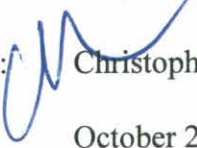




Memorandum

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To: Honorable Carlos Alvarez, Mayor, Miami-Dade County
Honorable Bruno A. Barreiro, Chairperson
And Members, Miami-Dade Board of County Commissioners

From:  Christopher Mazzella, Inspector General

Date: October 28, 2008

Subject: OIG Final Report Re: *Administration of Property Tax Exemptions for Civilian Totally and Permanently Disabled Persons by the Miami-Dade County Property Appraiser*, Ref. IG08-02

Attached please find the Office of the Inspector General's (OIG) final report regarding the above-captioned matter. This report addresses certain failings in the administration of the property tax exemption for Civilian Totally and Permanently Disabled Persons (the T&P exemption) by the Miami-Dade County Department of Property Appraisal (Property Appraiser). We provided the report to the Property Appraiser as a draft for comment. The Property Appraiser submitted a response, which is included as Appendix A to the report.

The T&P exemption absolves homeowners who are quadriplegics, paraplegics, hemiplegics, or other permanently disabled persons who are wheelchair-bound or legally blind, from having to pay any property taxes on their homestead. In 2007 alone, the Property Appraiser failed to identify collectible tax revenues on 42 properties, the cumulative assessed value of which is over \$6 million, because it failed to ascertain that the qualified T&P recipients were no longer alive. In some of those cases, the Property Appraiser's failures date back to the 1990s.

The OIG investigation found that with regards to the T&P exemption, the Property Appraiser's performance of its record keeping duties did not comply with requirements set by Florida law. In addition, the Property Appraiser did not employ readily available techniques to identify properties that no longer qualified for the T&P exemption. Finally, the Property Appraiser has not made adequate efforts to institute controls designed to detect and prevent T&P exemption fraud.

Overall, we conclude that the Department of Property Appraiser has failed in its responsibility to efficiently and effectively administer the T&P exemption. Based on our findings, we provide three recommendations aimed specifically at improving the administration of the T&P *ad valorem* homestead tax exemption program.

In its response, the Property Appraiser agrees in principal with the recommendations made in the OIG's draft report, but takes exception to some of our findings. In general, the Property Appraiser disagrees that it has not instituted adequate controls; the response provides department-wide statistics in its gain of taxable value through Proactive Detection and Exemptions Removed from Deed Analysis. However, as it relates to the OIG's statistical findings specific to the T&P exemption, the Property Appraiser challenges only two of the 42 qualified properties identified in the OIG's schedule and refutes our statistics regarding essential documentation missing from the files.

Our comments to the Property Appraiser's response are also provided in the final report. Except for the inclusion of a new section summarizing the Property Appraiser's response and setting forth our rejoinder, no other material changes were made to the report.

Finally, in accordance with Section 2-1076(d)(2) of the Code of Miami-Dade County, we request that the Property Appraiser provide us with a status report addressing areas of concern relative to our recommendations in the areas of record keeping, the timely identification of properties no longer eligible for the T&P exemption, and T&P exemption fraud prevention. The OIG requests that we receive this report in 90 days, on or before January 22, 2009.

Attachment

cc: Mr. George M. Burgess, County Manager
Ms. Cynthia Curry, Senior Advisor to the County Manager
Mr. Marcus L. Saiz de la Mora, Director, Property Appraiser
Clerk of the Board (copy filed)

MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL
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INTRODUCTION & SYNOPSIS

In January 2008, the Miami-Dade County Office of the Inspector General (OIG) began an investigation after receiving information that the Miami-Dade County Department of Property Appraisal (Property Appraiser) had continued to award a property tax exemption for Civilian Totally and Permanently Disabled Persons (the T&P exemption) in 2007 to a homeowner who was no longer living. The T&P exemption absolves homeowners who are quadriplegics (category one), or paraplegics, hemiplegics, or other permanently disabled persons, namely, those who are wheelchair-bound or legally blind (category two), from having to pay any property taxes on their homestead.¹ The T&P exemption for both categories is extinguished when the disabled homeowner passes away. Based on our initial findings, we expanded our investigation to include a review of the Property Appraiser's administration of the entire T&P exemption program.²

In order to qualify for a T&P exemption, a homeowner must produce statements from two physicians that certify the nature of his or her total and permanent disability. With regard to the second category of the exemption, a homeowner must also submit a *Statement of Gross Income* form that demonstrates compliance with minimum income requirements, as well as accompanying proofs, such as IRS Forms 1040 and W-2. This requirement is because the grant of a T&P exemption for category two is not permanent for the life of the qualifying applicant. Instead, it is subject to an annual renewal process intended to ensure that the applicant still qualifies for the exemption. With regard to the first category, because the T&P exemption is conferred for the life of the qualified recipient without an annual renewal process, Florida statutory authority prescribes that it is the duty of the surviving or succeeding homeowner(s) to promptly notify the Property Appraiser when the exemption no longer applies.

Not surprisingly, the survivors and/or successors of deceased T&P recipients are often elderly, grief-stricken, befuddled by, or unaware of either the particulars of the renewal process or of any self-reporting burden placed on them by Florida law. In addition—given the specter of an immediate, onerous impact on their finances—homeowners have little incentive to notify the Property Appraiser of the demise of the T&P exemption. These factors have created a combination of circumstances that render the T&P exemption renewal process susceptible to confusion, omission, and fraud.

¹ The T&P exemption is one of two county tax exemptions that completely abolishes any residential property tax obligation for the qualifying homeowner. The other exemption is the Service Connected Totally and Permanently Disabled Persons exemption.

² The OIG has referred, thus far, seven cases to the Miami-Dade State Attorney's Office based on alleged fraudulent misconduct, and fully expects that criminal charges will be brought.

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During the course of the investigation, the OIG obtained from the Property Appraiser a list of properties that received the T&P exemption in 2007. The list did not identify the name of the disabled owner who qualified for the exemption, but did provide the property address, and the name and mailing address of at least one of the owners of each property. Using only the information we initially obtained, OIG Special Agents searched records of vital statistics from a computer database and quickly discovered that 240 of those owners were deceased. Because many properties list multiple owners, we could not, without further information, determine which of those owners were qualifying owners. However, since it was very likely that some of the 240 aforementioned properties were probably no longer T&P-eligible, the OIG undertook to investigate the Property Appraiser's administration of the exemption for all 2007 recipients. The investigation has now determined that of the 729 properties that received the T&P exemption in 2007, 42 of those properties were not qualified to receive it because the qualifying owner was deceased, in some instances for longer than ten years. Nevertheless, the Property Appraiser continued to provide a T&P exemption for those properties because it failed to ascertain that the originally qualified recipient was no longer alive.

The OIG investigation reveals that, with regard to all of the non-qualifying properties, the Property Appraiser knew that the owner qualifying for the T&P exemption had died, or could have discovered that information without undue effort. In almost half of those instances, the OIG was able to establish that the Property Appraiser had actually been notified of the death by surviving family members, but failed to act on the information. Consequently, the Property Appraiser has failed to identify collectible tax revenues on the properties—in some cases dating back to the 1990s—the 2007 cumulative assessed value of which is over \$6 million. (See **OIG Schedule One**, which follows at the end of this report.)³ Further, the OIG has uncovered broader, systemic shortcomings, which we cannot presume to be limited to the Property Appraiser's administration of the T&P exemption.

The OIG's investigation determined the following: first, the Property Appraiser has failed to require the submission of certain financial documentation in connection with the T&P application and/or renewal process, including a *Statement of Gross Income*, as well as federal income tax forms and wage statements. Indeed, the OIG investigation discovered that virtually all of the files it reviewed for T&P category two exemptions were missing either a *Statement of Gross Income*, or one or more of the supporting

³ Given that the Property Appraiser manages seven other exemptions to the residential property tax, most of which are granted in far greater numbers than the T&P exemption, the OIG has begun reviewing the Property Appraiser's administration of other exemptions, and reports of our investigations will be forthcoming.

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financial documents.⁴ Some of the files contained no financial information whatsoever. A few files even lacked certifications of disability by a physician, without which the initial decision to grant the exemption simply cannot be made. All of these documents are required to be maintained pursuant to both Florida statutes and the Florida General Records Schedule for Property Appraisers. In addition, in 2006 the Property Appraiser altered the *Statement of Gross Income* form by no longer requiring that its accuracy be attested to by the applicant. In short, the state of record keeping by the Property Appraiser is not only lax; it is in direct contravention with Florida law.

Second, the Property Appraiser has apparently not availed itself of existing mechanisms to ascertain when a residence may no longer qualify for the T&P exemption. The Clerk of the Circuit and County Courts, Miami-Dade County (Clerk), provides the Property Appraiser access to a database that contains an electronic copy of every new deed filed in the County. Similarly, the Florida Department of Health periodically provides the Property Appraiser records of vital statistics, which identify every death that occurs in the County. Moreover, the Property Appraiser has access to the same database we queried at the onset of our investigation. The fact that a T&P recipient has died, or that the recipient's name has been removed from a deed should—presumably—raise a red flag to the Property Appraiser regarding its continued conferral of the T&P exemption upon the property.

Finally, the Property Appraiser has made no effort to institute any credible fraud prevention program, or even institute internal controls, designed to timely detect unqualified homeowners and prevent them from enjoying the T&P exemption. With regard to the T&P exemption, a fraud prevention program would be markedly apt: in terms of size, the population receiving the exemption is small and relatively static; that same population consists of the elderly, the bereaved, and the more easily confused; and the financial benefits of the exemption are large and can be improperly acquired either by fraudulently representing that the qualifying owner is disabled and alive, and (in the case of category two exemptions) still financially eligible, or through the simple expedient of failing to make affirmative notification that the exemption no longer applies.

In sum, we conclude that the Property Appraiser has failed in its responsibility to efficiently and effectively administer the T&P exemption. Thus, the OIG has little confidence in the proficiency of the Property Appraiser's administration of the other exemption programs, and in its ability to identify for collection millions of dollars of other property tax revenues which, in light of the current status of the economy, are undeniably vital to the county.

⁴ The same cannot be said for the category one files we reviewed but, of course, that category does not require the annual submission of additional qualifying documents.

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As a result of the OIG's investigation, the Property Appraiser has now begun the process of attempting to recover some of the taxes waived by its erroneous granting of T&P exemptions to ineligible property owners. Specifically, on July 1, 2008, the Property Appraiser sent tax lien notices to 23 such owners, demanding payment of back taxes within 30 days—in one instance, in the amount of approximately \$55,000—in lieu of the recordation of a tax lien on the property. It is certainly appropriate that the Property Appraiser takes steps to collect monies owed to the county. It is unfortunate, however, that some of those homeowners—who are, as we found to be, elderly and widowed—now face a lump-sum payment because of the Property Appraiser's failure to properly assess the properties identified in the report.

