

Tab 1	SB 354 by Stargel; (Similar to H 00011) Government Accountability						
397270	A	S	RCS	CA, Stargel	Delete L.416:	11/07	11:51 AM

Tab 2	SB 512 by Young; (Identical to H 00421) Homestead Waivers						
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Tab 5	SB 432 by Lee; (Compare to H 00017) Community Redevelopment Agencies						
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The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

COMMUNITY AFFAIRS
Senator Lee, Chair

MEETING DATE: Tuesday, November 7, 2017
TIME: 10:00 a.m.—12:00 noon
PLACE: 301 Senate Office Building

MEMBERS: Senator Lee, Chair; Senators Bean, Brandes, Campbell, Perry, Rodriguez, and Simmons

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 354 Stargel (Similar H 11)	Government Accountability; Specifying that the Governor, the Commissioner of Education, or the designee of the Governor or of the commissioner, may notify the Legislative Auditing Committee of an entity's failure to comply with certain auditing and financial reporting requirements; revising the responsibilities of the Justice Administrative Commission, each state attorney, each public defender, the criminal conflict and civil regional counsel, the capital collateral regional counsel, and the Guardian Ad Litem Program, to include the establishment and maintenance of certain internal controls; prohibiting a board or commission from requiring an advance copy of testimony or comments from a member of the public as a precondition to being given the opportunity to be heard at a public meeting, etc. CA 11/07/2017 Fav/CS AP RC	Fav/CS Yeas 6 Nays 0
2	SB 512 Young (Identical H 421)	Homestead Waivers; Providing language that may be used to waive spousal homestead rights concerning devise restrictions, etc. CA 11/07/2017 Favorable JU RC	Favorable Yeas 6 Nays 0
3	Presentation by the Office of Program Analysis and Governmental Accountability on Community Redevelopment Agencies		Presented
4	Presentation by the Auditor General on Report No. 2015-037, Local Government Financial Reporting System, Community Redevelopment Agencies		Presented

COMMITTEE MEETING EXPANDED AGENDA

Community Affairs

Tuesday, November 7, 2017, 10:00 a.m.—12:00 noon

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
5	SB 432 Lee (Compare H 17)	Community Redevelopment Agencies; Prohibiting a person from lobbying a community redevelopment agency until he or she has registered as a lobbyist with that agency; authorizing community redevelopment agencies to adopt rules to govern the registration of lobbyists; requiring ethics training for community redevelopment agency commissioners, etc. CA 11/07/2017 Favorable ATD AP RC	Favorable Yeas 5 Nays 1

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: CS/SB 354

INTRODUCER: Community Affairs Committee and Senator Stargel

SUBJECT: Government Accountability

DATE: November 7, 2017 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Cochran	Yeatman	CA	Fav/CS
2.	_____	_____	AP	_____
3.	_____	_____	RC	_____

I. Summary:

CS/SB 354 amends statutes to enhance government accountability and auditing, based on recommendations noted in recent reports by the Auditor General. The bill:

- Specifies that the Governor or Commissioner of Education, or designee, may notify the Legislative Auditing Committee of an entity’s failure to comply with certain auditing and financial reporting requirements;
- Provides definitions for the terms “abuse,” “fraud,” and “waste;”
- Adds tourist development council and county tourism promotion agency to the definition of “local government entity;”
- States that local government entities do not include water management districts for the purposes of s. 11.45(2), F.S.;
- Includes tourist development councils and county tourism promotion agencies in the list of entities that the Auditor General may audit;
- Requires the Florida Clerks of Court Operations Corporation to notify quarterly the Legislature of any clerk not meeting workload performance standards;
- Requires each agency, the judicial branch, the Justice Administrative Commission, state attorneys, public defenders, criminal conflict and civil regional counsel, capital collateral regional counsel, the Guardian Ad Litem program, local governmental entities, charter schools, school districts, Florida College System institutions, and state universities to establish and maintain internal controls designed to prevent and detect fraud, waste, and abuse;
- Limits the amount that may be reimbursed per day for state agency and judicial branch employee lodging expenses for travel under certain circumstances to \$150;
- Requires all governmental entities to use the statewide travel management system;
- Requires counties, municipalities, and water management districts to maintain certain budget documents on their websites for specified timeframes;
- Revises the monthly financial statement requirements for water management districts;

- Provides that the Department of Financial Services may request additional information from local government entities when preparing its annual verified report;
- Requires a local governmental entity, district school board, charter school, or charter technical career center, Florida College System board of trustees, or university board of trustees to respond to audit recommendations under certain circumstances;
- Requires an independent certified public accountant conducting an audit of a local governmental entity to determine, as part of the audit, whether the entity's annual financial report is in agreement with the entity's audited financial statements;
- Revises the composition of auditor selection committees;
- Requires completion of an annual financial audit of the Florida Virtual School; and
- Prohibits a board or commission from requiring a member of the public to provide an advance written copy of his or her testimony or comments as a precondition of being given the opportunity to be heard.

The bill is expected to have an indeterminate impact on state and local government expenditures.

II. Present Situation:

Various statutes ensure government accountability of state and local governments. For example, the Auditor General conducts audits of accounts and records of state agencies, state universities, state colleges, district school boards, and others as directed by the Legislative Auditing Committee. The Auditor General conducts operational and performance audits on public records and information technology systems. The Auditor General also reviews all audit reports of local governmental entities, charter schools, and charter technical career centers. Other statutes require publishing of government budgets and other information online and require government entities to follow certain practices to promote efficiency and compliance within the entity.

Due to the disparate issues in the bill, the present situation for each section is discussed below in conjunction with the Effect of Proposed Changes.

III. Effect of Proposed Changes:

Auditing

Present Situation

The position of Auditor General is established by Art. III, s. 2 of the State Constitution. The Auditor General is appointed to office to serve at the pleasure of the Legislature, by a majority vote of the members of the Legislative Auditing Committee, subject to confirmation by both houses of the Legislature.¹ The appointment of the Auditor General may be terminated at any time by a majority vote of both houses of the Legislature.² At the time of appointment, the Auditor General must have been certified under the Public Accountancy Law in Florida for a period of at least 10 years and may not have less than 10 years' experience in an accounting or auditing related field.³

¹ Section 11.42(2), F.S.

² Section 11.42(5), F.S.

³ Section 11.42(2), F.S.

The Auditor General must conduct audits, examinations, or reviews of government programs⁴ as well as audit the accounts and records of state agencies, state universities, state colleges, district school boards, and others as directed by the Legislative Auditing Committee.⁵ The Auditor General conducts operational and performance audits on public records and information technology systems and also reviews all audit reports of local governmental entities, charter schools, and charter technical career centers.⁶

Various provisions require the Auditor General to compile and submit reports. For example, the Auditor General must annually compile and transmit to the President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee a summary of significant findings and financial trends identified in audit reports.⁷ The Auditor General also must compile and transmit to the President of the Senate, Speaker of the House of Representatives, and Legislative Auditing Committee an annual report by December 1. The report must include a 2-year work plan identifying the audit and other accountability activities to be undertaken and a list of statutory and fiscal changes recommended by the Auditor General.⁸ In addition, the Auditor General must transmit recommendations at other times during the year when the information would be timely and useful to the Legislature.⁹

The annual report for the Auditor General for November 1, 2015, through October 31, 2016, contained the following recommendation:¹⁰

The Legislature should consider amending applicable Florida Statutes to establish in law the responsibility of each State and local government for the establishment and maintenance of management systems and internal controls designed to prevent and detect fraud, waste, and abuse; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets.

Section 11.45, F.S., defines the types of audits the Auditor General may conduct. That section requires certain state and local governmental audits to be conducted and specifies the frequency with which the audits must occur. The Auditor General also may conduct other audits he or she determines to be appropriate.

Following notification by the Auditor General, the Department of Financial Services (DFS), or the Division of Bond Finance of the State Board of Administration of the failure of a local governmental entity, district school board, charter school, or charter technical career center to

⁴ Section 11.45(7), F.S.

⁵ Section 11.45(2)(d)-(f), F.S.

⁶ Section 11.45(7)(b), F.S.

⁷ Section 11.45(7)(f), F.S.

⁸ Section 11.45(7)(h), F.S.

⁹ *Id.*

¹⁰ A copy of the report can be found online at: https://flauditor.gov/pages/pdf_files/annual%20report%202016.pdf (last visited November 1, 2017).

comply with applicable auditing, financial reporting, bond issuance notification, or bond verification provisions or the failure to disclose a financial emergency or provide information required during a financial emergency,¹¹ the Legislative Auditing Committee may schedule a hearing to determine whether the entity should be subject to further state action. For purposes of s. 11.45, F.S., the term “local governmental entity” means a county agency, municipality, or special district as defined in s. 189.012, F.S.,¹² but does not include any housing authority established under ch. 421, F.S.

The Auditor General is also required to annually transmit, by July 15, to the President of the Senate, the Speaker of the House of Representatives, and DFS a list of all school districts, charter schools, charter technical career centers, Florida College System institutions, state universities, and water management districts (WMDs) that have failed to comply with certain transparency requirements.

Effect of the Bill

Section 1 amends s. 11.40, F.S., to authorize the Governor or his or her designee, and the Commissioner of Education or his or her designee, to notify the Legislative Auditing Committee that a local governmental entity, district school board, charter school, or charter technical career center has failed to comply with applicable auditing, financial reporting, bond issuance notification, or bond verification provisions or failed to disclose a financial emergency or provide information required during a financial emergency.

Section 2 amends s. 11.45, F.S., to define the terms abuse, fraud, and waste. These terms are related to the internal controls various government agencies must establish and maintain to prevent and detect fraud, waste, and abuse.

This section expands the definition of “local governmental entity” to include tourist development council and county tourism promotion agency. With this expanded definition, the Auditor General is authorized to conduct audits or other engagements of tourist development councils and county tourism promotion agencies.

