

Williams Island Ventures, LLC v. de la Mora, No. 3D15-2037, 2018 WL 1936576 (Fla. 3d DCA Apr. 25, 2018)

Current Miami-Dade Tax Collector's Unilateral Change to Paying Interest on Tax Assessment Reductions Obtained Via Settlement Prompts Taxpayer Class Action

In *Williams Island Ventures, LLC v. de la Mora*, taxpayers in Miami-Dade County sued over 1) the Tax Collector's unilateral determination that it was improper to pay interest to taxpayers who obtained reductions in their ad valorem assessments by agreement with the Property Appraiser, but without a Value Adjustment Board ("VAB") hearing and 2) his demand that refunds of interest paid by the prior tax collector should be returned.

Before 2011, a Miami-Dade County taxpayer was not required to pay any taxes when challenging an ad valorem tax assessment. Section 194.014 (2011), Florida Statutes, was enacted, requiring taxpayers filing petitions to challenge a tax assessment to pre-pay at least 75% of the ad valorem taxes they were challenging. Section 194.014 further provided that taxpayers would owe interest on any unpaid tax amounts found to be due, but would be entitled to receive interest on any refunds due as a result of a VAB "determination" reducing their assessments. Interest was paid on those reductions acquired by a ruling of the VAB or the execution of a Petition Withdrawal Agreement (settlement prior to hearing with the Property Appraiser).

Reversing the position of his predecessor, when Saiz de la Mora ("Tax Collector") took over as Miami-Dade Tax Collector in 2014, he denied interest on refunds obtained by agreement with the Property Appraiser and required a formal hearing with the VAB and the issuance of a formal, written VAB ruling reducing the assessment. The Tax Collector also stopped paying interest on refunds owed to taxpayers who executed a Petition Withdrawal Agreement and refunds related to petitions for the tax years when Casamayor, the previous tax collector, held the position. Additionally, the Tax Collector sent written demand letters to the taxpayers who had received interest from executed Petition Withdrawal Agreements to refund the interest ("clawback taxpayers").

Taxpayers filed a class action in the trial court against the Tax Collector, suing for a multitude of claims; the trial court dismissed their case. The appellate court reversed, finding nothing in the law requiring a VAB hearing as a condition to interest on a taxpayer's refund. The court held that the statute does not define the action that constitutes a VAB determination for purposes of "triggering an entitlement to interest." Therefore, the trial court's granting of the motion to dismiss was reversed and the case was remanded for further consideration on the merits.