As a further result of this investigation, the OIG recommends that the Property Appraiser:

1. Upgrade its record keeping process to ensure that documents are collected and maintained in compliance with state-mandated requirements.
2. Institute internal controls, or refine existing ones, in a manner sufficient to ensure that only qualified homeowners benefit from the T&P exemption. These controls should include the timely identification and recordation of the death of eligible recipients, as well as any changes in property ownership; ensuring annual submission of financial documents; supervisory review of initial exemption decisions made by clerks; and periodic property audits to confirm continued exemption eligibility.
3. Develop an aggressive fraud control program to prevent, detect, and deter T&P exemption fraud and abuse. The program should include inquiries of physicians to ensure that the forms certifying an applicant's disability are true and correct, and were in fact signed by the certifying physician.

OIG JURISDICTIONAL AUTHORITY

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to make investigations of county affairs and the power to review past, present and proposed County and Public Health Trust programs, accounts, records, contracts and transactions. The Inspector General is authorized to conduct any reviews, audits, inspections, investigations or analyses relating to departments, offices, boards, activities, programs and agencies of the County and the Public Health Trust.

The Inspector General shall have the power to review and investigate any citizen's complaints regarding County or Public Health Trust projects, programs, contracts or

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transactions. The Inspector General may exercise any of the powers contained in Section 2-1076, upon his or her own initiative.

The Inspector General shall have the power to require reports from the Mayor, County Commissioners, County Manager, County agencies and instrumentalities, County officers and employees and the Public Health Trust and its officers and employees regarding any matter within the jurisdiction of the Inspector General.

BACKGROUND—Statutory Governing Authorities

The Homestead Tax Exemption for Civilian Totally and Permanently Disabled Persons

Among the functions of the Property Appraiser is the processing of applications for, and the administration of, various property tax benefits. One of those benefits is the T&P exemption.

The T&P exemption is provided for by Section 196.101, Florida Statutes, which states in part:

- (1) Any real estate used and owned as a homestead by any quadriplegic is exempt from taxation.
- (2) Any real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person ... who must use a wheelchair for mobility or is legally blind, is exempt from taxation.
- (3) The production by any totally and permanently disabled person entitled to the exemption in subsection (1) or subsection (2) of a certificate of such disability from two licensed doctors of this state or from the United States Department of Veteran Affairs or its predecessor to the property appraiser of the county wherein the property lies, is prima facie evidence of the fact that he or she is entitled to such exemption.

Section 196.101 establishes two distinct categories of qualification for a T&P exemption. The first is an exemption for quadriplegic homeowners. The second is an exemption for paraplegic, hemiplegic, or other totally and permanently disabled persons who must use a wheelchair for mobility, or are legally blind.

The Exemption for Quadriplegics

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In order to qualify for a T&P exemption for quadriplegics, a homeowner must own the subject property and use it as a homestead (hereinafter referred to in this report as the category one exemption). The homeowner must produce statements from two physicians, each certifying the nature of the applicant's total and permanent disability. The grant of a T&P exemption to a quadriplegic homeowner is permanent for the life of the qualifying applicant, and not subject to any renewal process. However, it is the duty of the owner of any property granted such an exemption to promptly notify the Property Appraiser whenever the exemption no longer applies.⁵

The Exemption for Paraplegics, Hemiplegics and Other Permanently Disabled Persons

In keeping with the requirements described above, in order to qualify for a T&P exemption for paraplegics, hemiplegics, or other permanently disabled persons who must use a wheelchair for mobility, or are legally blind, a homeowner must own the subject property and use it as a homestead (hereinafter referred to in this report as the category two exemption). The homeowner must produce statements from two physicians, each certifying the nature of the applicant's total and permanent disability. With regard to this second category of exemptions, Section 196.101 imposes the following additional requirements:

(4)(a) A person entitled to the exemption in subsection (2) [the exemption for paraplegics, hemiplegics, or other permanently disabled persons who must use a wheelchair for mobility, and the legally blind] must be a permanent resident of this state. Submission of an affidavit that the applicant claiming the exemption under subsection (2) is a permanent resident of this state is prima facie proof of such residence. However, the gross income of all persons residing in or upon the homestead for the prior year shall not exceed \$14,500.⁶

(4)(c) The department shall require by rule that the taxpayer annually submit a sworn statement of gross income, pursuant to paragraph (a). The department shall require that the filing of such statement be accompanied by copies of federal income tax returns for the prior year, wage and earning statements (W-2 forms), and other documents it deems necessary, for each member of the household. *The*

⁵ Section 196.011, Florida Statutes.

⁶ The statute prescribes a formula for the annual adjustment of income limitations. The 2008 income threshold is \$24,289. See the Florida Department of Revenue's website for a listing of the annual rates: <http://dor.myflorida.com/dor/property/limitations.html>.

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*taxpayer's statement shall attest to the accuracy of such
copies.* (Emphasis added by OIG.)

Thus, the additional requirements for category two exemptions include the provision of a document establishing compliance with minimum income requirements (the *Statement of Gross Income* form) and its accompanying proofs, such as the IRS Forms 1040 and W-2. In further contrast to the quadriplegic exemption, the grant of a T&P exemption for this category is not permanent for the life of the qualifying applicant. Instead, it is subject to an annual renewal process.

INVESTIGATION

During the course of the investigation, OIG Special Agents reviewed numerous materials including, but not limited to, State of Florida records, Property Appraiser records, and relevant governing authorities. The materials also include documents provided by individuals who—until having been identified by the OIG—continued to benefit from the exemption, despite not being qualified to receive it.⁷ In addition, OIG Special Agents interviewed over 50 witnesses including family members of deceased T&P recipients, and representatives of the Florida Department of Revenue, the Clerk's Office, and the Property Appraiser's Office.

As part of the investigation, the OIG reviewed T&P data maintained by the Property Appraiser for properties where the qualifying recipient may have died, but the property was still receiving an exemption. In order to identify those properties, the OIG first obtained—via requisite court order—information for all recipients of the T&P exemption for 2007. After analyzing that information, which related to a total of 729 properties, the OIG performed routine database checks, designed to identify whether the qualifying recipient was deceased, and was immediately able to narrow down the number of properties.⁸ Those checks yielded 240 suspect properties, the files for which the OIG then obtained, again via court order.⁹

The T&P Application Process

The chart, on the following page, depicts the application process for the T&P exemption. The differences in requirements between the two categories of exemption are noted, where

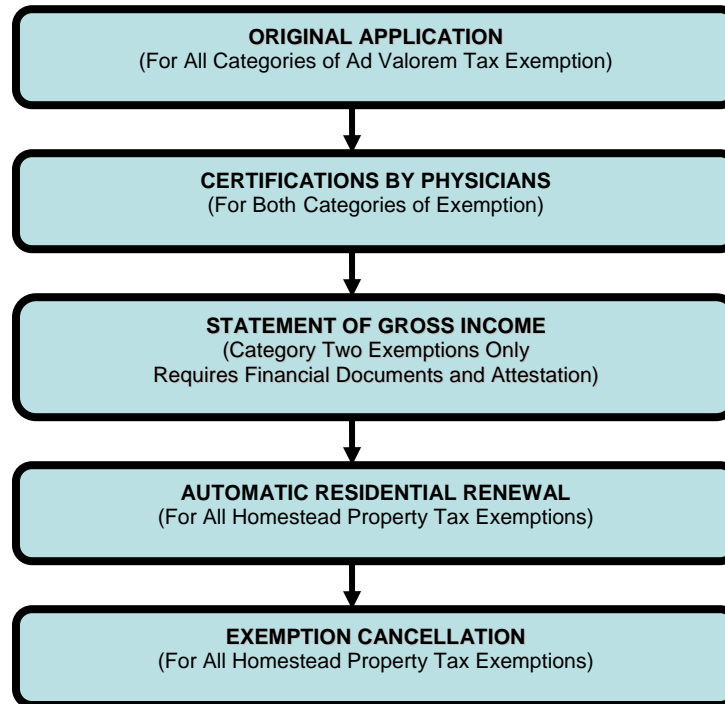
⁷ These documents include copies of death certificates that the surviving or succeeding owners told OIG Special Agents they had submitted to the Property Appraiser.

⁸ The results of the database checks were not fully conclusive because some of the properties listed multiple owners. The investigation determined that the Property Appraiser has access to the same database.

⁹ The OIG is mindful that the court orders prohibit the disclosure of confidential information, and has tailored this report accordingly.

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applicable. A sample document for each step in the process, as reflected in the chart, is attached to this report as **Exhibits A-F**.



1. *The Original Application (Exhibit A)*

The first step in the process is the filing of the application for the T&P exemption. The same application form is used by the Property Appraiser for all exemptions, which includes the two categories of T&P exemption discussed herein, and is signed by the applicant under penalty of perjury.

2. *Certifications By Physicians (Exhibit B)*

Two *Physician's Certification of Total and Permanent Disability* forms are required for both categories of T&P exemption, executed under penalty of perjury by both the applicant and the physician. The importance of this document cannot be overstated—not only does it single out the recipient by name (as opposed to the original application and the *Automatic Residential Renewal Receipt*, which lump together multiple owners), it identifies which category of T&P exemption is being requested (which the current version of the original application form does not).

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The *Florida General Records Schedule for Property Appraisers* requires the Property Appraiser to maintain these records for at least three years after the expiration of the exemption. The OIG found that more than 10% of the Property Appraiser files it examined were missing one, or both, of the forms.

3. *Statement of Gross Income (Exhibits C & D)*

The *Statement of Gross Income* form is required only for the category two (non-quadruplegic) exemption. It must be filed with the original application. After the Property Appraiser grants a category two exemption, the recipient must file a new *Statement of Gross Income* form—which is mailed in advance by the Property Appraiser—as part of the annual renewal process. Consistent with Section 196.101(c), Florida Statutes, the form requires that the statement be accompanied by, at the very least, copies of federal income tax returns for the prior year, as well as wage and earning statements.

The *Florida General Records Schedule for Property Appraisers* requires the Property Appraiser to collect and maintain both the *Statement of Gross Income* and the supporting financial materials for at least three years. Despite this requirement, the OIG discovered that roughly 90% of the 181 files it reviewed for category two exemptions were missing either a *Statement of Gross Income*, or one or more of the supporting financial documents. During the investigation, we learned that the Property Appraiser knowingly declined to enforce the requirement that recipients of the category two exemption attach financial documents to the *Statement of Gross Income* in connection with the renewal process. In fact, Property Appraiser staff admitted that even though the documents are required, it “does not hold [an applicant’s] feet to the fire.” Equally troubling, the Property Appraiser’s office also admitted that in the event it failed to collect not only the financial documents, but the *Statement of Gross Income* itself, it did not completely deny a renewal of the exemption. Rather, in that event, Property Appraiser clerks were instructed to “automatically” convert the T&P category two exemption to a \$500 disability exemption.