This section exempts WMDs from being subject to audits of local governmental entities conducted pursuant to s. 11.45(2)(j), F.S. With this change, the WMDs will be subject only to the periodic audits authorized by s. 11.45(2)(f), F.S.,¹³ rather than audits requested by the Legislative Auditing Committee or when deemed necessary by the Auditor General.

¹¹ Section 11.45, F.S., governs certain audits to be conducted by the Auditor General. Section 218.32(1), F.S., requires annual financial reports from local governmental entities. Section 218.38, F.S., requires notice of bond issuance and contains verification requirements. Section 218.503(3), F.S., requires certain entities to disclose a financial emergency and provide certain information concerning a financial emergency.

¹² Section 189.012(6), F.S., defines a “special district” to mean a unit of local government created for a special purpose, as opposed to a general purpose, which has jurisdiction to operate within a limited geographic boundary and is created by general law, special act, local ordinance, or by rule of the Governor and Cabinet. The term does not include a school district, a community college district, a special improvement district created pursuant to s. 285.17, F.S., a municipal service taxing or benefit unit as specified in s. 125.01, F.S., or a board which provides electrical service and which is a political subdivision of a municipality or is part of a municipality.

¹³ Section 11.45(2)(f), F.S., states in part that at least every 3 years, the Auditor General shall conduct operational audits of the accounts and records of water management districts.

This section expands the list of entities that must be included in the Auditor General report concerning entities that fail to comply with transparency requirements in s. 11.45, F.S., to include all local governmental entities rather than just the WMDs.

Florida Clerks of Court Operations Corporation

Present Situation

Currently, s. 28.35, F.S., requires the Florida Clerks of Court Operations Corporation (corporation) to develop and certify a uniform system of workload measures and applicable workload standards for court-related functions as developed by the corporation and clerk workload performance in meeting the workload performance standards. These workload measures and workload performance standards must be designed to facilitate an objective determination of the performance of each clerk in accordance with minimum standards for fiscal management, operational efficiency, and effective collection of fines, fees, service charges, and court costs. The corporation must develop the workload measures and workload performance standards in consultation with the Legislature. When the corporation finds a clerk has not met the workload performance standards, the corporation must identify the nature of each deficiency and any corrective action recommended and taken by the affected clerk of the court. The corporation must notify the Legislature of any clerk not meeting workload performance standards and provide a copy of any corrective action plans.

Effect of the Bill

Section 3 amends s. 28.35, F.S., to require the corporation to notify the Legislature of any clerk not meeting the workload performance standards and provide a copy of any corrective action plans within 45 days after the end of each quarter. For purposes of s. 28.35, F.S., the quarters end on the last day of March, June, September, and December of each year.

Public Employee Travel Expenses

Present Situation

Section 112.061, F.S., establishes the rates of per diem and subsistence allowance for travel by public officers and employees. When traveling to a convention or conference or to conduct bona fide state business, a traveler is authorized to receive \$80 per diem. However, if actual expenses exceed \$80, the traveler may receive \$6 for breakfast, \$11 for lunch, \$19 for dinner, and the actual expenses for lodging at a single-occupancy rate.

The 2017-18 implementing bill created a limit on the amount of actual expenses for lodging that may be reimbursed under certain circumstances. The bill provided that when an employee of a state agency or the judicial branch is attending a meeting, conference, or convention organized or sponsored in whole or in part by a state agency or the judicial branch, the reimbursement for lodging expenses may not exceed \$150 per day. However, an employee may expend his or her own funds for any lodging expenses in excess of the limit. This limit is in effect until July 1, 2018.

Section 112.061(2)(a), F.S., defines the term “agency or public agency” to mean any office, department, agency, division, subdivision, political subdivision, board, bureau, commission,

authority, district, public body, body politic, county, city, town, village, municipality, or any other separate unit of government created pursuant to law.

Proviso in specific appropriation 2718A of ch. 2017-70, L.O.F., provided \$1,800,000 in recurring General Revenue Funding to the Department of Management Services to operate and maintain a statewide travel management system (system).

The system was required to be able to electronically: interface with the Florida Accounting Information Resource Subsystem (FLAIR) and the Personnel Information System; generate uniform travel authorization request and travel voucher forms pursuant to s. 112.061, F.S.; and receive approvals for travel. The system was also required to include search features that query travel information by specific criteria. Proviso also required EOG and the Legislature to have access to the system for purposes of generating reports on all travel completed by executive branch state agencies and the judicial branch.

Effect of the Bill

Section 5 amends s. 112.061, F.S., to limit the reimbursement of lodging expenses associated with the attendance at a meeting, conference, or convention organized or sponsored by a state agency or judicial branch. Such reimbursement cannot exceed \$150 per day for executive and judicial branch employees. The section clarifies that a “meeting” does not include the travel activities associated with an audit, examination, or inspection or the travel activities relating to litigation or an emergency response.

The section also codifies the definitions and requirements pertaining to the statewide travel management system. By referring to “agency,” this section will require all agencies, including local governments, to report public officer and employee travel information in the system.

Florida Single Audit Act

Present Situation

The Florida Single Audit Act, codified in s. 215.97, F.S., is designed to:

- Establish uniform state audit requirements for state financial assistance provided by state agencies to nonstate entities to carry out state projects;
- Promote sound financial management, including effective internal controls, with respect to state financial assistance administered by nonstate entities;
- Promote audit economy and efficiency by relying to the extent possible on already required audits of federal financial assistance provided to nonstate entities;
- Provide for identification of state financial assistance transactions in the state accounting records and recipient organization records;
- Promote improved coordination and cooperation within and between affected state agencies providing state financial assistance and nonstate entities receiving state assistance; and
- Ensure, to the maximum extent possible, that state agencies monitor, use, and follow-up on audits of state financial assistance provided to nonstate entities.

Pursuant to the Florida Single Audit Act, certain entities that meet the “audit threshold” requirements are subject to a state single audit or a project-specific audit. Currently, the “audit

threshold” requires each nonstate entity that expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such nonstate entity to have a state single audit, or a project-specific audit, for such fiscal year. Every 2 years, the Auditor General, after consulting with the Executive Office of the Governor, DFS, and all state awarding agencies, is required to review the threshold amount for requiring audits and may adjust the threshold amount.¹⁴

Effect of the Bill

Section 10 amends s. 215.97, F.S., to change the requirement that the Auditor General review the threshold amount for requiring audits from every 2 years to “periodically;” however, the term “periodically” is not defined. This section also authorizes the Auditor General to recommend to the Legislature a statutory change to revise the threshold amount in its annual report.

Annual Financial Audit Reports

Present Situation

If, by the first day in any fiscal year, a local governmental entity, district school board, charter school, or charter technical career center has not been notified that a financial audit for that fiscal year will be performed by the Auditor General, an entity meeting certain requirements must have an annual financial audit of its accounts and records completed within 9 months after the end of its fiscal year by an independent certified public accountant.¹⁵ Section 218.39, F.S., specifies the minimum required information for the independent audits and provides for discussion between the governing body and the independent certified public accountant regarding certain specified conditions. If corrective action is required and has not been taken, the Legislative Auditing Committee can request a statement explaining why the corrective action has not been taken and take certain steps to determine whether the entity should be subject to further state action.¹⁶

Effect of the Bill

Section 14 amends s. 218.39, F.S., to provide that if an audit report contains a recommendation that was included in the preceding financial audit report but remains unaddressed, the governing body of the audited entity, within 60 days after delivery of the audit report to the governing body, must indicate during a regularly scheduled public meeting whether it intends to take a corrective action, the corrective action to be taken, and when the corrective action will occur. If the governing body does not intend to take any corrective action, it must explain its decision at the public meeting.

Auditor Selection Procedures

Present Situation

Section 218.391, F.S., outlines the process that each local governmental entity, district school board, charter school, or charter technical career center must follow in selecting an auditor to conduct the annual financial audit of the entity required by s. 218.39, F.S. Each entity is required

¹⁴ Section 215.97(2)(a), F.S.

¹⁵ Section 218.39(1), F.S.

¹⁶ Section 11.40(2), F.S.

to establish an audit committee to assist the governing body in selecting the auditor. Each noncharter county's audit committee must consist of each of its officers elected pursuant to the State Constitution and one member of the board of county commissioners or its designee. The audit committees must publicly announce requests for proposals for the audit services. The law specifies the factors that must be considered in selecting the auditor and the procedures for negotiating for compensation.

Effect of the Bill

Section 15 amends s. 218.391, F.S., to require every county's audit committee to consist of each county officer elected pursuant to the State Constitution or the county charter, or their respective designees, and one member of the board of county commissioners or its designee. The section requires the audit committee for a municipality, special district, district school board, charter school, or charter technical career center to consist of at least three members, one of whom must be a member of the governing body of the entity. That member must serve as the audit committee's chair. An employee, chief executive officer, or chief financial officer of the county, municipality, special district, district school board, charter school, or charter technical career center may not serve as a member of an audit committee.

For each of the annual financial audits, certain information relating to the selection of the auditor and the contract for such services must be included in the management letter. If an entity fails to select an auditor in compliance with the new process, the Legislative Auditing Committee must determine whether the entity should be subject to state action pursuant to 11.40(2), F.S.

The Florida Virtual School

Present Situation

The Florida Virtual School was created to develop and deliver online and distance learning education.¹⁷ The Commissioner of Education is charged with monitoring the Florida Virtual School. In pertinent part, the law requires the board of trustees to submit an annual report to the Governor, the Legislature, the Commissioner of Education, and the State Board of Education (SBE) that must address:

- The operations and accomplishments of the Florida Virtual School within the state and those occurring outside the state as Florida Virtual School Global;
- The marketing and operational plan for the Florida Virtual School and Florida Virtual School Global, including recommendations regarding methods for improving the delivery of education through the Internet and other distance learning technology;
- The assets and liabilities of the Florida Virtual School and Florida Virtual School Global at the end of the fiscal year;
- A copy of an annual financial audit of the accounts and records of the Florida Virtual School and Florida Virtual School Global, conducted by an independent certified public accountant and performed in accordance with rules adopted by the Auditor General;
- Recommendations regarding the unit cost of providing services to students through the Florida Virtual School and Florida Virtual School Global; and

¹⁷ Section 1002.37(1)(a), F.S.

