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By the Committees on Judiciary; and Community Affairs; and Senator Baker

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A bill to be entitled

An act relating to community development districts; amending s. 190.003, F.S.; defining the term "compact, urban, mixed-use district"; amending s. 190.006, F.S.; providing for application of certain board of supervisors election time periods to compact, urban, mixed-use districts; providing for retroactive application; amending ss. 190.005, 190.011, 190.016, 190.021, and 348.968, F.S.; conforming crossreferences; amending s. 190.012, F.S.; revising deed restriction enforcement rulemaking authority of boards of directors of community development districts; authorizing certain property owners to elect a district board advisor; providing advisor responsibilities; providing requirements for district board advisor review and recommendations relating to enforcement of the district rules outside the boundaries of the district; requiring creation of a district board advisor seat after an interlocal agreement is entered into; providing for election of the advisor and the term of office; providing election procedures and requirements; amending s. 190.046, F.S.; revising procedures and requirements to amend the boundaries of a community development district; revising procedures and requirements to merge community development districts; providing limitations; providing for petition filing fees; preserving rights of creditors, liens upon property, and claims and pending actions or proceedings;

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providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsections (7) through (21) of section 190.003, Florida Statutes, are renumbered as subsections (8) through (22), respectively, and a new subsection (7) is added to that section to read:

190.003 Definitions.—As used in this chapter, the term:

(7) "Compact, urban, mixed-use district" means a district located within a municipality and within a community redevelopment area created pursuant to s. 163.356, that consists of a maximum of 75 acres, and has development entitlements of at least 400,000 square feet of retail development and 500 residential units.

Section 2. Paragraph (a) of subsection (3) of section 190.006, Florida Statutes, is amended to read:

190.006 Board of supervisors; members and meetings.-

(3)(a)1. If the board proposes to exercise the ad valorem taxing power authorized by s. 190.021, the district board shall call an election at which the members of the board of supervisors will be elected. Such election shall be held in conjunction with a primary or general election unless the district bears the cost of a special election. Each member shall be elected by the qualified electors of the district for a term of 4 years, except that, at the first such election, three members shall be elected for a period of 4 years and two members shall be elected for a period of 2 years. All elected board members must be qualified electors of the district.

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2.a. Regardless of whether a district has proposed to levy ad valorem taxes, commencing 6 years after the initial appointment of members or, for a district exceeding 5,000 acres in area or for a compact, urban, mixed-use district, 10 years after the initial appointment of members, the position of each member whose term has expired shall be filled by a qualified elector of the district, elected by the qualified electors of the district. However, for those districts established after June 21, 1991, and for those existing districts established after December 31, 1983, which have less than 50 qualified electors on June 21, 1991, sub-subparagraphs b. and d. shall apply. If, in the 6th year after the initial appointment of members, or 10 years after such initial appointment for districts exceeding 5,000 acres in area or for a compact, urban, mixed-use district, there are not at least 250 qualified electors in the district, or for a district exceeding 5,000 acres or for a compact, urban, mixed-use district, there are not at least 500 qualified electors, members of the board shall continue to be elected by landowners.

b. After the 6th or 10th year, once a district reaches 250 or 500 qualified electors, respectively, then the positions of two board members whose terms are expiring shall be filled by qualified electors of the district, elected by the qualified electors of the district for 4-year terms. The remaining board member whose term is expiring shall be elected for a 4-year term by the landowners and is not required to be a qualified elector. Thereafter, as terms expire, board members shall be qualified electors elected by qualified electors of the district for a term of 4 years.

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c. Once a district qualifies to have any of its board members elected by the qualified electors of the district, the initial and all subsequent elections by the qualified electors of the district shall be held at the general election in November. The board shall adopt a resolution if necessary to implement this requirement when the board determines the number of qualified electors as required by sub-subparagraph d., to extend or reduce the terms of current board members.

d. On or before June 1 of each year, the board shall determine the number of qualified electors in the district as of the immediately preceding April 15. The board shall use and rely upon the official records maintained by the supervisor of elections and property appraiser or tax collector in each county in making this determination. Such determination shall be made at a properly noticed meeting of the board and shall become a part of the official minutes of the district.

Section 3. The amendment to s. 190.006, Florida Statutes, made by this act shall apply retroactively to districts established prior to July 1, 2009.

