

## **SHORT SUMMARY OF WHAT IS A SPECIAL TAX ASSESSMENT**

**When you purchase a property here in southwest Florida, you may hear words and acronyms that are not familiar to you, such as Community Development District (CDD'S) Municipal Service Tax Unit (MSTU'S) Municipal Service Tax District (MSTD'S).**

**Essentially, this is an imposed special tax assessment lien on properties which are affected by them; this special tax is in addition to the ad-valorem real estate tax. The concept behind the CDD'S and MSTU'S special tax is to have property owners pay for special benefits, i.e. roads, facilities, and infrastructure for large planned communities. These installments are generally spread out of 20 to 30 years, they can be paid off or assumed.**

**Unfortunately, these special taxes and non-ad valorem assessments are not always properly disclosed, especially in resale properties and for sale by owner transactions. Undisclosed special assessments can become a deal breaker or a possible law suit when discovered after entering into a real estate contract.**

**These CDD'S and MSTU taxes are not countywide, both Collier and Lee County have many developments affected by these special taxes. It is wise to ask if the property or development you have an interest in is located in one of these taxing districts, and understand your obligation when buying or selling a property affected by one of these tax districts.**

**So, ask many questions and always work with a real estate professional who can guide you through to a successful closing! We always recommend you consult with a real estate attorney.**