- Recommendations regarding an accountability mechanism to assess the effectiveness of the services provided by the Florida Virtual School and Florida Virtual School Global.¹⁸

The Auditor General must conduct an operational audit of the Florida Virtual School, including Florida Virtual School Global.¹⁹ The scope of the audit must include, but is not limited to, the administration of responsibilities relating to personnel; procurement and contracting; revenue production; school funds, including internal funds; student enrollment records; franchise agreements; information technology utilization, assets, and security; performance measures and standards; and accountability. The law specifies that the final report on the audit must be submitted to the President of the Senate and the Speaker of the House of Representatives no later than January 31, 2014.²⁰

Effect of the Bill

Section 20 amends s. 1002.37, F.S., to require the Florida Virtual School to have an annual financial audit of its accounts and records conducted by an independent auditor who is a licensed certified public accountant. The independent auditor must conduct the audit in accordance with rules adopted by the Auditor General and must prepare an audit report in accordance with such rules. The audit report must include a written statement by the board of trustees describing corrective action to be taken in response to each of the independent auditor's recommendations. The independent auditor must submit the audit report to the board of trustees and the Auditor General no later than 9 months after the end of the preceding fiscal year.

Local Governmental Entity Annual Financial Reports

Present Situation

Section 218.32, F.S., requires local governmental entities that are required to provide for an audit under s. 218.39, F.S., to submit an audit report and annual financial report to DFS within 45 days after completion of the audit report, but no later than 9 months after the end of the fiscal year. The annual financial report must be signed by the chair of the governing body and the chief financial officer of the local governmental entity. The law also specifies the information that must be included in the report.

In addition, DFS is required to file a verified report with the Governor, the Legislature, the Auditor General, and the Special District Accountability Program of the Department of Economic Opportunity showing the revenues, both locally derived and derived from intergovernmental transfers, and the expenditures of each local governmental entity, regional planning council, local government finance commission, and municipal power corporation that is required to submit an annual financial report.²¹

¹⁸ Section 1002.37(6), F.S.

¹⁹ Section 1002.37(11), F.S.

²⁰ *Id.*

²¹ Section 218.32(2), F.S.

Effect of the Bill

Section 12 amends s. 218.32, F.S., to require an independent certified public accountant conducting an audit of a local governmental entity pursuant to s. 218.39, F.S., to determine, as part of the audit, whether the entity's annual financial report is in agreement with the entity's audited financial statements. If the audited financial statements are not in agreement with the annual financial report, the section requires the accountant to specify in the audit report the significant differences that exist between the audited financial statements and the annual financial report.

This section also authorizes DFS, in preparing the verified report, to request additional information from the local governmental entity. Any additional information requested must be provided to DFS within 45 days after the request. If the local governmental entity does not comply with the request, DFS must notify the Legislative Auditing Committee, which may take action pursuant to s. 11.40(2), F.S.

Required Audits of Certain Educational Institutions***Present Situation***

School districts, Florida College System institutions, and other institutions and agencies under the supervision of the State Board of Education (SBE) and state universities under the supervision of the Board of Governors (BOG) are subject to the audit provisions of ss. 11.45 and 218.39, F.S. If an audit contains a significant finding, the district school board, the Florida College System institution board of trustees, or the university board of trustees is required to conduct an audit overview during a public meeting.²²

Effect of the Bill

Section 22 amends s. 1010.30, F.S., to provide that if an audit report includes a recommendation that was included in the preceding financial audit report but remains unaddressed, the district school board, the Florida College System institution board of trustees, or the university board of trustees must indicate during a regularly scheduled public meeting whether it intends to take corrective action, the corrective action to be taken, and when the corrective action will occur within 60 days after the delivery of the audit report. If the district school board, Florida College System institution board of trustees, or university board of trustees does not intend to take corrective action, it must explain its decision at the public meeting.

Internal Controls to Prevent and Detect Fraud, Waste, and Abuse***Present Situation*****State Agencies and the Judicial Branch**

Section 215.86, F.S., requires each state agency and the judicial branch as defined in s. 216.011, F.S., to establish and maintain management systems and controls that promote and encourage compliance; economic, efficient, and effective operations; reliability of records and reports; and

²² Section 1010.30(2), F.S.

safeguarding of assets. It requires accounting systems and procedures to be designed to fulfill the requirements of generally accepted accounting principles.

Local Governmental Entities

Section 218.33, F.S., requires each local governmental entity to begin its fiscal year on October 1 and end it on September 30. Section 218.33(2), F.S., requires each local governmental entity to follow uniform accounting practices and procedures as provided by rule of DFS to assure the use of proper accounting and fiscal management by such units. Such rules must include a uniform classification of accounts.

Charter Schools

Section 1002.33, F.S., authorizes charter schools as part of Florida's state program of education. In addition to creating charter schools, that section also imposes certain requirements on charter schools. In pertinent part, the law provides that the governing body of a charter school is responsible for:

- Ensuring that the charter school has retained a certified public accountant or auditor to perform its annual audit;
- Reviewing and approving the audit report;
- Establishing a corrective plan, if necessary;
- Monitoring a financial recovery plan to ensure compliance; and
- Participating in governance training approved by the Department of Education, which must include government in the sunshine, conflicts of interest, ethics, and financial responsibility.²³

School Districts, Florida College System Institutions, and State Universities

Current law requires the financial records and accounts of each school district, Florida College System institution, and other institution or agency under the supervision of the SBE to be prepared and maintained as prescribed by law and rules of the SBE. The financial records and accounts of each state university under the supervision of the BOG must be prepared and maintained as prescribed by law and rules of the BOG. Rules of the SBE and rules of the BOG must incorporate the requirements of law and accounting principles generally accepted in the United States and must include a uniform classification of accounts. Each state university must annually file with the BOG financial statements prepared in conformity with these requirements. The BOG's rules must prescribe the filing deadline for the financial statements. The required financial accounts and reports must include provisions that are unique to K-12 school districts, Florida College System institutions, and state universities.²⁴

Justice Administrative Commission

The Justice Administrative Commission (Commission) is created in s. 43.16, F.S. As one of its duties, the Commission is charged with maintaining a central state office for administrative services and assistance on behalf of state attorneys and public defenders, the capital collateral regional counsel, the criminal conflict and civil regional counsel, and the Guardian Ad Litem

²³ Section 1002.33(9)(j), F.S.

²⁴ Section 1010.01, F.S.

Program.²⁵ Additionally, the Commission records and submits certain documents prepared by a state attorney, public defender, or criminal conflict and civil regional counsel or the Guardian Ad Litem Program, including necessary budgets, vouchers that represent valid claims for reimbursement by the state for authorized expenses, and other things incidental to the proper administrative operation of the office, such as revenue transmittals to the Chief Financial Officer and automated systems plans.²⁶

Effect of the Bill

Sections 4, 9, 13, 19, and 21 amend ss. 43.16, 215.98, 218.33, 1002.33, and 1010.01, F.S., respectively, to require state agencies, the judicial branch, local governmental entities, charter schools, school districts, Florida College System institutions, state universities, the Commission, each state attorney, each public defender, the criminal conflict and civil regional counsel, the capital collateral regional counsel, and the Guardian Ad Litem Program to establish and maintain internal controls designed to:

- Prevent and detect fraud, waste, and abuse, as defined in s. 11.45(1), F.S.;
- Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices;
- Support economical and efficient operations;
- Ensure reliability of financial records and reports; and
- Safeguard assets.

Section 18 amends s. 1001.42, F.S., to authorize a district school board to retain an internal auditor to determine:

- The adequacy of internal controls designed to prevent and detect fraud, waste, and abuse.
- Compliance with applicable laws, rules, contracts, grant agreements, district school board-approved policies, and best practices.
- The efficiency of operations.
- The reliability of financial records and reports.
- The safeguarding of assets.

Online Posting of Governmental Budgets

Counties and Municipalities

Present Situation

Counties²⁷ and municipalities²⁸ are required to post their tentative budgets on their websites 2 days prior to consideration of the budget at a public hearing. The final budget of a county or municipality must be posted on its website within 30 days after adoption. An amendment to a budget must be posted to the website within 5 days of adoption.²⁹ Current law does not specify how long these documents must remain available on the website.

²⁵ Section 43.16(5)(a), F.S.

²⁶ Section 43.16(5)(b), F.S.

²⁷ Section 129.03, F.S.

²⁸ Section 166.241, F.S.

²⁹ Sections 129.06(2)(f)2., 166.241(5), and 189.016(7), F.S.

Effect of the Bill

Sections 6, 7, and 8 amend ss. 129.03, 129.06, and 166.241, F.S., respectively, to require a tentative budget to remain on a county or municipality's website for at least 45 days. The sections also requires a final budget to remain on the entity's website for at least 2 years. Finally, the sections requires an adopted amendment to a budget to remain on the website for at least 2 years.

Water Management Districts

Present Situation

Chapter 373, F.S., governs Florida's water resource management and authorizes the creation of WMDs, which are given taxing authority. A WMD is defined as "any flood control, resource management, or water management district" operating under the authority of ch. 373, F.S.³⁰ There are five WMDs in Florida: Northwest Florida, Suwanee River, St. Johns River, Southwest Florida, and South Florida.³¹ Section 373.536, F.S., governs the budget process for WMDs and requires a WMD's tentative budget to be posted on the WMD's website at least 2 days before budget hearings are conducted. The law requires a WMD's final adopted budget to be posted on the WMD's official website within 30 days after adoption.

Effect of the Bill

Section 17 amends s. 373.536, F.S., to require a WMD's tentative budget to remain on the WMD's website for at least 45 days and requires the final adopted budget to remain on the website for at least 2 years.