Section 4. Paragraph (a) of subsection (1) of section 190.005, Florida Statutes, is amended to read:

190.005 Establishment of district.-

- (1) The exclusive and uniform method for the establishment of a community development district with a size of 1,000 acres or more shall be pursuant to a rule, adopted under chapter 120 by the Florida Land and Water Adjudicatory Commission, granting a petition for the establishment of a community development district.
 - (a) A petition for the establishment of a community

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development district shall be filed by the petitioner with the Florida Land and Water Adjudicatory Commission. The petition shall contain:

- 1. A metes and bounds description of the external boundaries of the district. Any real property within the external boundaries of the district which is to be excluded from the district shall be specifically described, and the last known address of all owners of such real property shall be listed. The petition shall also address the impact of the proposed district on any real property within the external boundaries of the district which is to be excluded from the district.
- 2. The written consent to the establishment of the district by all landowners whose real property is to be included in the district or documentation demonstrating that the petitioner has control by deed, trust agreement, contract, or option of 100 percent of the real property to be included in the district, and when real property to be included in the district is owned by a governmental entity and subject to a ground lease as described in s. $190.003\underline{(14)}.$ the written consent by such governmental entity.
- 3. A designation of five persons to be the initial members of the board of supervisors, who shall serve in that office until replaced by elected members as provided in s. 190.006.
 - 4. The proposed name of the district.
- 5. A map of the proposed district showing current major trunk water mains and sewer interceptors and outfalls if in existence.
- 6. Based upon available data, the proposed timetable for construction of the district services and the estimated cost of

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constructing the proposed services. These estimates shall be submitted in good faith but shall not be binding and may be subject to change.

- 7. A designation of the future general distribution, location, and extent of public and private uses of land proposed for the area within the district by the future land use plan element of the effective local government comprehensive plan of which all mandatory elements have been adopted by the applicable general-purpose local government in compliance with the Local Government Comprehensive Planning and Land Development Regulation Act.
- 8. A statement of estimated regulatory costs in accordance with the requirements of s. 120.541.
- Section 5. Paragraph (b) of subsection (7) of section 190.011, Florida Statutes, is amended to read:
- 190.011 General powers.—The district shall have, and the board may exercise, the following powers:

(7)

- (b) When real property in the district is owned by a governmental entity and subject to a ground lease as described in s. 190.003(14)(13), to collect ground rent from landowners pursuant to a contract with such governmental entity and to contract with the county tax collector for collection of such ground rent using the procedures authorized in s. 197.3631, other than the procedures contained in s. 197.3632.
- Section 6. Subsection (2) of section 190.016, Florida Statutes, is amended to read:
 - 190.016 Bonds.-
 - (2) AUTHORIZATION AND FORM OF BONDS.—Any general obligation

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bonds, benefit bonds, or revenue bonds may be authorized by resolution or resolutions of the board which shall be adopted by a majority of all the members thereof then in office. Such resolution or resolutions may be adopted at the same meeting at which they are introduced and need not be published or posted. The board may, by resolution, authorize the issuance of bonds and fix the aggregate amount of bonds to be issued; the purpose or purposes for which the moneys derived therefrom shall be expended, including, but not limited to, payment of costs as defined in s. $190.003(8) \frac{(7)}{(7)}$; the rate or rates of interest, in compliance with s. 215.84; the denomination of the bonds; whether or not the bonds are to be issued in one or more series; the date or dates of maturity, which shall not exceed 40 years from their respective dates of issuance; the medium of payment; the place or places within or without the state where payment shall be made; registration privileges; redemption terms and privileges, whether with or without premium; the manner of execution; the form of the bonds, including any interest coupons to be attached thereto; the manner of execution of bonds and coupons; and any and all other terms, covenants, and conditions thereof and the establishment of revenue or other funds. Such authorizing resolution or resolutions may further provide for the contracts authorized by s. 159.825(1)(f) and (q) regardless of the tax treatment of such bonds being authorized, subject to the finding by the board of a net saving to the district resulting by reason thereof. Such authorizing resolution may further provide that such bonds may be executed in accordance with the Registered Public Obligations Act, except that bonds not issued in registered form shall be valid if manually

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countersigned by an officer designated by appropriate resolution of the board. The seal of the district may be affixed, lithographed, engraved, or otherwise reproduced in facsimile on such bonds. In case any officer whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery.

