

## M E M O R A N D U M

**TO:** Town Commission  
**FROM:** Tom Harmer, Town Manager  
**REPORT DATE:** March 25, 2022  
**MEETING DATE:** April 4, 2022  
**SUBJECT:** Memorandum of Understanding (MOU) with Sarasota County Property Appraiser for Contingency-Based Homestead Exemption Audit

### **Recommended Action**

Authorize the Mayor to execute the MOU with the Sarasota County Property Appraiser.

### **Background**

In 2015 Sarasota County Property Appraiser Bill Furst reached out to the County and the four municipalities with a plan to uncover homestead tax exemption fraud. Mr. Furst requested each jurisdiction to enter into an MOU to allow the Property Appraiser's Office to employ a vendor specialized in assisting governments in identifying and investigating potential fraudulent homestead exemptions. They could then recover ad valorem property tax revenue that would otherwise be unbilled and uncollected.

At the May 15, 2015 Regular Meeting the Town Commission authorized entering a MOU with the Sarasota County Property Appraiser for a contingency-based homestead exemption audit. Under the 2015 terms the taxing authorities received 70% of the recovered revenues, and the contingency-based auditor received 30% of recovered revenues related to homesteading exemption liens.

The Property Appraiser provided information related to the 2015 MOU indicating:

- 36 identified parcels in Longboat Key (Sarasota County only)
- our share of recovered funds of \$175,499
- taxable value returned to the roll (cap) \$28,406,331 and
- taxable value returned to the roll (exempt amount) \$14,592,000

We were contacted on March 9, 2022 by the Property Appraiser requesting that a new MOU be entered into that will continue to support a contingency-based homestead exemption audit. The new MOU would increase the percent of recovered revenue received by the taxing authority. The terms would have the taxing authority receiving 76.5% of recovered revenues and the auditor receiving 23.5% capped at a maximum of \$25,000 per instance of satisfied homestead lien.

The auditor would also seek to identify property owners that appear to qualify for a homestead exemption but have not made an application for those exemption benefits. They would then be contacted to educate, and assist them in applying for the benefits they are entitled to receive.

The Property Appraiser has requested Commission consideration of this new MOU, and that if approved, an executed agreement be provided to him by June 1, 2022.

**Staff Recommendation**

Authorize the Mayor to execute the MOU with the Sarasota County Property Appraiser.

**Attachments:**

- A. Letter of 3-9-22, Bill Furst, Sarasota County Property Appraiser to Town Manager  
(Available from the Town Clerk's Office)
- B. Memorandum of Understanding for Contingency-Based Homestead Exemption Audit  
(Available from the Town Clerk's Office)

**End of Agenda Item**