Transparency in Government Spending

Present Situation

The Transparency Florida Act (Act), codified in s. 215.985, F.S., requires the Governor, in consultation with the appropriations committees of the House and Senate, to maintain a central website providing access to all other websites required to be linked under the Act. It also requires certain budget information, certain contract information, and minimum functionality standards to be readily available online. In pertinent part, s. 215.985(11), F.S., requires each WMD to provide a monthly financial statement to its governing board and make the statement available for public access on its website.

Effect of the Bill

Section 11 amends s. 215.985, F.S., to require a WMD's monthly financial statement to be in the form and manner prescribed by DFS and requires each WMD to make the monthly financial statement available to the public on its website.

³⁰ Section 373.019(23), F.S.

³¹ Section 373.069(1), F.S.

Reasonable Opportunity to be Heard at Public Meetings

Present Situation

Section 286.0114, F.S., requires, with certain exceptions, that members of the public be provided a reasonable opportunity to be heard before a board or commission. The law describes a general public comment process and allows entities to prescribe how public comment is made and create certain reasonable limitations.

Effect of the Bill

Section 16 amends s. 286.0114, F.S., to prohibit a board or commission from requiring a member of the public to provide an advance written copy of his or her testimony or comments as a precondition of being given the opportunity to be heard at a meeting.

Statement of Legislative Findings

Section 24 specifies that a proper and legitimate state purpose is served when internal controls are established to prevent and detect fraud, waste, and abuse and to safeguard and account for government funds and property.

Section 23 amends s. 218.503, F.S., to correct cross-references.

Section 25 provides an effective date of July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(a) of the Florida Constitution provides, in pertinent part, that no county or municipality shall be bound by any general law requiring such county or municipality to spend funds or to take an action requiring the expenditure of funds unless the legislature has determined that such law fulfills an important state interest and unless:

- The law requiring such expenditure is approved by two-thirds of the membership in each house of the legislature; or
- The expenditure is required to comply with a law that applies to all persons similarly situated, including the state and local governments.

Article VII, s. 18(d) of the Florida Constitution provides, in pertinent part, that laws having insignificant fiscal impact are exempt from the mandates requirements.

This bill requires county and municipal governments to establish and maintain specified internal controls, to post government budgets online, and to use the statewide travel management system. Section 24 of the bill specifies that the bill serves an important state interest. An exception may apply because the bill applies to similarly situated persons (municipalities, counties, water management districts, school districts, state agencies and other governmental entities).

In addition, the bill may be exempt from the mandates requirements if the costs incurred by the municipalities and counties to comply are less than \$2 million (the threshold for “insignificant” fiscal impact).

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

State agencies, the court system, court-related entities, local governments, district school boards, charter schools, and state colleges and universities may incur minimal costs associated with establishing and maintaining the specified internal controls. State and local governments may incur additional costs associated with using the statewide travel management system.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill requires municipalities and counties to establish and maintain internal controls, post budget information to websites, and use the statewide travel management system. These requirements may mean that the constitutional mandate provisions are applicable. Section 24 attempts to address the mandates requirement by making a finding that the bill fulfills an important state interest. However, section 24 only mentions the requirements relating to establishing and maintaining the internal controls. This section should be clarified to ensure that the statement relates to all three issues relating to new responsibilities for municipalities and counties.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 11.40, 11.45, 28.35, 43.16, 112.061, 129.03, 129.06, 166.241, 215.86, 215.97, 215.985, 218.32, 218.33, 218.39, 218.391, 218.503, 286.0114, 373.536, 1001.42, 1002.33, 1002.37, 1010.01, and 1010.30.

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Community Affairs on November 7, 2017:

Identifies the Department of Management Services as the body that acquired the statewide travel management system, not the Executive Office of the Governor.

- B. **Amendments:**

None.



397270

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
11/07/2017	.	
	.	
	.	
	.	

The Committee on Community Affairs (Stargel) recommended the following:

- 1 **Senate Amendment**
- 2
- 3 Delete line 416
- 4 and insert:
- 5 Department of Management Services to:

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11-7-17

Meeting Date

354

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Andrew Hosek

Job Title Policy Analyst

Address _____

Phone 850-378-6291

Street

Email ahosek@afhq.org

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against

(The Chair will read this information into the record.)

Representing Americans for Prosperity

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11/7/17

Meeting Date

354

Bill Number (if applicable)

Topic Government Accountability

Amendment Barcode (if applicable)

Name Justin Thames

Job Title Director of Governmental Affairs

Address 325 W. College Ave

Phone 850-528-2209

Street

Email thamesj@ficpa.org

City

State

Zip

Speaking: For [] Against [X] Information []

Waive Speaking: In Support [] Against []

(The Chair will read this information into the record.)

Representing Florida Institute of CPA's

Appearing at request of Chair: Yes [] No []

Lobbyist registered with Legislature: Yes [X] No []

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

By Senator Stargel

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1 A bill to be entitled
 2 An act relating to government accountability; amending
 3 s. 11.40, F.S.; specifying that the Governor, the
 4 Commissioner of Education, or the designee of the
 5 Governor or of the commissioner, may notify the
 6 Legislative Auditing Committee of an entity's failure
 7 to comply with certain auditing and financial
 8 reporting requirements; amending s. 11.45, F.S.;
 9 defining the terms "abuse," "fraud," and "waste";
 10 revising definitions; excluding water management
 11 districts from certain audit requirements; removing a
 12 cross-reference; authorizing the Auditor General to
 13 conduct audits of tourist development councils and
 14 county tourism promotion agencies; revising reporting
 15 requirements applicable to the Auditor General;
 16 amending s. 28.35, F.S.; revising reporting
 17 requirements applicable to the Florida Clerks of Court
 18 Operations Corporation; amending s. 43.16, F.S.;
 19 revising the responsibilities of the Justice
 20 Administrative Commission, each state attorney, each
 21 public defender, the criminal conflict and civil
 22 regional counsel, the capital collateral regional
 23 counsel, and the Guardian Ad Litem Program, to include
 24 the establishment and maintenance of certain internal
 25 controls; amending s. 112.061, F.S.; revising certain
 26 lodging rates for the purpose of reimbursement to
 27 specified employees; authorizing an employee to expend
 28 his or her funds for certain lodging expenses;
 29 defining the term "statewide travel management

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30 system"; requiring agencies and the judicial branch to
 31 report certain travel information of public officers
 32 and employees in the statewide travel management
 33 system; requiring executive branch state agencies and
 34 the judicial branch to use the statewide travel
 35 management system for certain purposes; amending ss.
 36 129.03, 129.06, and 166.241, F.S.; requiring counties
 37 and municipalities to maintain certain budget
 38 documents on the entities' websites for a specified
 39 period; amending s. 215.86, F.S.; revising the
 40 purposes for which management systems and internal
 41 controls must be established and maintained by each
 42 state agency and the judicial branch; amending s.
 43 215.97, F.S.; revising certain audit threshold
 44 requirements; amending s. 215.985, F.S.; revising the
 45 requirements for a monthly financial statement
 46 provided by a water management district; amending s.
 47 218.32, F.S.; revising the requirements of the annual
 48 financial audit report of a local governmental entity;
 49 authorizing the Department of Financial Services to
 50 request additional information from a local
 51 governmental entity; requiring a local governmental
 52 entity to respond to such requests within a specified
 53 timeframe; requiring the department to notify the
 54 Legislative Auditing Committee of noncompliance;
 55 amending s. 218.33, F.S.; requiring local governmental
 56 entities to establish and maintain internal controls
 57 to achieve specified purposes; amending s. 218.39,
 58 F.S.; requiring an audited entity to respond to audit

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59 recommendations under specified circumstances;
 60 amending s. 218.391, F.S.; revising membership for the
 61 audit committee; prohibiting an audit committee member
 62 from being an employee, a chief executive officer, or
 63 a chief financial officer of the respective
 64 governmental entity; requiring an auditor to include
 65 certain information in a management letter; requiring
 66 the chair of a governmental entity's governing body to
 67 submit an affidavit containing certain information
 68 when the entity contracts with an auditor to conduct
 69 an audit; providing requirements and procedures for
 70 selecting an auditor; requiring the Legislative
 71 Auditing Committee to determine whether a governmental
 72 entity should be subject to state action under certain
 73 circumstances; amending s. 286.0114, F.S.; prohibiting
 74 a board or commission from requiring an advance copy
 75 of testimony or comments from a member of the public
 76 as a precondition to being given the opportunity to be
 77 heard at a public meeting; amending s. 373.536, F.S.;
 78 deleting obsolete language; requiring water management
 79 districts to maintain certain budget documents on the
 80 districts' websites for a specified period; amending
 81 s. 1001.42, F.S.; authorizing additional internal
 82 audits as directed by the district school board;
 83 amending s. 1002.33, F.S.; revising the
 84 responsibilities of the governing board of a charter
 85 school to include the establishment and maintenance of
 86 internal controls; amending s. 1002.37, F.S.;
 87 requiring completion of an annual financial audit of

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88 the Florida Virtual School; specifying audit
 89 requirements; requiring an audit report to be
 90 submitted to the board of trustees of the Florida
 91 Virtual School and the Auditor General; deleting
 92 obsolete provisions; amending s. 1010.01, F.S.;
 93 requiring each school district, Florida College System
 94 institution, and state university to establish and
 95 maintain certain internal controls; amending s.
 96 1010.30, F.S.; requiring a district school board,
 97 Florida College System institution board of trustees,
 98 or university board of trustees to respond to audit
 99 recommendations under certain circumstances; amending
 100 s. 218.503, F.S.; conforming provisions and cross-
 101 references to changes made by the act; declaring that
 102 the act fulfills an important state interest;
 103 providing an effective date.
 104
 105 Be It Enacted by the Legislature of the State of Florida:
 106
 107 Section 1. Subsection (2) of section 11.40, Florida
 108 Statutes, is amended to read:
 109 11.40 Legislative Auditing Committee.—
 110 (2) Following notification by the Auditor General, the
 111 Department of Financial Services, ~~or~~ the Division of Bond
 112 Finance of the State Board of Administration, the Governor or
 113 his or her designee, or the Commissioner of Education or his or
 114 her designee of the failure of a local governmental entity,
 115 district school board, charter school, or charter technical
 116 career center to comply with the applicable provisions within s.