Section 7. Subsection (10) of section 190.021, Florida Statutes, is amended to read:

190.021 Taxes; non-ad valorem assessments.

(10) LAND OWNED BY GOVERNMENTAL ENTITY.—Except as otherwise provided by law, no levy of ad valorem taxes or non-ad valorem assessments under this chapter, or chapter 170, chapter 197, or otherwise, by a board of a district on property of a governmental entity that is subject to a ground lease as described in s. $190.003\underline{(14)}(13)$, shall constitute a lien or encumbrance on the underlying fee interest of such governmental entity.

Section 8. Paragraph (g) of subsection (2) of section 348.968, Florida Statutes, is amended to read:

348.968 Purposes and powers.-

- (2) The authority is granted, and shall have and may exercise, all powers necessary, appurtenant, convenient, or incidental to the carrying out of said purposes, including, but not limited to, the following rights and powers:
- (g) To borrow money and make and issue bonds, which bonds may be issued pursuant to the State Bond Act or, in the alternative, pursuant to the provisions of s. 348.969(2), in

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either case, for any purpose of the authority authorized, including the financing of all or part of the cost, as specified in s. 190.003(8)(7), of all or any part of the system and the refunding of any and all previous issues of bonds of the authority at or prior to maturity.

Section 9. Subsection (4) of section 190.012, Florida Statutes, is amended to read:

190.012 Special powers; public improvements and community facilities.—The district shall have, and the board may exercise, subject to the regulatory jurisdiction and permitting authority of all applicable governmental bodies, agencies, and special districts having authority with respect to any area included therein, any or all of the following special powers relating to public improvements and community facilities authorized by this act:

(4) (a) To adopt rules necessary for the district to enforce certain deed restrictions pertaining to the use and operation of real property within the district and outside the district if pursuant to an interlocal agreement under chapter 163 if within another district or, if not within another district, with the consent of the county or municipality in which the deed restriction enforcement is proposed to occur. For the purpose of this subsection, the term "deed restrictions" means are those covenants, conditions, and restrictions, compliance mechanisms, and enforcement remedies contained in any applicable declarations of covenants and restrictions that govern the use and operation of real property within the district and, for which covenants, conditions, and restrictions, there is no homeowners' association or property owner's association having

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respective enforcement powers <u>unless</u>, <u>with respect to a</u>

homeowners' association whose board is under member control, the
association and the district agree in writing to enforcement by
the district. The district may adopt by rule all or certain
portions of the deed restrictions that:

- 1. Relate to limitations, or prohibitions, compliance mechanisms, or enforcement remedies that apply only to external appearances or uses structures and are deemed by the district to be generally beneficial for the district's landowners and for which enforcement by the district is appropriate, as determined by the district's board of supervisors; or
- 2. Are consistent with the requirements of a development order or regulatory agency permit.
- (b) The board may vote to adopt such rules only when all of the following conditions exist:
- 1. The district's geographic area contains no homeowners' associations as defined in s. 720.301(9);
- 1.2. The district was in existence on the effective date of this subsection, or is located within a development that consists of multiple developments of regional impact and a Florida Quality Development.
- 2.3. For residential districts, the majority of the board has been elected by qualified electors pursuant to the provisions of s. 190.006.; and
- 3. For residential districts, less than 25 percent of residential units are in a homeowners' association.
- 4. The declarant in any applicable declarations of covenants and restrictions has provided the board with a written agreement that such rules may be adopted. A memorandum of the

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agreement shall be recorded in the public records.

- (c) Within 60 days after such rules take effect, the district shall record a notice of rule adoption stating generally what rules were adopted and where a copy of the rules may be obtained. Districts may impose fines for violations of such rules and enforce such rules and fines in circuit court through injunctive relief.
- (d) The owners of property located outside the boundary of the district shall elect an advisor to the district board pursuant to paragraph (e). The sole responsibilities of the district board advisor are to review enforcement actions proposed by the district board against properties located outside the district and make recommendations relating to those proposed actions. Before the district board may enforce its rules against any owner of property located outside the district, the district board shall request the district board advisor to make a recommendation on the proposed enforcement action. The district board advisor must render a recommendation within 30 days after receiving a request from the district board or is deemed to have no objection to the district board's proposed decision or action.
- (e)1. Whenever an interlocal agreement is entered into pursuant to paragraph (a), a district board advisor seat shall be created for one elected landowner whose property is within the jurisdiction of the governmental entity entering into the interlocal agreement but not within the boundaries of the district. The district board advisor shall be elected by landowners whose land is subject to enforcement by the district but whose land is not within the boundaries of the district. The

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district board advisor shall be elected for a 2-year term. The first election for a district board advisor shall be within 90 days after the effective date of the interlocal agreement between the district and the government entity.