The statute also requires that the accuracy of both the *Statement of Gross Income* and the supporting documents be attested to by the applicant. According to the Florida Department of Revenue, the attestation should either be made in the presence of a notary, as evidenced by its *Statement of Gross Income* form (DR-501A, attached as Exhibit D), or be made under penalty of perjury. In 2006, the Property Appraiser removed the **sworn** attestation requirement from the *Statement of Gross Income* form, by removing the notary requirement. However, the Property Appraiser failed to compensate for the notarization removal by adding a declaration that the form was executed under penalty of

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perjury. (See Exhibit D, as compared with Exhibit C.) After OIG Special Agents raised this issue with the Property Appraiser, it re-incorporated the notary requirement, and the version attached as Exhibit C is now in use again.

4. *Renewal of the Exemption (Exhibit E)*

The Property Appraiser annually mails the *Automatic Residential Renewal Receipt* to any homeowner who receives a homestead property tax exemption, including all T&P exemption recipients. Before mailing the form, the Property Appraiser reviews its files and then, on the front of the form, identifies which exemptions currently apply to the property.¹⁰ The form requires the recipient to review the listed exemptions, and then identify which, if any, exemptions no longer apply to the property. The back of the form contains a notice that states “Florida law prescribes that it is the duty of the owner of any property to notify the property appraiser whenever the use of the property or the status or condition of the owner changes so as to change the exempt status of the property.”

The interviews conducted by OIG Special Agents revealed that many of the relatives of qualifying recipients indicated that they were confused by the form, because it first requires the homeowner to note which exemptions do not apply, then admonishes “**DO NOT RETURN THIS FORM IF YOU STILL QUALIFY FOR THE EXEMPTION(S).**” (Emphasis in the original.) A number of the homeowners, particularly the elderly and the recently bereaved (again, with regard to the T&P exemption, they often are one in the same), said they did not return the form because they were confused by the language. Accordingly, they also feared that submitting it would result in a loss of any other exemptions that might apply.

5. *Cancellation of the Exemption (Exhibit F)*

In addition to the *Automatic Residential Renewal Receipt*, the Property Appraiser provides a separate *Exemption Cancellation Form* for use by all recipients of any homestead exemption. Unlike the *Automatic Residential Renewal Receipt*, the *Exemption Cancellation Form* is not mailed to the recipients, although it can be downloaded from the County Property Appraiser’s website or obtained from one of its office locations. The form directs the homeowner to identify the exemption he or she wishes to cancel. But as for the T&P exemption, the form does not provide an example or statement of why the exemption would no longer apply. For example, regarding the Homestead Exemption, the form asks: “Month, day and year you moved out.” Regarding the widow/widower exemption, the form provides a line

¹⁰ The form attached to this report as Exhibit E is blank due to confidentiality concerns.

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asking: “If checked, what date did you remarry?” Conversely, the cancellation form provides no similar question for the T&P exemption, such as whether the qualified homeowner is deceased or whether there has been a change in the financial status of the residence’s occupants, thereby disqualifying the recipient.

Of course, Florida law does not prohibit the Property Appraiser from taking additional steps to timely discover when exemptions no longer apply. Program administration at the county level must not only implement Florida statutory requirements, but it should ensure that the financial interests of the county—in this case, revenue collection—are adequately safeguarded.

Every day, the Clerk provides the Property Appraiser with access to an electronic copy of every new deed filed in the county; the Property Appraiser can and should review those deeds daily.¹¹ Similarly, the Florida Department of Health periodically provides the Property Appraiser with records of vital statistics, which identify every death that occurs in the county; the Property Appraiser can and should review those records promptly. In addition, the Property Appraiser has access to the same database the OIG queried at the onset of its investigation; the Property Appraiser can and should make the same checks regularly.

A small number of properties receive the T&P exemption but, because the exemption completely abolishes taxes on the property, a large amount of potential revenue is at stake. Rudimentary efforts by the Property Appraiser to ensure that the T&P exemption is not granted or renewed in error would benefit the county.

OIG Review of Individual Cases

OIG Special Agents investigated the circumstances surrounding the 42 properties that received the T&P exemption in 2007 despite the fact that the qualifying owner was dead. As part of its investigation, the OIG interviewed the surviving family members. In some instances, those family members were able to produce copies of records they had previously submitted to the Property Appraiser which documented the death of the qualifying recipient. Based on those records, and the content of the interviews, the OIG determined that for almost half those properties, the Property Appraiser knew, or should have known—based solely on the information it had been provided—that the T&P exemption no longer applied. This information ranged from oral notifications (confirmed by the OIG through documentary proofs) to written materials, including deeds, tax returns, death certificates, and the Property Appraiser’s own forms.

¹¹ The Property Appraiser has acknowledged to the OIG that the Clerk provides access to this information, and has also acknowledged that when the name of the qualifying T&P recipient is removed from the deed, it should trigger a denial of the exemption for that property.

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For example, some homeowners indicated that they informed the Property Appraiser by phone that their property was no longer eligible to receive the T&P exemption. In 2006, one widow called to report that her husband was a T&P recipient who had passed away. A member of the Property Appraiser's staff responded that her homestead was no longer eligible for the T&P exemption. The conversation was logged in an internal public service request tracking system maintained by the Property Appraiser; however, it continued to provide the T&P exemption for 2006 and 2007. In 2005, a second widow made a similar telephone report. She was told to send a letter and a copy of the death certificate to the Property Appraiser, but was given the wrong address. She had several additional conversations with Property Appraiser staff during 2006 and 2007; in each of which she repeated that her husband had passed away in 2005. In spite of this information, the Property Appraiser continued to provide the exemption for 2006 and 2007.

Other homeowners submitted documents to the Property Appraiser that clearly stated that the former qualifying homeowner was dead. For example, in 2004, 2005, and 2006, the Property Appraiser mailed a *Statement of Gross Income* form to a property for which the qualifying homeowner had passed away. In each of those years, the son of the deceased homeowner noted in handwriting on the form that his father had passed away and returned it to the Property Appraiser. Nevertheless, the Property Appraiser continued to grant the T&P exemption for 2004-2007.

In 2006, a widow called the Property Appraiser to report the death of her husband, the qualifying homeowner. She was instructed to fax a copy of his death certificate to the Property Appraiser, which she did. Thereafter, she applied for the widow's exemption and attached a copy of her husband's death certificate to the application. In 2007, the widow applied for the senior/widow's exemption and provided a copy of her 2006 federal income tax return, which OIG Special Agents located in the Property Appraiser's file. The tax return also indicated that her husband had died in 2006. Not only did the Property Appraiser grant the T&P exemption for 2007, it advised the widow that she was not entitled to the senior/widow's exemption, because she had failed to provide her husband's death certificate.

Similarly, in 2005 a widow applied for a widow's exemption and provided the Property Appraiser with a copy of the death certificate for her husband, the qualifying homeowner. She also submitted a copy of her 2004 federal income tax return that also indicated that her husband had died. The Property Appraiser continued to confer the T&P exemption upon the property from 2005-2007.

On July 1, 2008, as a result of this investigation, the Property Appraiser sent tax lien notices to 23 property owners, including four of those described above, demanding payment of back taxes within 30 days—in one instance, in the amount of approximately

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\$55,000—in lieu of the recordation of a tax lien on the property. The notices also warn the owner that if the back taxes are not paid promptly, a lien will be recorded on the property.

RESPONSE TO THE DRAFT REPORT & OIG COMMENTS

This report as a draft was provided to the Property Appraiser for its comment. The OIG received a response from the Property Appraiser, which is attached as Appendix A.

We appreciate the Property Appraiser’s lengthy response, which acknowledges that “[i]n principle, the [Property Appraiser] agrees with the recommendations” made by the OIG in the draft report. We also appreciate the Property Appraiser’s assurance that it will “look forward to working with the [OIG] in the future to better improve our processes.” On the other hand, the accusations that the Property Appraiser makes about the integrity and professionalism of the OIG investigation, particularly the *ad hominem* attacks made on individual members of the OIG staff, are not worth commenting on and merely distract from the substantive issues raised in the OIG report.

As for the substantive issues, in its response, the Property Appraiser takes exception to some of the specific findings of the OIG draft report. First, with regard to the practice of converting a T&P exemption to a \$500 disability exemption in the event of imperfect documentation, the Property Appraiser claims that such conversions are appropriate because Florida law does not require the submission of either a *Statement of Gross Income* form or supporting financial documents. As a threshold matter, the OIG investigation uncovered no instances of the conversion actually having been made. The conversion practice was reported as an explanation made to OIG investigators by Property Appraiser staff. More importantly, however—and if the importance of our finding was previously misunderstood, let it now be clear—such conversions are obviously inapplicable when the qualifying disabled property owner is no longer alive.

Second, the Property Appraiser boasts that “80% of the Gross Income Statements were provided to the OIG.” Since Florida law does not countenance a sliding scale for compliance with record keeping requirements, this boast is baffling at best. Again, the import of our findings is worth repeating: roughly 90% of the 181 files that OIG Special Agents reviewed for category two exemptions—specifically, 160 of the 181 files—were missing either a *Statement of Gross Income* form or one or more of the required supporting financial documents.¹²

¹² The Property Appraiser’s response makes no attempt to address its failure to secure the supporting financial documents. This omission is not surprising, in light of the explanation made to OIG

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Third, the Property Appraiser disputes whether the widow of a T&P-disabled homeowner actually phoned in a report of her husband's death in 2005, since 311 Call Center records reflect only that such a call was made in 2008. Sadly, the Property Appraiser went to some effort to review records in casting a challenge to the credibility of this widow, yet does not deny that, in fact, her husband did pass away in 2005. Ironically, had the Property Appraiser exercised a modicum of that effort in 2005, 2006, or 2007—say, by a routine check of records of vital statistics—it might have timely determined that the T&P exemption was no longer applicable.

Fourth, the Property Appraiser claims that **OIG Schedule One** misrepresents the property tax status of two properties (numbers seven and nine) because exemptions other than the T&P exemption may have been applicable. This claim ignores not only the title of the schedule, "Properties Not Qualified To Receive a 2007 Tax Exemption For Civilian Totally and Permanently Disabled Persons," but also the substance of the ensuing explanatory paragraph, which states that "in 2007, the T&P exemption was conferred upon 42 properties that were not qualified to receive the exemption because the qualifying owner was deceased."