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117 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the
 118 Legislative Auditing Committee may schedule a hearing to
 119 determine if the entity should be subject to further state
 120 action. If the committee determines that the entity should be
 121 subject to further state action, the committee shall:

122 (a) In the case of a local governmental entity or district
 123 school board, direct the Department of Revenue and the
 124 Department of Financial Services to withhold any funds not
 125 pledged for bond debt service satisfaction which are payable to
 126 such entity until the entity complies with the law. The
 127 committee shall specify the date that such action must ~~shall~~
 128 begin, and the directive must be received by the Department of
 129 Revenue and the Department of Financial Services 30 days before
 130 the date of the distribution mandated by law. The Department of
 131 Revenue and the Department of Financial Services may implement
 132 ~~the provisions of~~ this paragraph.

133 (b) In the case of a special district created by:

134 1. A special act, notify the President of the Senate, the
 135 Speaker of the House of Representatives, the standing committees
 136 of the Senate and the House of Representatives charged with
 137 special district oversight as determined by the presiding
 138 officers of each respective chamber, the legislators who
 139 represent a portion of the geographical jurisdiction of the
 140 special district, and the Department of Economic Opportunity
 141 that the special district has failed to comply with the law.
 142 Upon receipt of notification, the Department of Economic
 143 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.
 144 If the special district remains in noncompliance after the
 145 process set forth in s. 189.0651, or if a public hearing is not

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146 held, the Legislative Auditing Committee may request the
 147 department to proceed pursuant to s. 189.067(3).

148 2. A local ordinance, notify the chair or equivalent of the
 149 local general-purpose government pursuant to s. 189.0652 and the
 150 Department of Economic Opportunity that the special district has
 151 failed to comply with the law. Upon receipt of notification, the
 152 department shall proceed pursuant to s. 189.062 or s. 189.067.
 153 If the special district remains in noncompliance after the
 154 process set forth in s. 189.0652, or if a public hearing is not
 155 held, the Legislative Auditing Committee may request the
 156 department to proceed pursuant to s. 189.067(3).

157 3. Any manner other than a special act or local ordinance,
 158 notify the Department of Economic Opportunity that the special
 159 district has failed to comply with the law. Upon receipt of
 160 notification, the department shall proceed pursuant to s.
 161 189.062 or s. 189.067(3).

162 (c) In the case of a charter school or charter technical
 163 career center, notify the appropriate sponsoring entity, which
 164 may terminate the charter pursuant to ss. 1002.33 and 1002.34.

165 Section 2. Subsection (1), paragraph (j) of subsection (2),
 166 paragraph (u) of subsection (3), and paragraph (i) of subsection
 167 (7) of section 11.45, Florida Statutes, are amended, and
 168 paragraph (x) is added to subsection (3) of that section, to
 169 read:

170 11.45 Definitions; duties; authorities; reports; rules.—

171 (1) DEFINITIONS.—As used in ss. 11.40-11.51, the term:

172 (a) "Abuse" means behavior that is deficient or improper
 173 when compared with behavior that a prudent person would consider
 174 a reasonable and necessary operational practice given the facts

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175 and circumstances. The term includes the misuse of authority or
 176 position for personal gain.

177 (b)(a) "Audit" means a financial audit, operational audit,
 178 or performance audit.

179 (c)(b) "County agency" means a board of county
 180 commissioners or other legislative and governing body of a
 181 county, however styled, including that of a consolidated or
 182 metropolitan government, a clerk of the circuit court, a
 183 separate or ex officio clerk of the county court, a sheriff, a
 184 property appraiser, a tax collector, a supervisor of elections,
 185 or any other officer in whom any portion of the fiscal duties of
 186 a body or officer expressly stated in this paragraph are the
 187 above are under law separately placed by law.

188 (d)(e) "Financial audit" means an examination of financial
 189 statements in order to express an opinion on the fairness with
 190 which they are presented in conformity with generally accepted
 191 accounting principles and an examination to determine whether
 192 operations are properly conducted in accordance with legal and
 193 regulatory requirements. Financial audits must be conducted in
 194 accordance with auditing standards generally accepted in the
 195 United States and government auditing standards as adopted by
 196 the Board of Accountancy. When applicable, the scope of
 197 financial audits must shall encompass the additional activities
 198 necessary to establish compliance with the Single Audit Act
 199 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other
 200 applicable federal law.

201 (e) "Fraud" means obtaining something of value through
 202 willful misrepresentation, including, but not limited to, the
 203 intentional misstatements or intentional omissions of amounts or

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204 disclosures in financial statements to deceive users of
 205 financial statements, theft of an entity's assets, bribery, or
 206 the use of one's position for personal enrichment through the
 207 deliberate misuse or misapplication of an organization's
 208 resources.

209 (f)(d) "Governmental entity" means a state agency, a county
 210 agency, or any other entity, however styled, that independently
 211 exercises any type of state or local governmental function.

212 (g)(e) "Local governmental entity" means a county agency,
 213 municipality, tourist development council, county tourism
 214 promotion agency, or special district as defined in s. 189.012.
 215 The term, but does not include any housing authority established
 216 under chapter 421.

217 (h)(f) "Management letter" means a statement of the
 218 auditor's comments and recommendations.

219 (i)(g) "Operational audit" means an audit whose purpose is
 220 to evaluate management's performance in establishing and
 221 maintaining internal controls, including controls designed to
 222 prevent and detect fraud, waste, and abuse, and in administering
 223 assigned responsibilities in accordance with applicable laws,
 224 administrative rules, contracts, grant agreements, and other
 225 guidelines. Operational audits must be conducted in accordance
 226 with government auditing standards. Such audits examine internal
 227 controls that are designed and placed in operation to promote
 228 and encourage the achievement of management's control objectives
 229 in the categories of compliance, economic and efficient
 230 operations, reliability of financial records and reports, and
 231 safeguarding of assets, and identify weaknesses in those
 232 internal controls.

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233 (j)~~(h)~~ "Performance audit" means an examination of a
 234 program, activity, or function of a governmental entity,
 235 conducted in accordance with applicable government auditing
 236 standards or auditing and evaluation standards of other
 237 appropriate authoritative bodies. The term includes an
 238 examination of issues related to:

- 239 1. Economy, efficiency, or effectiveness of the program.
- 240 2. Structure or design of the program to accomplish its
 241 goals and objectives.
- 242 3. Adequacy of the program to meet the needs identified by
 243 the Legislature or governing body.
- 244 4. Alternative methods of providing program services or
 245 products.
- 246 5. Goals, objectives, and performance measures used by the
 247 agency to monitor and report program accomplishments.
- 248 6. The accuracy or adequacy of public documents, reports,
 249 or requests prepared under the program by state agencies.
- 250 7. Compliance of the program with appropriate policies,
 251 rules, or laws.
- 252 8. Any other issues related to governmental entities as
 253 directed by the Legislative Auditing Committee.

254 (k)~~(i)~~ "Political subdivision" means a separate agency or
 255 unit of local government created or established by law and
 256 includes, but is not limited to, the following and the officers
 257 thereof: authority, board, branch, bureau, city, commission,
 258 consolidated government, county, department, district,
 259 institution, metropolitan government, municipality, office,
 260 officer, public corporation, town, or village.

261 (l)~~(j)~~ "State agency" means a separate agency or unit of

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262 state government created or established by law and includes, but
 263 is not limited to, the following and the officers thereof:
 264 authority, board, branch, bureau, commission, department,
 265 division, institution, office, officer, or public corporation,
 266 as the case may be, except any such agency or unit within the
 267 legislative branch of state government other than the Florida
 268 Public Service Commission.

269 (m) "Waste" means the act of using or expending resources
 270 unreasonably, carelessly, extravagantly, or for no useful
 271 purpose.

272 (2) DUTIES.—The Auditor General shall:

273 (j) Conduct audits of local governmental entities when
 274 determined to be necessary by the Auditor General, when directed
 275 by the Legislative Auditing Committee, or when otherwise
 276 required by law. No later than 18 months after the release of
 277 the audit report, the Auditor General shall perform such
 278 appropriate followup procedures as he or she deems necessary to
 279 determine the audited entity's progress in addressing the
 280 findings and recommendations contained within the Auditor
 281 General's previous report. The Auditor General shall notify each
 282 member of the audited entity's governing body and the
 283 Legislative Auditing Committee of the results of his or her
 284 determination. For purposes of this paragraph, local
 285 governmental entities do not include water management districts.

286

287 The Auditor General shall perform his or her duties
 288 independently but under the general policies established by the
 289 Legislative Auditing Committee. This subsection does not limit
 290 the Auditor General's discretionary authority to conduct other

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291 audits or engagements of governmental entities as authorized in
292 subsection (3).

293 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The Auditor
294 General may, pursuant to his or her own authority, or at the
295 direction of the Legislative Auditing Committee, conduct audits
296 or other engagements as determined appropriate by the Auditor
297 General of:

298 (u) The Florida Virtual School ~~pursuant to s. 1002.37.~~

299 (x) Tourist development councils and county tourism
300 promotion agencies.

301 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

302 (i) The Auditor General shall annually transmit by July 15,
303 to the President of the Senate, the Speaker of the House of
304 Representatives, and the Department of Financial Services, a
305 list of all school districts, charter schools, charter technical
306 career centers, Florida College System institutions, state
307 universities, and local governmental entities ~~water management~~
308 ~~districts~~ that have failed to comply with the transparency
309 requirements as identified in the audit reports reviewed
310 pursuant to paragraph (b) and those conducted pursuant to
311 subsection (2).