- 2. The election of the district board advisor shall occur at a meeting of eligible landowners. The district shall publish notice of the meeting and election once a week for 2 consecutive weeks in a newspaper of general circulation in the area of the parties to the interlocal agreement. The notice must include instructions on how all landowners may participate in the election and how to obtain a proxy form. The last day of publication may not be less than 14 days or more than 28 days before the date of the election. The landowners, when assembled at the meeting, shall organize by electing a chair who shall conduct the meeting. The chair may be any person present at the meeting. If the chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions.
- 3. At the meeting, each landowner is entitled to cast one vote per acre of land owned by him or her and located within the district for each person to be elected. A landowner may vote in person or by proxy in writing. Each proxy must be signed by one of the legal owners of the property for which the vote is cast and must contain the typed or printed name of the individual who signed the proxy; the street address, legal description of the property, or tax parcel identification number; and the number of authorized votes. If the proxy authorizes more than one vote, each property must be listed and the number of acres of each property must be included. The signature on a proxy need not be

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notarized. A fraction of an acre shall be treated as 1 acre, entitling the landowner to one vote with respect thereto. For purposes of determining voting interests, platted lots shall be counted individually and rounded up to the nearest whole acre. The acreage of platted lots may not be aggregated for purposes of determining the number of voting units held by a landowner or a landowner's proxy.

4. If a vacancy occurs in the district advisor seat, a special landowner election shall be held within 60 days after the vacancy using the notice, proxy, and acreage voting provisions of this subsection.

Section 10. Subsections (1) and (3) of section 190.046, Florida Statutes, are amended to read:

190.046 Termination, contraction, or expansion of district.—

- (1) A landowner or the board may petition to contract or expand the boundaries of a community development district in the following manner:
- (a) The petition shall contain the same information required by s. 190.005(1)(a)1. and 8. In addition, if the petitioner seeks to expand the district, the petition shall describe the proposed timetable for construction of any district services to the area, the estimated cost of constructing the proposed services, and the designation of the future general distribution, location, and extent of public and private uses of land proposed for the area by the future land use plan element of the adopted local government local comprehensive plan. If the petitioner seeks to contract the district, the petition shall describe what services and facilities are currently provided by

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the district to the area being removed, and the designation of the future general distribution, location, and extent of public and private uses of land proposed for the area by the future land element of the adopted local government comprehensive plan.

- (b) For those districts initially established by county ordinance, the petition for ordinance amendment shall be filed with the county commission. If the land to be included or excluded is, in whole or in part, within the boundaries of a municipality, then the county commission shall not amend the ordinance without municipal approval. A public hearing shall be held in the same manner and with the same public notice as other ordinance amendments. The county commission shall consider the record of the public hearing and the factors set forth in s. 190.005(1)(e) in making its determination to grant or deny the petition for ordinance amendment.
- (c) For those districts initially established by municipal ordinance pursuant to s. 190.005(2)(e), the municipality shall assume the duties of the county commission set forth in paragraph (b); however, if any of the land to be included or excluded, in whole or in part, is outside the boundaries of the municipality, then the municipality shall not amend its ordinance without county commission approval.
- (d)1. For those districts initially established by administrative rule pursuant to s. 190.005(1), the petition shall be filed with the Florida Land and Water Adjudicatory Commission.
- 2. Prior to filing the petition, the petitioner shall pay a filing fee of \$1,500, to the county if the district or the land to be added or deleted from the district is located within an

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unincorporated area or to the municipality if the district or the land to be added or deleted is located within an incorporated area, and to each municipality the boundaries of which are contiguous with or contain all or a portion of the land within or to be added to or deleted from the external boundaries of the district or the proposed amendment, and submit a copy of the petition to the county and to each such municipality. The petitioner shall submit a copy of the petition to the same entities entitled to receive the filing fee. In addition, if the district is not the petitioner, the petitioner shall file the petition with the district board of supervisors.