The Property Appraiser's related contention that the schedule omits material information concerning property number nine not only ignores the facts; it is disingenuous. During the course of the investigation, on July 28, 2008, the Property Appraiser informed the OIG that its file for property number nine was completely devoid of documents of any kind. As a result of a subsequent interview conducted by OIG Special Agents with the widow-owner of the property, she was able to procure a letter documenting her husband's military service from the United States Department of Veteran's Affairs. The receipt of the letter, which had nothing to do with any action taken by the Property Appraiser, prompted the Property Appraiser to award the property a veteran's exemption, an action which gratified the widow.

Finally, while the Property Appraiser acknowledges its failures in record keeping, it also touts recent efforts to discover misapplication of the T&P exemption and to engage in fraud prevention. The OIG encourages and applauds these efforts, but the unalterable fact remains that in 2007 alone, 42 properties received the T&P exemption in error because the former qualifying recipients were deceased. To the extent that the Property Appraiser also emphasizes that its administration of the T&P exemption comprises only .07% of the properties it annually reviews, that emphasis is similarly misplaced. To the contrary, it should be expected that the administration of a small, static program would present one of the least onerous challenges to the Property Appraiser, but that is clearly not the case.

investigators by Property Appraiser staff that it "does not hold [an applicant's] feet to the fire" in this context.

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CONCLUSION & RECOMMENDATIONS

The OIG has determined that the Property Appraiser has failed in its responsibility to efficiently and effectively administer the T&P exemption. The shortcomings displayed by the Property Appraiser in its management of the T&P exemption—an example of which is its noncompliance with mandatory record keeping requirements—undermine our confidence in the proficiency of the Property Appraiser’s performance of its other duties. Our lack of confidence in this regard, and based upon other ongoing inquiries, extends to the Property Appraiser’s ability to identify for collection millions of dollars of other property tax revenues which, in light of the current status of the economy, are undeniably vital to the county.

As a result of this investigation, the OIG recommends that the Property Appraiser:

1. Upgrade its recordkeeping process to ensure that documents are collected and maintained in compliance with state-mandated requirements.
2. Institute internal controls, or refine existing ones, in a manner sufficient to ensure that only qualified homeowners benefit from the T&P exemption. These controls should include the timely identification and recordation of the death of eligible recipients, as well as any changes in property ownership; ensuring annual submission of financial documents; supervisory review of initial exemption decisions made by clerks; and periodic property audits to confirm continued exemption eligibility.
3. Develop an aggressive fraud control program to prevent, detect, and deter T&P exemption fraud and abuse. The program should include inquiries of physicians to ensure that the forms certifying an applicant’s disability are true and correct, and were in fact signed by the certifying physician.

OIG REQUESTED FOLLOW-UP

Pursuant to our authority under Section 2-1076(d)(2) of the Code of Miami-Dade County, the OIG requests the Property Appraiser to submit a status report addressing the three above-noted recommendations relating to record keeping, the timely identification of properties no longer eligible for the T&P exemption, and fraud prevention. The OIG requests that we receive this report in 90 days, on or before January 22, 2009.

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OIG SCHEDULE ONE

**Properties Not Qualified To Receive a 2007 Tax Exemption
 For Civilian Totally and Permanently Disabled Persons**

The investigation has determined that in 2007, the T&P exemption was conferred upon 42 properties that were not qualified to receive the exemption because the qualifying owner was deceased. A majority of those properties had also improperly benefitted from the T&P exemption for previous years, some dating as far back as the 1990s. Fifteen (15) of the properties received the exemption for quadriplegic owners (**category one – unshaded**). Twenty-seven (27) of the properties received the exemption for paraplegic, hemiplegic, or other totally and permanently disabled persons who must use a wheelchair for mobility, or are legally blind (**category two - shaded**). Significantly, the files maintained by the Property Appraiser for every one of those 27 properties lacked at least one of the documents required for the initial approval and/or subsequent renewal of the exemption.

PROPERTY NUMBER	YEAR FIRST RECEIVED T&P	CATEGORY TYPE	DEATH OF ELIGIBLE RECIPIENT	2007 ASSESSED VALUE	NUMBER OF YEARS TAXES SHOULD HAVE BEEN COLLECTED
1*	1990	QUAD	1990	\$ 86,991	17
2	1982	QUAD	1993	\$ 106,252	14
3	1994	QUAD	1996	\$ 79,527	11
4*	1992	OTHER	1999	\$ 83,890	8
5	1997	OTHER	2000	\$ 171,207	7
6	1996	QUAD	2001	\$ 130,014	6
7	1994	OTHER	2001	\$ 23,990	6
8	1996	OTHER	2002	\$ 48,802	5
9	1996	OTHER	2002	\$ 115,261	5
10*	2000	OTHER	2003	\$ 168,791	4
11	1998	QUAD	2003	\$ 242,931	4
12	2003	OTHER	2003	\$ 89,480	4
13	1997	OTHER	2003	\$ 62,973	4
14	1998	QUAD	2003	\$ 119,698	4
15	2003	OTHER	2003	\$ 210,268	4
16*	1996	OTHER	2004	\$ 77,793	3
17	2004	OTHER	2004	\$ 328,587	3
18	2002	OTHER	2004	\$ 78,727	3
19*	2004	OTHER	2004	\$ 147,505	3
20	2003	QUAD	2004	\$ 93,364	3
21	2004	QUAD	2005	\$ 270,109	2

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PROPERTY NUMBER	YEAR FIRST RECEIVED T&P	CATEGORY TYPE	DEATH OF ELIGIBLE RECIPIENT	2007 ASSESSED VALUE	NUMBER OF YEARS TAXES SHOULD HAVE BEEN COLLECTED
22	2005	QUAD	2005	\$ 90,180	2
23	2000	OTHER	2005	\$ 103,257	2
24	2004	OTHER	2005	\$ 225,492	2
25	1999	OTHER	2005	\$ 36,522	2
26*	1995	QUAD	2005	\$ 835,835	2
27	2003	OTHER	2005	\$ 62,899	2
28	2000	OTHER	2005	\$ 175,350	2
29	1996	QUAD	2005	\$ 178,946	2
30	2003	OTHER	2006	\$ 123,212	1
31	2004	OTHER	2006	\$ 108,982	1
32	2005	OTHER	2006	\$ 234,201	1
33	2004	OTHER	2006	\$ 60,884	1
34	2004	OTHER	2006	\$ 44,898	1
35	1991	QUAD	2006	\$ 150,011	1
36*	2006	OTHER	2006	\$ 63,330	1
37	2005	OTHER	2006	\$ 42,331	1
38	1997	QUAD	2006	\$ 52,925	1
39	1997	OTHER	2006	\$ 105,092	1
40	2006	OTHER	2006	\$ 89,479	1
41	1997	QUAD	2006	\$ 555,491	1
42	2005	QUAD	2006	\$ 104,022	1
				\$ \$6,179,499	

*Referred for possible criminal prosecution.

OIG Final Report

Appendix A

Property Appraiser's Response to the OIG Draft Report

IG08-02

Memorandum



Date: October 21, 2008
To: Christopher R. Mazzella
Inspector General
From: Marcus Saiz de la Mora
Property Appraiser
Marcus Saiz de la Mora
Subject: Property Appraisal Response to OIG Draft Report, IG08-02

INTRODUCTION

In my short tenure of just over a year and half as Property Appraiser (PA), during which time in 2007 I was interim PA and later appointed Department Director by the Miami-Dade County Mayor and confirmed by the Board of County Commissioners, I have worked diligently to improve the quality and efficiency of the office by initiating an across the board review of all areas in the Department. Currently, for the last ten months of 2008 I have served in the official capacity of PA.

In the last eight months of my tenure, the Office of the Inspector General (OIG) has reviewed the Department's administration of 729 Total & Permanent (T&P) disability property assessments comprising .07% of the nearly 990,000 real and tangible personal property parcels which are properly assessed and that my office must separately review and reassess annually. This immense annual process is accomplished with approximately 300 employees.

Shortly after being named interim PA, in February of 2007, I addressed Departmental staff (see attached memo) to emphasize the need to individually improve all facets of work within the Department. Commensurate with the objective of becoming more effectual in our daily work, it has and will continue to be this Department's goal to review all pre-existing processes and procedures adopted by previous Department administrations. Moreover, the County Manager in his charge memo dated September 25, 2007, noted in one of his seven directives to "curb tax exemption abuses." To date, work on all seven directives is in progress, near completion or has been finalized.

As early as December of 2007 (well before the OIG commenced its investigation) this Department identified the need to augment staffing in the Exemption Division. That recognition prompted the Department to request, and receive, approval for seven new Exemption Division positions for fiscal year 2008-09. Five additional employees are also being assigned to the Exemption Division from other areas of the Department.

I have always welcomed opportunities for insight, observations and recommendations from all sources internal and external, including the OIG. This office has historically worked closely with and assisted the OIG in other investigations throughout the years and, whenever possible will continue to do so.

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BACKGROUND

The OIG reports that the property owner receiving homestead exemption (and all other exemptions, including all categories of T&P disability) is required under Florida law to notify the PA of any change in qualifying status.