312 Section 3. Paragraph (d) of subsection (2) of section
313 28.35, Florida Statutes, is amended to read:

314 28.35 Florida Clerks of Court Operations Corporation.—

315 (2) The duties of the corporation shall include the
316 following:

317 (d) Developing and certifying a uniform system of workload
318 measures and applicable workload standards for court-related
319 functions as developed by the corporation and clerk workload

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320 performance in meeting the workload performance standards. These
321 workload measures and workload performance standards shall be
322 designed to facilitate an objective determination of the
323 performance of each clerk in accordance with minimum standards
324 for fiscal management, operational efficiency, and effective
325 collection of fines, fees, service charges, and court costs. The
326 corporation shall develop the workload measures and workload
327 performance standards in consultation with the Legislature. When
328 the corporation finds a clerk has not met the workload
329 performance standards, the corporation shall identify the nature
330 of each deficiency and any corrective action recommended and
331 taken by the affected clerk of the court. For quarterly periods
332 ending on the last day of March, June, September, and December
333 of each year, the corporation shall notify the Legislature of
334 any clerk not meeting workload performance standards and provide
335 a copy of any corrective action plans. Such notifications shall
336 be submitted no later than 45 days after the end of the
337 preceding quarterly period. As used in this subsection, the
338 term:

339 1. "Workload measures" means the measurement of the
340 activities and frequency of the work required for the clerk to
341 adequately perform the court-related duties of the office as
342 defined by the membership of the Florida Clerks of Court
343 Operations Corporation.

344 2. "Workload performance standards" means the standards
345 developed to measure the timeliness and effectiveness of the
346 activities that are accomplished by the clerk in the performance
347 of the court-related duties of the office as defined by the
348 membership of the Florida Clerks of Court Operations

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349 Corporation.

350 Section 4. Present subsections (6) and (7) of section
351 43.16, Florida Statutes, are renumbered as subsections (7) and
352 (8), respectively, and a new subsection (6) is added to that
353 section, to read:

354 43.16 Justice Administrative Commission; membership, powers
355 and duties.—

356 (6) The commission, each state attorney, each public
357 defender, the criminal conflict and civil regional counsel, the
358 capital collateral regional counsel, and the Guardian Ad Litem
359 Program shall establish and maintain internal controls designed
360 to:

361 (a) Prevent and detect fraud, waste, and abuse as defined
362 in s. 11.45(1).

363 (b) Promote and encourage compliance with applicable laws,
364 rules, contracts, grant agreements, and best practices.

365 (c) Support economical and efficient operations.

366 (d) Ensure reliability of financial records and reports.

367 (e) Safeguard assets.

368 Section 5. Subsection (6) of section 112.061, Florida
369 Statutes, is amended, and subsection (16) is added to that
370 section, to read:

371 112.061 Per diem and travel expenses of public officers,
372 employees, and authorized persons.—

373 (6) RATES OF PER DIEM AND SUBSISTENCE ALLOWANCE.—For
374 purposes of reimbursement rates and methods of calculation, per
375 diem and subsistence allowances are provided as follows:

376 (a) All travelers shall be allowed for subsistence when
377 traveling to a convention or conference or when traveling within

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378 or outside the state in order to conduct bona fide state
379 business, which convention, conference, or business serves a
380 direct and lawful public purpose with relation to the public
381 agency served by the person attending such meeting or conducting
382 such business, either of the following for each day of such
383 travel at the option of the traveler:

384 1. Eighty dollars per diem; or

385 2. If actual expenses exceed \$80, the amounts permitted in
386 paragraph (b) for subsistence, plus actual expenses for lodging
387 at a single-occupancy rate, except as provided in paragraph (c),
388 to be substantiated by paid bills therefor.

389
390 When lodging or meals are provided at a state institution, the
391 traveler shall be reimbursed only for the actual expenses of
392 such lodging or meals, not to exceed the maximum provided for in
393 this subsection.

394 (b) All travelers shall be allowed the following amounts
395 for subsistence while on Class C travel on official business as
396 provided in paragraph (5)(b):

- 397 1. Breakfast.....\$6
- 398 2. Lunch.....\$11
- 399 3. Dinner.....\$19

400 (c) Actual expenses for lodging associated with the
401 attendance of an employee of a state agency or the judicial
402 branch at a meeting, conference, or convention organized or
403 sponsored in whole or in part by a state agency or the judicial
404 branch may not exceed \$150 per day. However, an employee may
405 expend his or her own funds for any lodging expenses that exceed
406 \$150 per day. For purposes of this paragraph, a meeting does not

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407 include travel activities for conducting an audit, examination,
 408 inspection, or investigation or travel activities related to a
 409 litigation or emergency response.

410 (d)(e) No one, whether traveling out of state or in state,
 411 shall be reimbursed for any meal or lodging included in a
 412 convention or conference registration fee paid by the state.

413 (16) STATEWIDE TRAVEL MANAGEMENT SYSTEM.—

414 (a) For purposes of this subsection, the term "statewide
 415 travel management system" means the system acquired by the
 416 Executive Office of the Governor to:

417 1. Standardize and automate agency travel management;
 418 2. Allow for travel planning and approval, expense
 419 reporting, and reimbursement; and

420 3. Allow a person to query travel information by public
 421 employee or officer name and position title, purpose of travel,
 422 dates and location of travel, mode of travel, confirmation of
 423 agency head or designee authorization if required, and total
 424 travel cost.

425 (b) All agencies and the judicial branch must report public
 426 officer and employee travel information in the statewide travel
 427 management system, including, but not limited to, officer or
 428 employee name and position title, purpose of travel, dates and
 429 location of travel, mode of travel, confirmation of agency head
 430 or designee authorization if required, and total travel cost. At
 431 a minimum, such information must be reported in the statewide
 432 travel management system on a monthly basis.

433 (c) All executive branch state agencies and the judicial
 434 branch must use the statewide travel management system for
 435 purposes of travel authorization and reimbursement.

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436 Section 6. Paragraph (c) of subsection (3) of section
 437 129.03, Florida Statutes, is amended to read:

438 129.03 Preparation and adoption of budget.—

439 (3) The county budget officer, after tentatively
 440 ascertaining the proposed fiscal policies of the board for the
 441 next fiscal year, shall prepare and present to the board a
 442 tentative budget for the next fiscal year for each of the funds
 443 provided in this chapter, including all estimated receipts,
 444 taxes to be levied, and balances expected to be brought forward
 445 and all estimated expenditures, reserves, and balances to be
 446 carried over at the end of the year.

447 (c) The board shall hold public hearings to adopt tentative
 448 and final budgets pursuant to s. 200.065. The hearings shall be
 449 primarily for the purpose of hearing requests and complaints
 450 from the public regarding the budgets and the proposed tax
 451 levies and for explaining the budget and any proposed or adopted
 452 amendments. The tentative budget must be posted on the county's
 453 official website at least 2 days before the public hearing to
 454 consider such budget and must remain on the website for at least
 455 45 days. The final budget must be posted on the website within
 456 30 days after adoption and must remain on the website for at
 457 least 2 years. The tentative budgets, adopted tentative budgets,
 458 and final budgets shall be filed in the office of the county
 459 auditor as a public record. Sufficient reference in words and
 460 figures to identify the particular transactions must ~~shall~~ be
 461 made in the minutes of the board to record its actions with
 462 reference to the budgets.

463 Section 7. Paragraph (f) of subsection (2) of section
 464 129.06, Florida Statutes, is amended to read:

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465 129.06 Execution and amendment of budget.—

466 (2) The board at any time within a fiscal year may amend a
467 budget for that year, and may within the first 60 days of a
468 fiscal year amend the budget for the prior fiscal year, as
469 follows:

470 (f) Unless otherwise prohibited by law, if an amendment to
471 a budget is required for a purpose not specifically authorized
472 in paragraphs (a)-(e), the amendment may be authorized by
473 resolution or ordinance of the board of county commissioners
474 adopted following a public hearing.

475 1. The public hearing must be advertised at least 2 days,
476 but not more than 5 days, before the date of the hearing. The
477 advertisement must appear in a newspaper of paid general
478 circulation and must identify the name of the taxing authority,
479 the date, place, and time of the hearing, and the purpose of the
480 hearing. The advertisement must also identify each budgetary
481 fund to be amended, the source of the funds, the use of the
482 funds, and the total amount of each fund's appropriations.

483 2. If the board amends the budget pursuant to this
484 paragraph, the adopted amendment must be posted on the county's
485 official website within 5 days after adoption and must remain on
486 the website for at least 2 years.

487 Section 8. Subsections (3) and (5) of section 166.241,
488 Florida Statutes, are amended to read:

489 166.241 Fiscal years, budgets, and budget amendments.—

490 (3) The tentative budget must be posted on the
491 municipality's official website at least 2 days before the
492 budget hearing, held pursuant to s. 200.065 or other law, to
493 consider such budget and must remain on the website for at least

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494 45 days. The final adopted budget must be posted on the
495 municipality's official website within 30 days after adoption
496 and must remain on the website for at least 2 years. If the
497 municipality does not operate an official website, the
498 municipality must, within a reasonable period of time as
499 established by the county or counties in which the municipality
500 is located, transmit the tentative budget and final budget to
501 the manager or administrator of such county or counties who
502 shall post the budgets on the county's website.

503 (5) If the governing body of a municipality amends the
504 budget pursuant to paragraph (4)(c), the adopted amendment must
505 be posted on the official website of the municipality within 5
506 days after adoption and must remain on the website for at least
507 2 years. If the municipality does not operate an official
508 website, the municipality must, within a reasonable period of
509 time as established by the county or counties in which the
510 municipality is located, transmit the adopted amendment to the
511 manager or administrator of such county or counties who shall
512 post the adopted amendment on the county's website.

513 Section 9. Section 215.86, Florida Statutes, is amended to
514 read:

515 215.86 Management systems and controls.—Each state agency
516 and the judicial branch as defined in s. 216.011 shall establish
517 and maintain management systems and internal controls designed
518 to:

519 (1) Prevent and detect fraud, waste, and abuse as defined
520 in s. 11.45(1). ~~that~~

521 (2) Promote and encourage compliance with applicable laws,
522 rules, contracts, and grant agreements.†

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523 (3) Support economical and economic, efficient, and
524 effective operations.

