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Office of Management and Compliance Audits

**SUBJECT:           AUDIT OF MIAMI-DADE COUNTY VALUE ADJUSTMENT  
                          BOARD (VAB) APPEALS PROCESS**

**COMMITTEE:       FISCAL ACCOUNTABILITY**

**LINK TO STRATEGIC  
FRAMEWORK:      FINANCIAL EFFICIENCY/STABILITY**

The Value Adjustment Board (VAB) is an entity that hears appeals from property owners who contest the Property Appraiser's Office assessments. In Miami-Dade County, the VAB, composed of five members, hires professional Special Magistrates to hear and make recommendations to the VAB on appealed property values. Petitions related to value, exemption eligibility, and legal issues are heard. In Florida, county tax rolls cannot be certified by the Property Appraiser until all VAB hearings have been completed.

In recent years, the Miami-Dade County Property Appraiser's Office has experienced delays in certifying the final annual property tax roll, resulting in multi-million dollar shortfalls in revenue to the School District and other taxing authorities.

The Superintendent of Schools requested that the VAB appeals process be audited by our office to determine the cause for delays. The School Board, the Audit and Budget Advisory Committee (ABAC), and the VAB each has independently endorsed and/or approved this audit in an effort to determine what corrective measures can be implemented to prevent, reduce, or eliminate the backlog.

Due to the complexity of the overall VAB process, the number of governmental entities involved, and the resources and time needed to perform our work, the results of this audit are being delivered in two phases. This report represents Phase 1 of the audit, while Phase 2 focuses mostly on the operations of the Property Appraiser's Office. Although it is our intent to separate Phase 1 concerns from those of Phase 2, the integral relationship between these entities may necessitate that we make recommendations to both entities in both phases.

Our audit disclosed, with concurrence from the School Board Attorney's Office, that some rules promulgated by the Department of Revenue for the operation of value adjustment boards throughout the State of Florida may be exceeding the provisions of the enabling Statutes. Some provisions of these rules, if followed to a large degree, could contribute to delaying the VAB appeals process. Accordingly, we have recommended that the applicable Department rules be modified to bring them in line with Statutes. The VAB system of records is outdated which results in inaccurate data

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and time-consuming processes. Special Magistrates, who decide the outcome of appeals, are not under contract or agreement with the VAB. Their qualifications are not reviewed, and their time is not being used efficiently. A few unlicensed agents were not complying with the requirements to obtain the taxpayer's authorization when filing a petition on his/her behalf. Hearings are not being completed on time. The interest (12% APR) being paid on overpaid taxes provides an incentive to taxpayers to initiate a challenge of their property value assessment. There is no formal mechanism in place allowing the School District the right to audit the expenses of the VAB as they relate to the appeals process. In all, we made 11 recommendations to improve the process and eliminate delays.

The report will be presented to the ABAC at its March 10, 2015, meeting for its consideration and is scheduled to be transmitted to the School Board for their deliberation and feedback at its March 18, 2015, meeting.

Copies of this report will be distributed and placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center. Additional copies will be provided upon request.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, receive and file the Audit of Miami-Dade County Value Adjustment Board (VAB) Appeals Process.

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