Florida law not only requires the recipient of an exemption to notify the PA of changes in exemption qualification status, but it also significantly prescribes that it is the *duty* of the PA to lien any property owned by the person who ***illegally or improperly*** received an exemption. Section 196.011 (9)(a) of the Florida Statutes (F.S.) reads: “.... ***It is the duty of the owner of any property granted an exemption who is not required to file an annual application or statement to notify the property appraiser promptly whenever the use of the property or the status or condition of the owner changes so as to change the exempt status of the property.*** If any property owner fails to so notify the property appraiser and the ***property appraiser determines that for any year within the prior 10 years the owner was not entitled to receive such exemption, the owner of the property is subject to the taxes exempted as a result of such failure*** plus 15 percent interest per annum and a penalty of 50 percent of the taxes exempted.... , ***it is the duty of the property appraiser*** making such determination ***to record in the public records of the county a notice of tax lien against any property owned by that person*** or entity in the county, and such property must be identified in the notice of tax lien. Such property is subject to the payment of all taxes and penalties. Such lien when filed shall attach to any property, identified in the notice of tax lien, owned by the person ***who illegally or improperly received the exemption.***” (*emphasis added*)

This section governing the application and administration of exemptions further provides a strict remedy of liening property for a period of up to ten years for both fraud and improper exemption status. As previously stated, it is the continued duty of the PA to remove all previous illegally or improperly granted exemptions to the full extent of the law. However, Florida Statutes do not provide the PA with the authority to consider a property owner's age or ability to pay property taxes when it has been determined that an exemption was illegally or improperly received. However, Section 196.161 1(b), F.S., specifically limits consideration of available relief by stating, “However, if a homestead exemption is ***improperly granted as a result of a clerical mistake or an omission by the property appraiser***, the person improperly receiving the exemption shall not be assessed penalty and interest. ***Before any such lien may be filed, the owner so notified must be given 30 days to pay the taxes, penalties, and interest.***” (*emphasis added*)

The PA agrees with the OIG's report that the process of rectifying the exemption status is often complicated by the fact that the surviving spouse of a recipient of the T&P exemption is elderly and grief stricken and the termination of the exemption becomes a significant financial burden on the surviving spouse. Additionally, in many cases the remaining spouse cared for the total and permanently disabled exemption recipient for many years with limited financial means. Legislation that would allow the surviving spouse and dependent children to continue receiving the T&P benefit even after the disabled exemption recipient is deceased may help ease this burden. Similar “pass through benefits” already exist under Florida Law. For example, the Save Our Homes assessment limitation resets in ownership changes, except when the change involves surviving spouses and dependent children. In these cases, the assessment limitation benefit passes to the spouse and dependent children. Similarly, the veteran disability exemption can also pass to a surviving spouse. A surviving spouse and dependent children of very low income total and permanently disabled individuals would certainly welcome the extended benefit in light of the limited impact to Miami-Dade taxing authorities' revenue. The

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total taxable value of *all* existing T&P exemption properties is minor when compared to the County's total ad valorem taxable value of *\$245.5 billion* and approximately *\$4.5 billion in resulting revenue*. Such changes are, however, for the legislature and not within the discretion of my office to create a hardship or pass-through of exemption benefits to surviving spouses or dependent children.

The OIG's draft report repeatedly and erroneously notes that the Department is lacking the means or has failed to collect millions of dollars. The constitutional duties of the PA do not include the collection of taxes in favor of the County. The Florida property tax system is comprised of four major components: Property Appraiser, Taxing Authorities, Value Adjustment Board and Tax Collector. Each of these components has distinct responsibilities under Florida Law. Contrary to the report's suggestion, the PA is not responsible for revenue collection, nor is the governing policy of the PA driven by a desire to maximize revenue generation as the report suggests. This distinction may seem minor, but is noteworthy because it is so fundamental in the Florida Property Tax system.

ASPECTS OF THE OIG REPORT ARE INACCURATE AND MISLEADING

A number of misleading and inaccurate statements call into question the lack of objectivity of the report and the OIG's findings. These combined errors demonstrate the OIG and its agents' fundamental lack of understanding of exemption laws. Misstatements and errors in the Inspector General's report are as follows:

Function of the Renewal Receipt

In 1986, Florida law changed allowing for property tax exemptions to automatically renew upon adoption by the governing body of the County of a resolution approving the removal of the annual application requirement (Ref. Section 196.011 (9)(a), F.S.). This change was adopted by the Miami-Dade County Board of County Commissioners the same year by resolution (R-1367-86), causing exemptions in Miami-Dade County to automatically renew beginning in 1987. To best facilitate exemption renewal automation with appropriate fraud discovery controls, the Department utilized the Florida Department of Revenue's (FDOR) automatic renewal receipt form (DR-500AR). Each year, more than 400,000 automatic renewal receipts are mailed to property owners in Miami-Dade County. The Department takes the renewal process a step further by sending the automatic renewal receipts each December under the mail order "RETURN SERVICE REQUESTED" prompting a review process of those properties with a mailing address change on file with the post office. This detection process has successfully resulted in the recovery more than \$2 BILLION in taxable value being returned to the 2006, 2007 and 2008 assessment rolls.

Table 1 - Proactive Detection Results Summary

YEAR	TAXABLE VALUE GAIN
2006	\$ 716,742,584
2007	1,078,802,896
2008	931,705,826
Three Year Total	\$2,727,251,306

The language on the automatic renewal receipt which the OIG's report calls into question ("DO NOT RETURN THIS FORM IF YOU STILL QUALIFY FOR THE EXEMPTION(S)") is language exactly from the FDOR form DR-500AR, is not County-generated and is used by other Property Appraisers throughout the State. In 2004, the Department improved upon the State's renewal receipt FDOR form DR-500AR by incorporating enhancements to better serve Miami-Dade

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County exemption recipients. These enhancements include a delineation of the Veteran and Civilian Disability Exemptions cancel indicators, an ownership change disclosure, and a notice to senior exemption recipients that their senior exemption is not automatically renewed and therefore not reflected on the receipt. These changes were made on Miami-Dade County's receipt to provide clarity to what are otherwise complex laws relating to property tax exemptions and are not available on the State FDOR form.

The OIG's report also notes differences between the Department's cancellation form and the automatic renewal receipt. These forms have differing functions and therefore require differences in language. The report further recommends the Department add an example on the disability exemption line of the cancellation form stating, "There has been a change in the financial status of the residence's occupants." This suggested change would not be in the best interest of Miami-Dade taxpayers or this office because the FDOR reports changes in the amount of the income qualification limit for the T&P disability exemption annually and, because not all sources of income count toward qualifying for this exemption, the applicant is better served by filing a Statement of Gross Income as opposed to the cancellation form. Continuing the PA's procedure prevents the property owner from inadvertently canceling the exemption without the benefit of the Department reviewing income details that would be listed on the Statement of Gross Income. Since there are multiple reasons a person can cancel a disability exemption, the PA is taking under further advisement the report's suggestion to modify the cancel form.

Converting T&P Disability Exemptions to a \$500 Disability Exemption Page 9 of the OIG's report states, "Equally troubling, the Property Appraiser's office also admitted that in the event it failed to collect not only the financial documents, but the Statement of Gross Income, itself, it did not completely deny a renewal of the exemption. Rather, in that event, Property Appraiser clerks were instructed to 'automatically' convert the T&P category two exemption to a \$500 disability exemption. This statute also requires that the accuracy of both the Statement of Gross Income and the supporting documents be attested to by the applicant." The OIG's interpretation of the Statute governing the \$500 disability exemption is incorrect. Section 196.202, F.S., does not require a Statement of Gross Income for this \$500 disability exemption. Instead, a person can meet the requirements of the disability, but absolutely need not meet an income requirement, thereby making the owner eligible for the \$500 exemption provided by Section 196.202, F.S. Property Appraisal clerks have correctly converted the T&P exemption to the \$500 disability exemption when a Statement of Gross Income is not received or the income exceeds statutory limitations.

Statement of Gross Income

On page 9, the report further states, "...the OIG discovered that roughly 90% of the 181 files it reviewed for category two exemptions were missing either a Statement of Gross Income or one or more of the supporting documents." This statistic manipulates the findings. Notwithstanding the OIG's contention to the contrary, 80% of the Gross Income Statements were provided to the OIG.

OIG Review of Individual Cases

With respect to one of the specific cases discussed by the OIG, the OIG found the Department did not take action after receiving certain information. However, detailed property information was omitted from the report, necessitating reconciliation of the accusation with Department records. The report's discussion begins on page 12, paragraph 2, "In 2005, a second widow made a similar telephone report." The referenced telephone report was entered in an electronic Public Service Request (PSR) system utilized by the Department. The report incorrectly

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identifies that this PSR was generated in 2005 when, in fact, it was initiated by the 311 Call Center on January 2, 2008. In that call, a widow informs the 311 call specialist that her husband died in 2005. This negates the OIG report finding that the Department did not take action with respect to 2006 and 2007 after receiving this information where the report states, "In spite of this information, the Property Appraiser continued to provide the exemption for 2006 and 2007." It is clear from the Call Center documentation that the information was not obtained from the widow until January 2008, thus rendering the OIG's conclusions referenced above incorrect and meaningless.

Schedule One Errors

The report incorrectly denotes that taxes should have been collected for the following:

- Item number nine on schedule one should have been collected for this property for five years due to a death. In response, the PA states that, although totally left out of the report, the Department previously supplied information to the OIG establishing this as a veteran exemption. As such, the surviving spouse is entitled to retain the exemption and is not liable for the five years of taxes identified in the report.
- Item number seven on schedule one incorrectly denotes that the property owner should have paid taxes for six years. In response, the PA states that the report wholly ignores the assessment limitation the surviving spouse is entitled to continue to receive. (Ref. Section 193.155, F.S.). When the exemptions and values are calculated in accordance with state law, there is no change in the taxable value with respect to this property. This would have been evident had the OIG reviewed this information with the PA prior to incorrectly concluding taxes should have been collected.

The laws related to property tax exemption benefits are varied and complex, and are expanding in light of new legislation over the last two years that has provided even more benefits to property owners. The Department will continue to strive to improve processes along with training to minimize improperly granted exemptions. It is important to note, however, that substantial, significant and effective processes are already in place, as evidenced in the previously-noted proactive detection results illustrated in Table 1.

INSPECTOR GENERAL REPORT DETERMINATIONS

The OIG's investigation has made three determinations:

1. "The Property Appraiser has failed to require the submission of certain financial documentation."
2. "The Property Appraiser has apparently not availed itself of existing mechanisms to ascertain when a residence may no longer qualify for the T&P exemption."
3. "The Property Appraiser has made no effort to institute any credible fraud prevention program, or even institute internal controls, designed to timely detect unqualified homeowners and prevent them from enjoying the T&P exemption."

With respect to item 1, the PA agrees that policies of previous administrations did not require vigorous pursuit of the review of additional financial documents. The PA also agrees that such pursuit is necessary and currently requests all category two applicants to submit the supplemental financial documentation to maintain eligibility for exemptions. However, with

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respect to items 2 and 3, the OIG does not accurately report on the existence of the lien investigation unit, which restored more than \$2.7 billion to Miami-Dade tax rolls over the last three years, and has regularly and historically assisted OIG agents with previous investigations.

Furthermore, in addition to the Automatic Residential Renewal Receipt process used for fraud discovery previously mentioned, there are a number of other processes in place that have been extremely beneficial in curbing fraudulent exemptions. Since 1996, the Department has annually obtained copies of all death records in Miami-Dade County. These Vital Statistics Reports have yielded positive results. Table 2 illustrates the results of these efforts from 2006 through 2008:

Table 2 - Vital Statistics Report (DEATH RECORDS) Review Results

YEAR	TAXABLE VALUE RECOVERED
2006	\$118,097,021
2007	164,645,967
2008	157,607,859
Three Year Total	\$440,350,847

The values in Table 2 reflect the results of reviewing approximately 36,000 total death records. The assessment values in Table 2 reflect the cancellation of all exemptions available to property owners, including the T&P disability exemption.