525 (4) Ensure reliability of financial records and reports.

526 ~~(5) Safeguard and safeguarding of assets. Accounting~~
527 ~~systems and procedures shall be designed to fulfill the~~
528 ~~requirements of generally accepted accounting principles.~~

529 Section 10. Paragraph (a) of subsection (2) of section
530 215.97, Florida Statutes, is amended to read:

531 215.97 Florida Single Audit Act.—

532 (2) As used in this section, the term:

533 (a) "Audit threshold" means the threshold amount used to
534 determine when a state single audit or project-specific audit of
535 a nonstate entity shall be conducted in accordance with this
536 section. Each nonstate entity that expends a total amount of
537 state financial assistance equal to or in excess of \$750,000 in
538 any fiscal year of such nonstate entity shall be required to
539 have a state single audit, or a project-specific audit, for such
540 fiscal year in accordance with the requirements of this section.
541 ~~Every 2 years the Auditor General,~~ After consulting with the
542 Executive Office of the Governor, the Department of Financial
543 Services, and all state awarding agencies, the Auditor General
544 shall periodically review the threshold amount for requiring
545 audits under this section and may recommend any appropriate
546 statutory change to revise the threshold amount in the annual
547 report submitted pursuant to s. 11.45(7)(h) to the Legislature
548 ~~adjust such threshold amount consistent with the purposes of~~
549 ~~this section.~~

550 Section 11. Subsection (11) of section 215.985, Florida
551 Statutes, is amended to read:

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552 215.985 Transparency in government spending.—

553 (11) Each water management district shall provide a monthly
554 financial statement in the form and manner prescribed by the
555 Department of Financial Services to the district's its governing
556 board and make such monthly financial statement available for
557 public access on its website.

558 Section 12. Paragraph (d) of subsection (1) and subsection
559 (2) of section 218.32, Florida Statutes, are amended to read:

560 218.32 Annual financial reports; local governmental
561 entities.—

562 (1)

563 (d) Each local governmental entity that is required to
564 provide for an audit under s. 218.39(1) must submit a copy of
565 the audit report and annual financial report to the department
566 within 45 days after the completion of the audit report but no
567 later than 9 months after the end of the fiscal year. In
568 conducting an audit of a local governmental entity pursuant to
569 s. 218.39, an independent certified public accountant shall
570 determine whether the entity's annual financial report is in
571 agreement with the audited financial statements. If the audited
572 financial statements are not in agreement with the annual
573 financial report, the accountant shall specify and explain the
574 significant differences that exist between the audited financial
575 statements and the annual financial report.

576 (2) The department shall annually by December 1 file a
577 verified report with the Governor, the Legislature, the Auditor
578 General, and the Special District Accountability Program of the
579 Department of Economic Opportunity showing the revenues, both
580 locally derived and derived from intergovernmental transfers,

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581 and the expenditures of each local governmental entity, regional
 582 planning council, local government finance commission, and
 583 municipal power corporation that is required to submit an annual
 584 financial report. In preparing the verified report, the
 585 department may request additional information from the local
 586 governmental entity. The information requested must be provided
 587 to the department within 45 days after the request. If the local
 588 governmental entity does not comply with the request, the
 589 department shall notify the Legislative Auditing Committee,
 590 which may take action pursuant to s. 11.40(2). The report must
 591 include, but is not limited to:

592 (a) The total revenues and expenditures of each local
 593 governmental entity that is a component unit included in the
 594 annual financial report of the reporting entity.

595 (b) The amount of outstanding long-term debt by each local
 596 governmental entity. For purposes of this paragraph, the term
 597 "long-term debt" means any agreement or series of agreements to
 598 pay money, which, at inception, contemplate terms of payment
 599 exceeding 1 year in duration.

600 Section 13. Present subsection (3) of section 218.33,
 601 Florida Statutes, is renumbered as subsection (4), and a new
 602 subsection (3) is added to that section, to read:

603 218.33 Local governmental entities; establishment of
 604 uniform fiscal years and accounting practices and procedures.—

605 (3) Each local governmental entity shall establish and
 606 maintain internal controls designed to:

607 (a) Prevent and detect fraud, waste, and abuse as defined
 608 in s. 11.45(1).

609 (b) Promote and encourage compliance with applicable laws,

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610 rules, contracts, grant agreements, and best practices.

611 (c) Support economical and efficient operations.

612 (d) Ensure reliability of financial records and reports.

613 (e) Safeguard assets.

614 Section 14. Present subsections (8) through (12) of section
 615 218.39, Florida Statutes, are renumbered as subsections (9)
 616 through (13), respectively, and a new subsection (8) is added to
 617 that section, to read:

618 218.39 Annual financial audit reports.—

619 (8) If the audit report includes a recommendation that was
 620 included in the preceding financial audit report but remains
 621 unaddressed, the governing body of the audited entity, within 60
 622 days after the delivery of the audit report to the governing
 623 body, shall indicate during a regularly scheduled public meeting
 624 whether it intends to take corrective action, the intended
 625 corrective action, and the timeframe for the corrective action.
 626 If the governing body indicates that it does not intend to take
 627 corrective action, it must explain its decision at the public
 628 meeting.

629 Section 15. Subsection (2) of section 218.391, Florida
 630 Statutes, is amended, and subsections (9) through (13) are added
 631 to that section, to read:

632 218.391 Auditor selection procedures.—

633 (2) The governing body of a ~~charter~~ county, municipality,
 634 special district, district school board, charter school, or
 635 charter technical career center shall establish an audit
 636 committee.

637 (a) The audit committee for a county ~~Each noncharter county~~
 638 ~~shall establish an audit committee that,~~ at a minimum, shall

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639 consist of each of the county officers elected pursuant to the
 640 county charter or s. 1(d), Art. VIII of the State Constitution,
 641 or their respective designees ~~a designee~~, and one member of the
 642 board of county commissioners or its designee.

643 (b) The audit committee for a municipality, special
 644 district, district school board, charter school, or charter
 645 technical career center shall consist of at least three members.
 646 One member of the audit committee must be a member of the
 647 governing body of an entity specified in this paragraph, who
 648 shall also serve as the chair of the committee.

649 (c) An employee, chief executive officer, or chief
 650 financial officer of the county, municipality, special district,
 651 district school board, charter school, or charter technical
 652 career center may not serve as a member of an audit committee
 653 established under this subsection.

654 (d) The primary purpose of the audit committee is to assist
 655 the governing body in selecting an auditor to conduct the annual
 656 financial audit required in s. 218.39; however, the audit
 657 committee may serve other audit oversight purposes as determined
 658 by the entity's governing body. The public may ~~shall~~ not be
 659 excluded from the proceedings under this section.

660 (9) For each audit required by s. 218.39, the auditor shall
 661 include the following information in the management letter
 662 prepared pursuant to s. 218.39(4):

663 (a) The date the entity's governing body approved the
 664 selection of the auditor and the date the entity and the auditor
 665 executed the most recent contract pursuant to subsection (7);

666 (b) The first fiscal year for which the auditor conducted
 667 the audit under the most recently executed contract pursuant to

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668 subsection (7); and

669 (c) The contract period, including renewals, and conditions
 670 under which the contract may be terminated or renewed.

671 (10) On each occasion that an entity contracts with an
 672 auditor to conduct an audit pursuant to s. 218.39, an affidavit
 673 shall be executed by the chair of the entity's governing body in
 674 a format prescribed in accordance with rules adopted by the
 675 Auditor General, affirming that the auditor was selected in
 676 compliance with the requirements of subsections (3)-(6). The
 677 affidavit must accompany the entity's first audit report
 678 prepared by the auditor under the most recently executed
 679 contract pursuant to subsection (7). The affidavit shall include
 680 the following information:

681 (a) The date the entity's governing body approved the
 682 selection of the auditor;

683 (b) The first fiscal year for which the auditor conducted
 684 the audit; and

685 (c) The contract period, including renewals, and conditions
 686 under which the contract may be terminated or renewed.

687 (11) If the entity fails to select the auditor in
 688 accordance with the requirements of subsections (3)-(6), the
 689 entity shall again perform the auditor selection process in
 690 accordance with this section to select an auditor to conduct
 691 audits for subsequent fiscal years if the original audit was
 692 performed under a multiyear contract.

693 (a) If performing the auditor selection process again in
 694 accordance with this section would preclude the entity from
 695 timely completing the annual financial audit required by s.
 696 218.39, the entity shall again perform the auditor selection

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697 process in accordance with this section for the subsequent
 698 annual financial audit. A multiyear contract entered into
 699 between an entity and an auditor after the effective date of
 700 this act may not prohibit or restrict an entity from complying
 701 with the section.

702 (b) If the entity fails to perform the auditor selection
 703 process again, pursuant to this subsection, the Legislative
 704 Auditing Committee shall determine whether the entity should be
 705 subject to state action pursuant to s. 11.40(2).

706 (12) If the entity fails to provide the Auditor General
 707 with the affidavit required by subsection (10), the Auditor
 708 General shall request that the entity provide the affidavit. The
 709 affidavit must be provided within 45 days after the date of the
 710 request. If the entity does not comply with the Auditor
 711 General's request, the Legislative Auditing Committee shall
 712 determine whether the entity should be subject to state action
 713 pursuant to s. 11.40(2).

714 (13) If the entity provides the Auditor General with the
 715 affidavit required in subsection (10) but failed to select the
 716 auditor in accordance with the requirements of subsections (3)-
 717 (6), the Legislative Auditing Committee shall determine whether
 718 the entity should be subject to state action pursuant to s.
 719 11.40(2).

