult with LCEC or FPL to develop a lighting plan.
- b. Prepare an estimated two (2) year budget.
- c. Prepare "Formal Petition", confirm the tentative tax roll (property owners' list) for the proposed unit. and return to the property owners' representative

#### 3. *Property Owners:*

- a. Formal Petition: The ORIGINAL signed, notarized formal petitions from a simple majority (50% plus one) are to be submitted to Lee County within six months from the date the property owners' representative receives the petition from Lee County.

#### 4. *Lee County:*

- a. Public Hearing before the Board of County Commissioners to create the Operation & Maintenance Unit.



- Define the services to be provided and the area to be included in the unit.
- Obtain signatures of 50% + 1 (majority) of the property owners on an informal petition. (This petition does not commit the property owners to the project. It is used to gather unit cost information.)
- Once the County provides the formal petition noted below: obtain signatures of 50% + 1 of the property owners, notarize and return the formal petition to the MSTBU office. (This petition is a commitment by the property owners to pay the assessment.)

*County responsibilities:*

- Hire an engineer to develop a cost estimate.
- Prepare a budget and a formal petition. The formal petition states the cost to the property owners.
- Once the formal petition is returned to the MSTBU office, all owners and signatures will be verified.
- Request the Board of County Commissioners to form the requested unit.
- Manage the project/unit once it has been approved.

**Q: Where can I get information on the procedures to set up an MSTBU?**

A: Visit our MSTBU Forms page or call 239-533-2308.

**Q: Who controls the budget?**

A: Ultimately, the County has responsibility for the budget. However Operation and Maintenance Units (O&M) may form a volunteer committee of five (5) property owners to monitor and advise the County. Further information about MSTBU Committee responsibilities can be found in Administrative Code AC 2-1.

**Q: Is there a limit as to what can be charged?**

A: Yes. Florida statutes allow for a MSTBU millage cap of 10 mills (\$10 per \$1,000 assessed value). However, each unit may choose to impose a lower cap.

**Q: What happens if the MSTBU, overspends its budget for O&M units?**

A: This will not happen. Once the budget has been spent, no more purchase orders can be written. A reserve fund must be a part of the budget. This reserve can be used for emergencies, such as hurricane or tornado damage.

**Q: What happens if all of the taxes collected are not spent?**

A: Any unspent taxes will be carried over to the next year's budget. All funds collected by an MSTBU stays within that MSTBU.

**Q: Can the budget be modified during the year?**

A: The amount of taxes collected cannot be changed once it has been approved by the Board of County Commissioners at a public hearing. However, funds can be moved from one line item to another within the unit's budget.

**Q: Does everyone pay the same amount?**

A: There are several methods of collecting assessments. In some instances, everyone will pay an equal portion. In other instances, a property owner will pay proportionally to the benefit he or she is receiving.

**Q: I can't afford the MSTBU assessments. Are there any programs to help me?**

A: Yes. Lee County offers three financial support programs related to MSTBUs:

- **Matching Grant Program:** The County will pay for 25% of a property's assessment if the property is homesteaded with the Property Appraiser's office and the owner's income does not exceed the annual HUD Home Program Low Income Limits.
- **MSBU Contribution Program:** The County may contribute up to 20% of the project costs, based on available funds.
- **Hardship Deferral Program:** If a property owner is homesteaded with the Property Appraiser's Office, and the property owner's income does not exceed 60% HUD income limits, assessment payment may be deferred on an annual basis.

Further information can be found in Administrative Code AC 3-25.

**Q. How can I find out if a property is part of an MSTBU?**

A. An interactive, searchable GIS (Geographic Information System) map is available that shows all active Lee County MSTBUs

**Q. Where can I find a copy of the ordinance that created my MSTBU?**

A. Lee County ordinances are available online.

**Q. How can I find out what MSTBU-related charges are pending against a property?**

A. A review of current and past property tax bills will show what taxes and special assessments have been collected for a property. You can search property tax records on the Lee County Tax Collector's website. The MSTBU Parcel Search will provide details on the scheduled payment plan(s) and balances owed for any Capital Improvement Projects (CIP). You may also contact the MSTBU office at 239-533-2308 for assistance.

**Q: Is there an end to an MSTBU?**

A: MSTBUs that are set up as a one-time-only project (CIP) will have an end. MSTBUs that are set up as an Operation and Maintenance (O&M) unit will continue indefinitely. However, an O&M can be dissolved by going through the petitioning process. Detailed information can be found in Administrative Code AC 3-15.

**Q. I am unhappy with a contractor working on my MSTBU. What can I do?**

A. Direct any questions or concerns regarding contractor performance to the MSTBU Office at 239-533-2308. You will be asked to provide specific examples of the observed deficiencies or problems.

**Q. My neighbors are attempting to organize an MSTBU that will affect my property. I don't want to be a part of it. What can I do?**

A. A majority (50% + 1) of affected property owners must sign a petition in support of creating a new unit. An MSTBU will not be created if the majority does not support it. In addition, public hearings before the Board of County Commissioners are held prior to creating the unit and members of the public are encouraged to share their opinions on the matter during the hearing. Information on public input during Commission meetings can be found in Administrative Code AC 1-3.

**Q. Does the MSTBU Office manage all of Lee County's units?**

A. No. Some units, such as fire districts and solid waste assessments, are managed by others. Contact information for all taxing authorities is available on the Lee County Tax Collector's website.

**Q. How can I review minutes that are taken at MSTBU committee meetings?**

A. Contact the MSTBU Office for assistance at 239-533-2308 or submit a public records request.