

# MSTU

## What is an MSTU?

A Municipal Service Taxing Unit (MSTU) is a funding mechanism for community members to create, through approval of the Board of County Commissioners, a special taxing district to make improvements to their neighborhood and/or community area. Providing additional services based on community desires.

Collier County Public Transit & Neighborhood Enhancement Division oversees the administration of the MSTU's with Board appointed advisory committee members. The MSTU's advisory committees comprised of community members within the MSTU boundary. These committees meet monthly to discuss, plan, and approve capital improvement projects that are consistent with their enabling Ordinance. These monthly meetings are publicly noticed. If you are interested in attending one of these meetings, please [click here](#). All of these committees are regulated by the Sunshine Law and must follow the Collier County policies and procedures.

## How is funding created?

Through a millage rate set by the MSTU's enabling Ordinance. All capital projects, as well as the maintenance and other operating projects, are managed by Project Managers.

## What has been done?

MSTU capital projects may include, but are not limited to:

-  **Drainage improvements**
-  **Sidewalk construction**
-  **Road improvements**
-  **Landscape Beautification**
-  **Decorative lighting**
-  **Burial of powerlines**
-  **Underground Utility**
-  **Stormwater Management**
-  **Pedestrian Lighting**



## How to create an MSTU

### Steps to Create an MSTU/MSBU

The Board of County Commissioners (BCC) has been given the authority to create a Municipal Service Taxing Unit (MSTU) or Municipal Service Benefit Unit (MSBU) under Florida Statutes Section 125.01. The establishment of an MSTU/MSBU requires formal action by the BCC that can be the result of a request by a BCC member, a request by a citizen to speak before the board, or a request of a citizen to speak before the board to present a Citizen Petition to form an MSTU/MSBU.

One or more residents may sign up to speak to the BCC under Public Petition during regularly scheduled Board Meetings. Requests to speak must be submitted through an application to the County Manager at least 13 days prior to the particular board meeting date.

Independent action that results from Board Member request or a citizen speaking to the board may be in response to an emergency event or due to a very special situation. A more deliberate approach, with a higher chance of succeeding, would be a request before the Board that is accompanied by citizen petition supporting the action.

The citizen petition serves as advanced notice that a majority of the property owners within the proposed taxing area support the request.

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## How to create an MSTU

### Steps to Create an MSTU/MSBU *(continued)*

In 1996 the BCC adopted Resolution No. 96-134 to provide a policy to facilitate the process by which citizens could bring matters of substantial county interest to the BCC by Citizen Petition, including the creation of MSTU's and MSBU's. In 1998 the BCC adopted Resolution 98-45 to provide guidance for formation of an MSBU.

The difference between an **MSTU** and an **MSBU** is as follows:

- An **MSBU** is a special assessment on a one-time benefit for improvements within an established district without ongoing maintenance requirements.
- An **MSTU** is a tax based on the assessed property value and addresses capital improvements that typically require continued maintenance obligations.

### Seven Steps to create an MSTU

#### Step One

Generate a clear and concise description of the objective to be achieved by the formation of the MSTU/MSBU.

#### Step Two

Create a map showing the properties that would be included within the MSTU/MSBU.

#### Step Three

Prepare a taxable value analysis. Potential revenues (taxable value multiplied by the millage rate) are analyzed to determine whether the anticipated taxable values are sufficient to support the cost of the proposed objective and associated maintenance costs.

This report may also be used by the citizen sponsor to review alternatives in revenue generation such as different millage rate recommendations, special assessment, and/or financing through selling bonds. Bond issues require that the MSTU/MSBU be formed first and that the authority to use MSTU/MSBU funds to repay loan obligations must be approved through a voter referendum.

#### Step Four

Upon favorable results of the analysis, the citizen petitioner should generate a proposed petition in accordance with Collier County Resolution No. 96-134 and submit it to the County Manager to determine sufficiency. When sufficiency is certified by the County Manager a unique number will be assigned for each approved petition.

#### Step Five

Citizens Sponsor Circulation of the Petition. The number of required approved petitions must be at least 50% plus one of the number of parcels to be included in the MSTU/MSBU Citizen sponsored request. It is the respon-

sibility of the Citizen Sponsor to ensure that the copies of the petitions are circulated to all property owners within the intended taxing district. Signatures by parties which are not property owners will not be recognized or validated to count as an approval vote.

#### Step Six

Validation of Petitions Received. The County Manager has 21 days to make a determination of the number of approved petitions. Upon determination the County Manager will send a letter to the Citizen Sponsor indicating whether the number of required, approved, petitions has been met. Upon receipt of this letter, the citizen Sponsor has twelve months to process the petition before the BCC for approval.

#### Step Seven

Upon successful completion of the steps above, County Staff will assist the Citizen Sponsor by preparing the Executive Summary, Ordinance, boundary map and schedule the presentation before the BCC to gain approval to establish the MSTU/MSBU

### MSTU/MSBU Advisory Committee Responsibilities

An MSTU/MSBU may be created with or without an Advisory Committee. If an Advisory Committee is created, the BCC will establish the committee in accordance with Ordinance No. 2001-55. The Advisory Committee may be assigned specific duties by the BCC when it is created, and those duties will generally include the following responsibilities:

- a. Budget recommendations for each Fiscal Year (Oct. 1 to Sept 30).
- b. Recommendations for millage rate and related Budget requests.
- c. Recommendations for allocations of funding for projects.
- d. Recommendations for MSTU/MSBU operational expenditures
- e. Recommendations to appoint new Advisory Committee members.
- f. Recommendations regarding changes to the existing MSTU/MSBU Ordinance.



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