INSPECTOR GENERAL REPORT RECOMMENDATIONS

The report identifies three recommendations to the PA as a result of the OIG investigation: 1) Upgrade recordkeeping; 2) Institute internal controls; and 3) Develop an aggressive fraud control program. In principle, the PA agrees with the recommendations. To improve its recordkeeping, in 2007 the Department implemented a process for its electronic document management system that better addresses the complications of tracking more than 100,000 exemption documents received annually by this office. Additionally, workflow improvements continue to be developed along with meeting the need for additional staffing, specifically in the Department's Exemption Division.

As to internal controls, the report fails to consider the full spectrum of fraud-discovery processes already utilized by the Department. Along with proactive review of death records and returned renewal receipts, the Department also processes and analyzes deed changes recorded with the Clerk of Courts. In excess of 300,000 transactions were processed for the three previous years alone. Each change in ownership is also reviewed in connection with exemption renewal eligibility. This is yet another program that has resulted in the removal of millions of dollars in exemptions (Table 3).

Table 3 – Exemptions Removed (types 3-6) from Deed Analysis

YEAR	TAXABLE VALUE GAIN
2006	\$ 64,637,942
2007	63,315,857
2008	68,642,853
Three Year Total	\$196,596,652

The report asserts that the Department should be engaged in accelerated fraud prevention activities and programs with respect to administration of the disability exemption program. The

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PA agrees, but is limited to only the legal authority and procedures provided by Florida Statutes and implementing FDOR rules and regulations. The PA has neither criminal nor law enforcement powers. The PA's limited powers are in the form of the exemption lien process. In 1996, the Department progressively established a lien investigation unit which has yielded substantial results in the discovery and removal of illegal or improper exemptions (Table 4).

Table 4 - Lien Results

YEAR	TAXES RECOVERED
2005	\$1.2 million
2006	\$1 million
2007	\$2.7 million

Table 4 illustrates the success of the development and implementation of a program geared to detection of illegal and improper exemptions that is within the power and authority granted to the PA under current legal parameters.

The assessment roll contains more than 500,000 various exemptions, such as the homestead, senior, widow, disability and institutional exemptions. Due to the large number of exemptions and limited resources, the Department has taken a practical and cyclical approach of reviewing and analyzing continued exemption eligibility. These reviews include a physical inspection of the property and review of documentation to determine continued eligibility.

ADDITIONAL OBSERVATIONS

Initially, the OIG attempted to access confidential property owner records without the required Court Order. Records containing the property owners' social security numbers, license information, financial and medical information are records the PA is duty-bound to maintain as confidential. When a Court Order was finally received, it required the PA to provide all original documents within 10 days. This scope and timeframe was so unreasonable that it forced the Department to physically search in excess of 500,000 off-site documents utilizing 26 employees working overtime at a cost to taxpayers of more than \$28,000 (see attached memo). The Department attempted to coordinate an alternative record search with the OIG, which would have alleviated this unreasonable costly expense, but was refused. The same results could have been achieved with little or no additional cost had the OIG allowed the Department to produce this documentation in a more reasonable timeframe. These records were accumulated over the past 30 years under the authority of the previous three Property Appraisers.

It should also be noted that during this investigation the conduct of OIG agents and supervisors on several occasions was overly aggressive and intimidating to Department employees. For example, early in the investigation the PA and OIG mutually agreed to route public records requests through a specified channel. This procedure was established as the result of an OIG agent's previous attempt to obtain records directly from a Department clerk who was unable to locate the requested records. When the OIG brought this matter to the attention of the PA, these records were located, resulting in the development of this procedure. As the investigation progressed, this agreed workable procedure was no longer honored by the OIG. The PA provided a courtesy reminder of this procedure to the infracting Agent. Minutes later, the OIG supervisor contacted the PA administration and stated, in a tone which lacked respect, cooperation and professionalism, that the OIG agents would ask anyone they wanted for documents, directly contrary to and in total disregard of the established procedure. Moreover, evidencing a lack of professionalism and disregard of the PA's operational procedures, OIG agents routinely refused to sign and acknowledge receipt of provided records.

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The report notes that, in interviews with property owners, all the owners stated they informed the Department of pertinent facts relating to not qualifying for exemption benefits. The egregiousness of this representation is apparent when compared to page 1 of the report, which states, "given the specter of an immediate onerous impact of their finances-homeowners have little incentive to notify the Property Appraiser of the demise of the T&P exemption." This same disincentive away from honesty is equally applicable to property owners being interviewed by OIG agents whereby, admitting that they did not notify the Department that it should cancel an exemption, the property owners may expose themselves to criminal prosecution. The Department acknowledges that there are some cases in which staff mishandled the information being provided, however, this should not be misconstrued as applying to most or all other undocumented or unsubstantiated inquiries.

CONCLUSION

Although I recognize that no system is perfect and there is always room for improvement, I take great pride in the employees of this Department, as they have performed the statutory and constitutional responsibilities of this office to the best of their abilities. My personal charge to Department staff has always been one of "quality and accuracy first." The presentation in the OIG report lambasting and attacking several activities and processes conducted by the Department, specifically the administration of .07% of the total number of assessments annually made by my office, was not objective. Therefore, I respectfully submit the conclusions are not merited.

Furthermore, the additional factors related to the Department's efforts as described in this memo should be considered in the OIG's future observations. Factors such as growing and strengthening the fraud-prevention activities of the Department, allocating additional personnel resources to the Exemption Division, transitioning to an electronic document management system, and converting the current 1985 mainframe system to a new, more powerful PC-based Computer Assisted Mass Appraisal system will all work to enhance and improve Department operations in the coming years.

To that end, we will continue to make every effort to ensure that this office complies with all laws to the fullest extent possible. Ongoing efforts continue as we review all T&P exemptions subject to automatic renewal currently on the assessment roll, which will conclude with additional liens in the coming weeks and months. We welcome the OIG's recommendations and look forward to working with the office in the future to better improve our processes.

As stated in previous conversations, I want to make it clear that I remain available to discuss any constructive ideas that will serve to improve the organization for the benefit of the residents of Miami-Dade County. Expertise from multiple disciplines is always welcome and desired as we strive for the common goal of achieving assessment roll accuracy and review of processes to enhance property owner benefits where possible. All organizations, including the OIG, can benefit from professional and objective reviews.

Attachments

c: George M. Burgess, County Manager
Cynthia W. Curry, Senior Advisor to the County Manager

Memorandum



Date: February 21, 2007
To: All Personnel
Property Appraisal Department
From: Marcus Saiz de la Mora *Marcus Saiz de la Mora*
Acting Property Appraiser
Subject: Refocusing on Improving the Quality of our Work
and Enhancing Roll Equity

Every employee of this Department is important and valuable to our organization. Each and every one of you contributes to the well being of Miami-Dade County. Just think about it, every single real and tangible personal property in the County is identified, described, classified or exempted and assessed; nearly a million parcels totaling approximately \$212.6 billion in taxable value. The yearly assessment process that is undertaken by all of us impacts everyone in this county; owners, tenants, businesses and governments all are affected by our work. Every deed, sale verification, pricing assignment, permit, building inspection/calculation, plat, RC/cut-out, zoning change, Ag return, VAB agenda, court case, exemption, scanned document, computer application, TPP return, and public service encounter is all interrelated work woven into the assessment process. That is, what we do everyday is directly or indirectly linked to the annual statutory requirement to produce an accurate and equitable assessment roll.

As employees and managers of the County's Property Appraisal Department, we are entrusted with a significant responsibility. It is up to all of us to uphold this trust and responsibility and ensure that our work is of the highest level of accuracy and equity.

Each division/section/workgroup within the Department plays a vital role in the process of assessment roll preparation, completion and approval. Of greatest importance is your direct participation in this process. As administrators and supervisors, it is our responsibility to provide the necessary leadership, support, guidance and resources to accomplish the annual assessment roll completion with the highest degree of accuracy and equity possible.

The 2006 assessment roll was by far the largest roll growth year ever, a 21% increase over the previous year's taxable value, and the largest tax roll in the state. But with this "grandness" also comes tremendous public scrutiny, criticism and attention, sometimes even from our own colleagues and friends. This added attention and criticism can at times cause us to feel negatively about our work and responsibilities, even lowering morale. This negativity is compounded when we begin taking our work for granted, and not putting in the little extra effort necessary to improve ourselves and our work product.

I believe it is absolutely necessary for all of the Department's supervisors, including myself, to praise and promote and reward "excellent public service", to give everyone an opportunity to prove that we can be successful in completing our work, attain our goals and fulfill our mission. As employees we must support each other, first by recognizing our own self-worth and value and secondly by recognizing the value of your co-workers and the public we serve.

Historically, this Department and its employees have, throughout the years, successfully provided excellent service to County residents. This is not to say that we are at the "top of our game", there is still much room for improvement. The question is what aspect of the Department should we improve upon? (Management, communication, public service, training, work processes, myself, etc). How do we know if we are getting better or worse at what we are doing? Am I prepared to accept constructive feedback as insight to improve my work product? What should we measure and why? As employees, managers and administrators, we must understand what causes or contributes to excellent performance and public service.

Simply stated, what we (you, me, all of us) do daily must be frequently evaluated, both quantitatively and qualitatively, to learn how we can improve as an organization. The evaluation process also requires an honest self evaluation of our strengths as well as our deficiencies. Do I share my knowledge/successes? Where do I obtain assistance, knowledge, and training to improve my skills, my work product and ultimately the 2007 assessment roll?

The ultimate measure of achievement for all of us is to improve the 2007 assessment roll measures of equity. I am challenging every employee with this responsibility. In order to attain this lofty goal we must do the "simple things right". The complex things will be resolved if the "basic tasks" are completed timely, accurately and efficiently.

On January 5, 2007, I communicated via memo to the County Manager my commitment to improving the equity of assessments in this county. This goal is consistent with the Department's mission and will only be attained with your continued input, effort and dedication to "delivering excellent service" to your fellow employees and the public. This team effort is what has always made this Department successful and an excellent place to work, grow and be challenged.


To this end, I want this year to be the year where we refocus our all out effort to doing what we do better. I challenge myself and all of you to **do all things with great care**, always keeping in mind that **quality is job one in delivering excellence everyday**.

Memorandum



Date: September 26, 2007

To: Marcus Saiz de la Mora
Property Appraiser

From: George M. Burgess
County Manager 

Subject: Charge Memorandum – Property Appraiser

Congratulations on your permanent appointment as Miami-Dade County's Property Appraiser. Over the past year you have demonstrated tremendous leadership and teamwork skills that I expect for you to continue in your permanent position.