- 3. Each The county and each municipality shall have the option of holding a public hearing as provided by s. 190.005(1)(c). However, the such public hearing shall be limited to consideration of the contents of the petition and whether the petition for amendment should be supported by the county or municipality.
- 4. The district board of supervisors shall, in lieu of a hearing officer, hold the local public hearing provided for by s. 190.005(1)(d). This local public hearing shall be noticed in the same manner as provided in s. 190.005(1)(d). Within 45 days of the conclusion of the hearing, the district board of supervisors shall transmit to the Florida Land and Water Adjudicatory Commission the full record of the local hearing, the transcript of the hearing, any resolutions adopted by the local general-purpose governments, and its recommendation whether to grant the petition for amendment. The commission shall then proceed in accordance with s. 190.005(1)(e).
 - 5. A rule amending a district boundary shall describe the

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436 land to be added or deleted.

(e) In all cases, written consent of all the landowners whose land is to be added to or deleted from the district shall be required. The filing of the petition for expansion or contraction by the district board of supervisors shall constitute consent of the landowners within the district other than of landowners whose land is proposed to be added to or removed from the district.

- (e) (f) 1. During the existence of a district initially established by administrative rule, the process petitions to amend the boundaries of the district pursuant to paragraphs (a) (d) (a) (e) shall not permit be limited to a cumulative net total greater of no more than 10 percent of the land in the initial district, and in no event greater shall all such petitions to amend the boundaries ever encompass more than a total of 250 acres on a cumulative net basis.
- 2. During the existence of a district For districts initially established by county or municipal ordinance, the process to amend the boundaries of the district pursuant to paragraphs (a)-(d) limitation provided by this paragraph shall not permit be a cumulative net total greater of no more than 50 percent of the land in the initial district, and in no event greater shall all such petitions to amend the boundaries ever encompass more than a total of 500 acres on a cumulative net basis.
- 3. Boundary expansions for districts initially established by county or municipal ordinance shall follow the procedure set forth in paragraph (b) or paragraph (c).
 - (f) (g) Petitions to amend the boundaries of the district

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that which exceed the amount of land specified in paragraph (e)

(f) shall be processed in accordance with s. 190.005, and the

petition shall include only the elements set forth in s.

190.005(1)(a)1. and 5.-8. and the consent required by paragraph

(g) considered petitions to establish a new district and shall

follow all of the procedures specified in s. 190.005. However,

the resulting administrative rule or ordinance may only amend

the boundaries of the district and may not establish a new

district or cause a new 6-year or 10-year period to begin

pursuant to s. 190.006(3)(a)2. The filing fee for such petitions

shall be as set forth in s. 190.005(1)(b) and (2), as

applicable.

- (g) In all cases of a petition to amend the boundaries of a district, the filing of the petition by the district board of supervisors constitutes consent of the landowners within the district. In all cases, written consent of those landowners whose land is to be added to or deleted from the district as provided in s. 190.005(1)(a)2. is required.
- (3) The district may merge with other community development districts upon filing a petition for merger, which petition shall include the elements set forth in s. 190.005(1) and which shall be evaluated using the criteria set forth in s. 190.005(1)(e). The filing fee shall be as set forth in s. 190.005(1)(b). In addition, the petition shall state whether a new district is to be established or whether one district shall be the surviving district. The district establishment of a community development district pursuant to s. 190.005 or may merge with any other special districts upon filing a petition for establishment of a community development district pursuant

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to s. 190.005. The government formed by a merger involving a community development district pursuant to this section shall assume all indebtedness of, and receive title to, all property owned by the preexisting special districts, and the rights of creditors and liens upon property shall not be impaired by such merger. Any claim existing or action or proceeding pending by or against any district that is a party to the merger may be continued as if the merger had not occurred, or the surviving district may be substituted in the proceeding for the district that ceased to exist. Prior to filing the said petition, the districts desiring to merge shall enter into a merger agreement and shall provide for the proper allocation of the indebtedness so assumed and the manner in which such said debt shall be retired. The approval of the merger agreement and the petition by the board of supervisors elected by the electors of the district shall constitute consent of the landowners within the district.

Section 11. This act shall take effect July 1, 2009.