

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA**

**In re:**

**Administrative Order 04 -7**

**ORDER DIRECTING PAYMENT TO TAX  
CERTIFICATE HOLDERS IN CHAPTER 13  
CASES AND DIRECTING TAX COLLECTOR  
TO ACCOUNT FOR ALL PAYMENTS**

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On October 15, 2003, Judges Cristol and Mark issued a Joint Memorandum Opinion on Treatment of Tax Certificate Holders in Chapter 13 Plans. In re Lago, 301 B.R. 365 (Bankr. S.D. Fla. 2003). Lago held that tax certificate holders are creditors with standing to file a claim in Chapter 13 cases and are the real parties in interest entitled to directly receive payments under Chapter 13 plans. Lago also held that the Miami-Dade County Tax Collector would be responsible for accounting for all payments made directly to the tax certificate holders under a Chapter 13 plan to accurately reflect the balance due on any tax certificate. Finally, Lago advised that the Court would be entering an Administrative Order to implement its holding in all Chapter 13 cases where debtors own real property in Miami-Dade County, Florida, by requiring certain new provisions in the confirmation orders.

The Lago decision was limited to Chapter 13 cases involving tax certificates on property located in Miami-Dade County. However, all five judges of this Court have determined that both the holding in Lago and the procedures for implementing the holding should be applied in all cases in this district. This relief will ensure that debtors receive credit for all payments made directly to the tax certificate holders during a Chapter 13 case, and will help to prevent tax certificate holders from being erroneously overpaid. The Court finds that these procedures are necessary for the fair

and efficient administration of Chapter 13 cases in this district. Accordingly, it is -

**ORDERED** as follows:

1. All orders confirming Chapter 13 plans in this district, including the local form orders, shall include the following provisions:

“ \_\_\_\_\_. If the confirmed plan in this case provides for payment to holder(s) of tax certificates on property of the Debtor(s), the following provisions shall apply:

- A. To ensure that the records of the County Tax Collector credit amounts received by certificate holders, upon receipt of information pursuant to subparagraph B below, the Tax Collector is ordered to adjust the County tax records and reduce both the amount owed on tax certificates and the amount of the tax lien to reflect payments made by the Chapter 13 Trustee to certificate holders under the confirmed plan.
- B. The Tax Collector shall be served with any order entered post-confirmation which (a) dismisses or converts this case; (b) grants stay relief to the holder of a secured claim on the property subject of the tax certificates; (c) approves a sale or refinancing of the property subject of the tax certificates; (d) modifies the plan to eliminate further payments to one or more certificate holders; or (e) discharges the Debtor(s) upon completion of the plan. Upon receipt of any such order, the Tax Collector shall request a ledger from the Chapter 13 Trustee reflecting the amounts paid to certificate holders under the confirmed plan, or obtain the ledger information by accessing the Chapter 13 Trustee’s website.
- C. During the period in which the certificate holders are receiving payments under the confirmed plan, unless otherwise ordered, the Tax Collector is enjoined from accepting a

redemption payment for any certificate which is included in the plan. This injunction will dissolve without further order of the Court if (a) one of the orders described in subparagraph B is entered; and (b) the County has complied with the requirements in subparagraph A by reducing both the amount owed on any certificate paid or partially paid under the plan and the amount of the tax lien by the amount paid to the certificate holder as reflected in the Chapter 13 Trustee's ledger.”

2. In some cases, because of vesting orders, tax certificate holders may receive payments from the Chapter 13 Trustee, even if the plan is not confirmed. In any such case, when the Tax Collector receives any order dismissing or converting the case, or granting stay relief to the certificate holder prior to confirmation, the Tax Collector shall request or access the Chapter 13 Trustee's ledger reflecting the amounts paid to certificate holders. Likewise, in any such case, the Tax Collector is ordered to adjust the County tax records in the same manner required for payments under a confirmed plan.

**ORDERED** in the Southern District of Florida on April 22, 2004.

/s  
ROBERT A. MARK  
Chief United States Bankruptcy Judge

c: All SD Bankruptcy Judges  
Clerk of Court  
Tax Collectors for each County in the  
Southern District of Florida  
Nancy Herkert, Chapter 13 Trustee  
Robin Weiner, Chapter 13 Trustee