As a veteran in the department, you have developed the necessary skills to run the day-to-day operations of the department; however, I task you with accomplishing these key objectives during your tenure:

- Continue the aggressive tracking and analyzing all legislative items that will impact the County and bring them to the immediate attention of the Office of Strategic Business Management and this office;
- Develop the Workplan to comply with the five-year re-inspection mandate per Florida Statue 193.023;
- Expand on our customer focused and user-friendly initiatives like the Department's partnership with 3-1-1 and the advancements to the Property Appraiser's website to improve customer service, such as the electronic filing of exemptions and tangible personal property tax returns;
- Continue the Department's efforts to outreach and educate the public on the Property Appraiser's statutorily mandated functions;
- Complete implementation of the Computer Aided Mass Appraisal (CAMA) system;
- Continue to curb tax exemption abuses, and engage as a key member of the Mayor's Mortgage Fraud Taskforce; and
- Ensure that Property Appraiser staff is adequately and continuously trained to ensure annual compliance with roll assessment and certification.

As Interim Director, you lead the department through an unprecedented year and I expect that we will continue to experience challenges in the future. I have no doubt that you will continue to advance the goals I have set forth for you, and tackle any issues that arise during the course of the year. On behalf of our entire management team, I wish you the best in this endeavor.

c: Honorable Carlos Alvarez, Mayor
Denis Morales, Chief of Staff, Office of the Mayor
Cynthia W. Curry, Senior Advisor to the County Manager



- ADA Coordination
- Agenda Coordination
- Animal Services
- Art in Public Places
- Audit and Management Services
 - Aviation
 - Building
- Building Code Compliance
- Business Development
- Capital Improvements
- Citizens' Independent Transportation Trust
- Commission on Ethics and Public Trust
 - Communications
- Community Action Agency
- Community & Economic Development
 - Community Relations
- Consumer Services
- Corrections & Rehabilitation
 - Cultural Affairs
 - Elections
- Emergency Management
 - Employee Relations
 - Empowerment Trust
- Enterprise Technology Services
- Environmental Resources Management
 - Fair Employment Practices
 - Finance
 - Fire Rescue
- General Services Administration
 - Historic Preservation
 - Homeless Trust
 - Housing Agency
 - Housing Finance Authority
 - Human Services
- Independent Review Panel
- International Trade Consortium
- Juvenile Assessment Center
 - Medical Examiner
- Metro-Miami Action Plan
- Metropolitan Planning Organization
 - Park and Recreation
 - Planning and Zoning
 - Police
- Procurement Management
 - Property Appraisal
- Public Library System
 - Public Works
- Safe Neighborhood Parks
 - Seaport
- Solid Waste Management
- Strategic Business Management
 - Team Metro
 - Transit
- Task Force on Urban Economic Revitalization
- Vizcaya Museum And Gardens
- Water & Sewer

May 1, 2008

Mr. Christopher Mazzella
Inspector General
Office of the Inspector General
19 West Flagler Street, Suite 220
Miami, Florida 33130

Dear Mr. Mazzella:

RE: SAO Investigation #64-08-9

Pursuant with the Order for Production of Original Records and Documents in the above-referenced investigation, the Property Appraisal Department performed an extensive three-week search at various locations through more than 500,000 documents to meet the prescribed deadline specified in the Order. Attached is a spreadsheet containing a list of the confidential records contained in two (2) boxes which are being turned over to your staff today. As your Office reviews these records, please note the following:

- The Order specifies production of annual renewal receipts. The function of a renewal receipt is to facilitate an automatic exemption renewal process. Therefore, we do not retain copies of receipts for exemptions that are automatically renewed. Computer-generated renewal receipts are sent directly to the property owners. One property listed on the Order was not automatically renewed for one year. Although this renewal receipt has not been located, the corresponding questionnaire is included in the attached records.
- The Property Appraisal Department is only required to retain for three fiscal years the majority of the records identified in the Order (see attached State of Florida General Record Schedules GS12 for Property Appraisers). However, we were able to produce records dating from 1992.

Further research will be conducted during the next thirty (30) days using other available resources in an effort to identify additional pertinent documents. However, in view of the current expenses totaling more than \$28,000 required to meet the Order deadline, we are hopeful steps will be taken to provide more time for future research, thereby appropriately conserving County resources.

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Mr. Christopher Mazzella
May 1, 2008
Page 2

The Property Appraisal Department will continue to cooperate with the State Attorney and Miami-Dade County Office of the Inspector General in this matter. Should you have questions regarding the attached documents or require further clarification, please contact me directly at 305-375-4008.

Sincerely,



Marcus Saiz de la Mora
Property Appraiser

Attachments

- c: Marie Perikles, Esq., Assistant State Attorney
- James K. Kracht, Assistant County Attorney
- Cynthia W. Curry, Senior Advisor to the County Manager
- Michael Auch, Office of the Miami-Dade Inspector General
- Edward J. Carberry, Office of the Miami-Dade Inspector General

ACKNOWLEDGEMENT OF RECEIPT

Receipt is hereby acknowledged by the Miami-Dade County Office of the Inspector General of two (2) boxes containing confidential records produced by the Miami-Dade County Property Appraisal Department. We understand that a detailed Receipt of Inventory will be delivered to the Department within ten (10) days.

Received by: Manuel Qui Date: 5/2/08
Michael Auch Special Agent
Print Name Title

OIG Final Report

EXHIBITS

IG08-02



Miami-Dade County Property Appraisal Department

Original Application for Ad Valorem Tax Exemption

MDR-501
R. 09/07

Folio: Property Address: Tax Year 2009

New Change Additional

Applicant/Co-applicant Name and Address:

Property Legal Description:

Ownership Information

Percent of Ownership: _____ Type of Deed: _____

Recorded Book: _____ Page: _____

Date Recorded: _____ Date of Deed: _____

Permanent Florida residency required as of January 1

Documentation Required For All Items Below

- \$25,000 Homestead Exemption
- \$5,000 Disabled Veteran
- \$500 Widow/Widower Exemption
- \$500 Disability Exemption
- \$500 Blind Person's Exemption
- Total and Permanent Disability Exemption - Quadriplegics
- Total and Permanent Disability Exemption - Civilian
- Service Connected Total and Permanent Disability Exemption
- Exemption for Disabled Veterans Confined to Wheelchairs

NOTE: If you wish to apply for the 65 + additional homestead exemption you must file form DR-501SC. However, you must either receive, or apply for, the regular homestead to get the 65 + additional homestead exemption. If you have already received regular homestead exemption, you do not need to file another Form MDR-501.

Note: Disclosure of your social security number is mandatory. It is required by section 196.011 (1), Florida Statutes. The social security number will be used to verify taxpayer identity information and homestead exemption information submitted to property appraisers. Your social security number will be kept confidential by the Miami-Dade Property Appraiser's Office.

	Owner	Spouse/Owner	Co-Owner
Social Security Number			
Marital status			
Did you file for tax exemptions last year?			
Last year's address			
City/State			
County			
Proof of residence for all owners			
Date you last became a permanent resident of Florida			
Date of occupancy			
Florida driver license number & Issue Date			
Florida vehicle tag number & Issue Date			
Are you a US Citizen?			
Immigration number (Alien Card - if not a U.S. citizen) & Issue Date			
Florida voter registration number & Issue Date			
Date of Birth			
Current employer			
Address listed on your last IRS return			

I hereby authorize the Miami-Dade Property Appraiser's Office to obtain information necessary to determine my eligibility for the exemption (s) applied for. NOTE: If all information is not received by March 1st, your application will be processed for whatever exemptions you qualify for on that date. I hereby make application for the exemptions indicated and affirm that I do qualify for same under Florida Statutes. I am a permanent resident of the State of Florida and I own and occupy the property described above. I understand that section 196.131 (2), Florida Statutes provides that any person who knowingly and willfully give false information for the purpose of claiming homestead exemption is guilty of a misdemeanor of the first degree, punishable by a term of imprisonment not exceeding 1 year or a fine not exceeding \$5,000 or both. Further, under penalties of perjury, I declare that I have read the foregoing application and the facts in it are true. I understand that if I file this application before January 1st, of the year for which I am applying and subsequently move out of the property before January 1st, then I will notify the Miami-Dade Property Appraiser's Office promptly as required by law. **ONLY PERSONS INDICATED ON THIS APPLICATION AS RESIDING OWNERS AND PROVIDING HEREIN THEIR SOCIAL SECURITY NUMBER AND FLORIDA RESIDENCY PROOFS WILL BE THE RECIPIENTS OF THE HOMESTEAD EXEMPTION BENEFIT IF THIS APPLICATION IS GRANTED. ATTACH ADDITIONAL SHEETS IF NECESSARY.**

OFFICE USE ONLY (WILL SUBMIT)

EXHIBIT

A-1

tabbies

Signature of Applicant

Date: _____

Signature of Deputy

Signature of Co-applicant

Phone Number: _____

Entered By

This application must be filed with the property appraiser on or before March 1st
The information contained in this application will be provided to the Department of Revenue and the Department and/or the property appraisers are authorized to provide this information to any state in which the applicant has previously resided, pursuant to 196.121, Florida Statutes. Social Security

Numbers will remain confidential pursuant to sections 193.114(6) and 193.074, Florida Statutes.
Notice: A Tax Lien can be imposed on your property pursuant to Section 196.161, Florida Statutes.

Section 196.161 (1) provides:

(1)(a) When the estate of any person is being probated or administered in another state under allegation that such person was a resident of that state and the estate of such person contains real property situate in this state upon which homestead exemption has been allowed pursuant to s. 196.031 for any year or years within 10 years immediately prior to the death of the deceased, then within 3 years after the death of such person the property appraiser of the county where the real property is located shall, upon knowledge of such fact, record a notice of tax lien against the property among the public records of that county, and the property shall be subject to the payment of all taxes exempt thereunder, a penalty of 50 percent of the unpaid taxes for each year, plus 15 percent interest per year, unless the circuit court having jurisdiction over the ancillary administration in this state determines that the decedent was a permanent resident of this state during the year or years an exemption was allowed, whereupon the lien shall not be filed or, if filed, shall be canceled of record by the property appraiser of the county where the real estate is located. (b) In addition, upon determination by the property appraiser that for any year or years within the prior 10 years a person who was not entitled to a homestead exemption was granted a homestead exemption from ad valorem taxes, it shall be the duty of the property appraiser making such determination to serve upon the owner a notice of intent to record in the public records of the county a notice of tax lien against any property owned by that person in the county, and such property shall be identified in the notice of tax lien. Such property which is situated in this state shall be subject to the taxes exempted thereby, plus a penalty of 50 percent of the unpaid taxes for each year and 15 percent interest per annum. However, if a homestead exemption is improperly granted as a result of a clerical mistake or omission by the property appraiser, the person improperly receiving the exemption shall not be assessed penalty and interest. Before any such lien may be filed, the owner so notified must be given 30 days to pay the taxes, penalties, and interest.



**PHYSICIAN'S CERTIFICATION
OF
TOTAL AND PERMANENT DISABILITY**

I, _____, a physician licensed pursuant to Chapter 458 or chapter 459, Florida Statutes, hereby certify
 Mr. Mrs. Miss Ms. _____,
social security # _____, is totally and permanently
disabled as of January 1st _____, due to the following condition(s):

- Quadriplegia Paraplegia
- Hemiplegia Legal Blindness
- Other total and permanent disability requiring use of a wheelchair
for mobility.

It is my professional belief that the above-named condition(s) render this patient totally and permanently disabled, and that the foregoing statements are true, correct and complete to the best of my knowledge and professional belief.

Signature _____
Address (print) _____
Date _____
Florida Board of Medicine or Osteopathic Medicine
License number _____
Issued on _____

NOTICE TO TAXPAYER: Each Florida resident applying for a total and permanent disability exemption must present to the county property appraiser, on or before March 1st of each year, a copy of this form or a letter from the United States Department of Veterans Affairs or its predecessor. Each form is to be completed by a licensed Florida physician.

NOTICE TO TAXPAYER AND PHYSICIAN: Section 196.131(2), Florida Statutes, provides that any person who shall knowingly and willfully give false information for the purpose of claiming homestead exemption shall be guilty of a misdemeanor of the first degree, punishable by a term of imprisonment not exceeding 1 year or a fine not exceeding \$5,000 or both.





Delivering Excellence Every Day

MIAMI-DADE COUNTY
DEPARTMENT OF PROPERTY APPRAISAL
EXEMPTIONS DIVISION

RE: **Gross Income Statement for the renewal of Total & Permanent disability exemption**

Dear Property Owner:

On the reverse is your statement of Gross Income for your Total & Permanent disability exemption. This form must be completed annually as required by section 196.101(c), Florida Statutes, and Department of Revenue Rule 12D-7.006, Florida Administrative Code, to renew your Total & Permanent disability exemption. Please complete and return this form with the enclosed envelope by **March 1, 2007**.

If you have any questions, please call 305-375-4125.

Thank you,

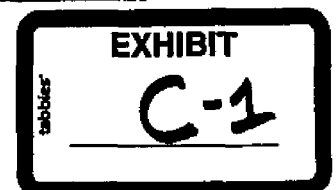
Angela Neumann, C.F.E.
Division Director, *Exemptions*
Miami-Dade County Property Appraisal

Property Address:
Folio Number:



February 07, 2007

111 NW 1st STREET, SUITE 710 • MIAMI, FLORIDA • 33128
PHONE: (305) 375-4125 • FAX: (305) 375-4491
WEB SITE: WWW.MIAMIDADE.GOV/PA



STATEMENT OF GROSS INCOME

Section 196.101(3)(c), Florida Statutes

This statement must be completed and signed by applicants for the Exemption for Totally and Permanently Disabled Persons, Section 196.101, Florida Statutes, and attached to the exemption application.

Name(s) of all persons residing in or upon homestead for which exemption is requested.

Gross Income: Include that of all persons listed above. Attach prior year Federal Income Tax Returns(s) and Wage and Income Statement(s) (W-2) for all persons listed above.

GROSS INCOME:

Earned Income	\$ _____	Veteran's Administration Benefits	\$ _____
Income From Investments	\$ _____	Income from Retirement Plans	\$ _____
Income Derived From Disposition of Appreciated Property	\$ _____	Pensions	\$ _____
Interest	\$ _____	Trusts	\$ _____
Rents	\$ _____	Estates	\$ _____
Royalties	\$ _____	Inheritances	\$ _____
Dividends	\$ _____	Direct and Indirect Gifts	\$ _____
Annuities	\$ _____	Other (Specify)	\$ _____
Social Security Benefits	\$ _____	Total Gross Income	\$ _____

I Certify that the above Statement of Gross Income is true and correct to the best of my knowledge and belief.

APPLICANT

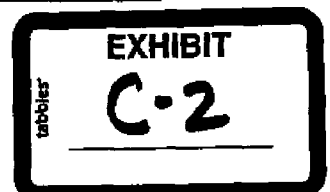
RETURN TO:
Miami-Dade County Property Appraiser
111 NW 1 St Suite 710
Miami, FL 33128-1984

Property Address:
Folio Number:



February 07, 2007

111 NW 1ST STREET, SUITE 710 • MIAMI, FLORIDA • 33128
PHONE: (305) 375-4125 • FAX: (305) 375-4491
WEB SITE: WWW.MIAMIDADE.GOV/PA



STATEMENT OF GROSS INCOME

Section 196.101(3)(c), Florida Statutes

DR-501A
R. 06/94

This statement must be completed and signed by applicants for the Exemption for Totally and Permanently Disabled Persons, Section 196.101, Florida Statutes, and attached to the exemption application.

Name(s) of all persons residing in or upon homestead for which exemption is requested.

Gross Income: Include that of all persons listed above. Attach prior year Federal Income Tax Return(s) and Wage and Income Statement(s) (W-2) for all persons listed above.

GROSS INCOME:

Earned Income	\$ _____	Veterans Administration Benefits	\$ _____
Income From Investments	\$ _____	Income From Retirement Plans	\$ _____
Gains Derived From Disposition of Appreciated Property	\$ _____	Pensions	\$ _____
Interest	\$ _____	Trusts	\$ _____
Rents	\$ _____	Estates	\$ _____
Royalties	\$ _____	Inheritances	\$ _____
Dividends	\$ _____	Direct and Indirect Gifts	\$ _____
Annuities	\$ _____	Other (Specify)	\$ _____
Social Security Benefits	\$ _____	Total Gross Income	\$ _____

I certify that the above Statement of Gross Income is true and correct to the best of my knowledge and belief.

APPLICANT

STATE OF FLORIDA
COUNTY of _____

The following instrument was sworn to and subscribed before me this date _____ date

by _____ who is personally known to me or who has produced _____ (Type of ID)
as identification.

NOTARY PUBLIC SIGNATURE AND SEAL





AUTOMATIC RESIDENTIAL RENEWAL RECEIPT

Folio ▶

Property Address ▶

Legal ▶

EXEMPTIONS LISTED IN THIS SECTION ARE AUTOMATICALLY RENEWED*

Please review the following exemption(s) for this property in . If you are still eligible for the below listed exemption(s), you **DO NOT NEED** to take any further action. **RETAIN THIS DOCUMENT FOR YOUR RECORDS AS YOUR RENEWAL RECEIPT.**

*NOTICE: 1) If you are a new owner as of January 1, this renewal receipt is VOID and you must file an original application on this property by March .
2) The Senior Citizen Exemption (195.075) is NOT automatically renewed and you must file a renewal application annually.

COMPLETE THIS SECTION TO CANCEL ANY OF THE ABOVE AUTOMATIC RENEWAL EXEMPTIONS

Check applicable exemption(s), sign where indicated, and mail back. AS OF JANUARY 1, I NO LONGER QUALIFY FOR: (check applicable)

- I no longer qualify for **HOMESTEAD EXEMPTION** because the above property was not my permanent residence on January 1 of this year.
- I no longer qualify for
 - Widow/Widower
 - Civilian 500 Disability
 - Civilian Total & Permanent Disability
 - Veteran 5,000 Disability
 - Veteran Total & Permanent Disability
 - Blind Disability
 - Total & Permanent Quadriplegic

DO NOT RETURN THIS FORM IF YOU STILL QUALIFY FOR THE EXEMPTION(S)

X
SIGN ONLY TO CANCEL EXEMPTION(S)

Mail to:

Miami-Dade County Property Appraisal
PO BOX 013140
Miami, FL 33101-3140

DATE

PHONE NUMBER

SEE REVERSE SIDE FOR ADDITIONAL INFORMATION AND APPLICATION INSTRUCTIONS.



NOTICE

Notice: Florida Law prescribes that it is the duty of the owner of any property to notify the property appraiser promptly whenever the use of the property or the status or condition of the owner changes so as to change the exempt status of the property. If any owner fails to so notify the property appraiser and the property appraiser determines that for any year within the prior 10 years the owner was not entitled to receive such exemption, the property shall be subject to the taxes exempted as a result of such failure, plus 15 percent interest per annum and a penalty of 50 percent of the taxes exempted.

Reference Sec. 196.131 and 196.161, F.S.

There are severe penalties for falsely claiming Property Tax Exemptions.

You are no longer eligible for Homestead Exemption if:

1. The residential unit on which you claim homestead exemption is rented.
2. The residential unit is no longer your permanent home.
3. You are no longer a permanent resident of Florida.

HOW TO FILE FOR EXEMPTIONS

If you need to file a new or renewal application or you would like to apply for an additional exemption, there are two ways to file an application.



Visit our WEBSITE at www.miamidade.gov/pa to download the application and instructions and return by mail.



Or visit our OFFICE and file an application. See Office locations and hours below.

Office Location	Office Hours (excludes all county holidays)	Our Phone Number
111 NW 1 Street (Lobby) Miami, FL 33128-1984	Monday through Friday 9:00 AM to 4:00 PM	Exemption Phone Number 305-375-4125
10710 SW 211 Street 2nd Floor Cutler Bay, FL 33189	Monday through Friday 9:00 AM to 4:00 PM	





Delivering Excellence Every Day

Exemption Cancellation Form

Instructions: Complete the information below. Sign, date, and return this form by mail or in person to 111 NW First Street, Suite 710, Miami, Florida 33128. You must include a copy of your valid Driver's License or State ID with this exemption cancellation request. Note: If your mailing address has changed, please complete the mailing address change form also available on our website at www.miamidade.gov/pa.

Stamp Receive Date

Step 1 What property do you want to cancel exemption (s) on?

Property Address _____

Folio Number _____

Step 2 Which exemption (s) do you want to cancel?

Homestead Exemption. Month, day and year you moved out? _____

Widow/Widower. If checked, what date did you remarry? _____

Civilian Disability (includes \$500 and Total and Permanent Disability)

Veteran Disability (includes \$5,000 and Total and Permanent Disability)

Senior Exemption

Granny Flat Assessment Reduction

Other _____

Step 3 Complete the section below and sign.

Please cancel the above indicated exemption (s) and, if applicable, issue a corrective tax bill.

Print Name _____

Date _____

Signature _____

Social Security Number _____

Office use only: Current Year Cancel Prior Year / cut out #