720 Section 16. Subsection (2) of section 286.0114, Florida
 721 Statutes, is amended to read:

722 286.0114 Public meetings; reasonable opportunity to be
 723 heard; attorney fees.—

724 (2) Members of the public shall be given a reasonable
 725 opportunity to be heard on a proposition before a board or

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726 commission. The opportunity to be heard need not occur at the
 727 same meeting at which the board or commission takes official
 728 action on the proposition if the opportunity occurs at a meeting
 729 that is during the decisionmaking process and is within
 730 reasonable proximity in time before the meeting at which the
 731 board or commission takes the official action. A board or
 732 commission may not require a member of the public to provide an
 733 advance written copy of his or her testimony or comments as a
 734 condition of being given the opportunity to be heard at a
 735 meeting. This section does not prohibit a board or commission
 736 from maintaining orderly conduct or proper decorum in a public
 737 meeting. The opportunity to be heard is subject to rules or
 738 policies adopted by the board or commission, as provided in
 739 subsection (4).

740 Section 17. Paragraph (e) of subsection (4), paragraph (d)
 741 of subsection (5), and paragraph (d) of subsection (6) of
 742 section 373.536, Florida Statutes, are amended to read:

743 373.536 District budget and hearing thereon.—

744 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

745 (e) ~~By September 1, 2012,~~ Each district shall provide a
 746 monthly financial statement in the form and manner prescribed by
 747 the Department of Financial Services to the district's governing
 748 board and make such monthly financial statement available for
 749 public access on its website.

750 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
 751 APPROVAL.—

752 (d) Each district shall, by August 1 of each year, submit
 753 for review a tentative budget and a description of any
 754 significant changes from the preliminary budget submitted to the

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755 Legislature pursuant to s. 373.535 to the Governor, the
 756 President of the Senate, the Speaker of the House of
 757 Representatives, the chairs of all legislative committees and
 758 subcommittees having substantive or fiscal jurisdiction over
 759 water management districts, as determined by the President of
 760 the Senate or the Speaker of the House of Representatives, as
 761 applicable, the secretary of the department, and the governing
 762 body of each county in which the district has jurisdiction or
 763 derives any funds for the operations of the district. The
 764 tentative budget must be posted on the district's official
 765 website at least 2 days before budget hearings held pursuant to
 766 s. 200.065 or other law and must remain on the website for at
 767 least 45 days.

768 (6) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN;
 769 WATER RESOURCE DEVELOPMENT WORK PROGRAM.—

770 (d) The final adopted budget must be posted on the water
 771 management district's official website within 30 days after
 772 adoption and must remain on the website for at least 2 years.

773 Section 18. Paragraph (1) of subsection (12) of section
 774 1001.42, Florida Statutes, is amended to read:

775 1001.42 Powers and duties of district school board.—The
 776 district school board, acting as a board, shall exercise all
 777 powers and perform all duties listed below:

778 (12) FINANCE.—Take steps to assure students adequate
 779 educational facilities through the financial procedure
 780 authorized in chapters 1010 and 1011 and as prescribed below:

781 (1) *Internal auditor.*—May employ an internal auditor to
 782 perform ongoing financial verification of the financial records
 783 of the school district and such other audits and reviews as the

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784 district school board directs for the purpose of determining:

- 785 1. The adequacy of internal controls designed to prevent
- 786 and detect fraud, waste, and abuse as defined in s. 11.45(1).
- 787 2. Compliance with applicable laws, rules, contracts, grant
- 788 agreements, district school board-approved policies, and best
- 789 practices.
- 790 3. The efficiency of operations.
- 791 4. The reliability of financial records and reports.
- 792 5. The safeguarding of assets.

793
 794 The internal auditor shall report directly to the district
 795 school board or its designee.

796 Section 19. Paragraph (j) of subsection (9) of section
 797 1002.33, Florida Statutes, is amended to read:

798 1002.33 Charter schools.—

799 (9) CHARTER SCHOOL REQUIREMENTS.—

800 (j) The governing body of the charter school shall be
 801 responsible for:

- 802 1. Establishing and maintaining internal controls designed
- 803 to:
 - 804 a. Prevent and detect fraud, waste, and abuse as defined in
 - 805 s. 11.45(1).
 - 806 b. Promote and encourage compliance with applicable laws,
 - 807 rules, contracts, grant agreements, and best practices.
 - 808 c. Support economical and efficient operations.
 - 809 d. Ensure reliability of financial records and reports.
 - 810 e. Safeguard assets.

811 2.1. Ensuring that the charter school has retained the
 812 services of a certified public accountant or auditor for the

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813 annual financial audit, pursuant to s. 1002.345(2), who shall
814 submit the report to the governing body.

815 ~~3.2-~~ Reviewing and approving the audit report, including
816 audit findings and recommendations for the financial recovery
817 plan.

818 ~~4.a.3.a-~~ Performing the duties in s. 1002.345, including
819 monitoring a corrective action plan.

820 b. Monitoring a financial recovery plan in order to ensure
821 compliance.

822 ~~5.4-~~ Participating in governance training approved by the
823 department which must include government in the sunshine,
824 conflicts of interest, ethics, and financial responsibility.

825 Section 20. Present subsections (6) through (10) of section
826 1002.37, Florida Statutes, are renumbered as subsections (7)
827 through (11), respectively, present subsection (6) is amended,
828 and a new subsection (6) is added to that section, to read:

829 1002.37 The Florida Virtual School.-

830 (6) The Florida Virtual School shall have an annual
831 financial audit of its accounts and records conducted by an
832 independent auditor who is a certified public accountant
833 licensed under chapter 473. The independent auditor shall
834 conduct the audit in accordance with rules adopted by the
835 Auditor General pursuant to s. 11.45 and, upon completion of the
836 audit, shall prepare an audit report in accordance with such
837 rules. The audit report must include a written statement by the
838 board of trustees describing corrective action to be taken in
839 response to each of the recommendations of the independent
840 auditor included in the audit report. The independent auditor
841 shall submit the audit report to the board of trustees and the

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842 Auditor General no later than 9 months after the end of the
843 preceding fiscal year.

844 ~~(7)-(6)~~ The board of trustees shall annually submit to the
845 Governor, the Legislature, the Commissioner of Education, and
846 the State Board of Education the audit report prepared pursuant
847 to subsection (6) and a complete and detailed report setting
848 forth:

849 (a) The operations and accomplishments of the Florida
850 Virtual School within the state and those occurring outside the
851 state as Florida Virtual School Global.

852 (b) The marketing and operational plan for the Florida
853 Virtual School and Florida Virtual School Global, including
854 recommendations regarding methods for improving the delivery of
855 education through the Internet and other distance learning
856 technology.

857 (c) The assets and liabilities of the Florida Virtual
858 School and Florida Virtual School Global at the end of the
859 fiscal year.

860 ~~(d) A copy of an annual financial audit of the accounts and~~
861 ~~records of the Florida Virtual School and Florida Virtual School~~
862 ~~Global, conducted by an independent certified public accountant~~
863 ~~and performed in accordance with rules adopted by the Auditor~~
864 ~~General.~~

865 ~~(d)-(e)~~ Recommendations regarding the unit cost of providing
866 services to students through the Florida Virtual School and
867 Florida Virtual School Global. In order to most effectively
868 develop public policy regarding any future funding of the
869 Florida Virtual School, it is imperative that the cost of the
870 program is accurately identified. The identified cost of the

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871 program must be based on reliable data.

872 ~~(e)(f)~~ Recommendations regarding an accountability
873 mechanism to assess the effectiveness of the services provided
874 by the Florida Virtual School and Florida Virtual School Global.

875 Section 21. Subsection (5) is added to section 1010.01,
876 Florida Statutes, to read:

877 1010.01 Uniform records and accounts.—

878 (5) Each school district, Florida College System
879 institution, and state university shall establish and maintain
880 internal controls designed to:

881 (a) Prevent and detect fraud, waste, and abuse as defined
882 in s. 11.45(1).

883 (b) Promote and encourage compliance with applicable laws,
884 rules, contracts, grant agreements, and best practices.

885 (c) Support economical and efficient operations.

886 (d) Ensure reliability of financial records and reports.

887 (e) Safeguard assets.

888 Section 22. Subsection (2) of section 1010.30, Florida
889 Statutes, is amended to read:

890 1010.30 Audits required.—

891 (2) If a school district, Florida College System
892 institution, or university audit report includes a
893 recommendation that was included in the preceding financial
894 audit report but remains unaddressed ~~an audit contains a~~
895 ~~significant finding~~, the district school board, the Florida
896 College System institution board of trustees, or the university
897 board of trustees, within 60 days after the delivery of the
898 audit report to the school district, Florida College System
899 institution, or university, shall indicate ~~conduct an audit~~

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900 ~~overview~~ during a regularly scheduled public meeting whether it
901 intends to take corrective action, the intended corrective
902 action, and the timeframe for the corrective action. If the
903 district school board, Florida College System institution board
904 of trustees, or university board of trustees indicates that it
905 does not intend to take corrective action, it shall explain its
906 decision at the public meeting.

907 Section 23. Subsection (3) of section 218.503, Florida
908 Statutes, is amended to read:

909 218.503 Determination of financial emergency.—

910 (3) Upon notification that one or more of the conditions in
911 subsection (1) have occurred or will occur if action is not
912 taken to assist the local governmental entity or district school
913 board, the Governor or his or her designee shall contact the
914 local governmental entity or the Commissioner of Education or
915 his or her designee shall contact the district school board, as
916 appropriate, to determine what actions have been taken by the
917 local governmental entity or the district school board to
918 resolve or prevent the condition. The information requested must
919 be provided within 45 days after the date of the request. If the
920 local governmental entity or the district school board does not
921 comply with the request, the Governor or his or her designee or
922 the Commissioner of Education or his or her designee shall
923 notify ~~the members~~ of the Legislative Auditing Committee, which
924 ~~he~~ may take action pursuant to s. 11.40(2) ~~11.40~~. The Governor
925 or the Commissioner of Education, as appropriate, shall
926 determine whether the local governmental entity or the district
927 school board needs state assistance to resolve or prevent the
928 condition. If state assistance is needed, the local governmental

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929 entity or district school board is considered to be in a state
 930 of financial emergency. The Governor or the Commissioner of
 931 Education, as appropriate, has the authority to implement
 932 measures as set forth in ss. 218.50-218.504 to assist the local
 933 governmental entity or district school board in resolving the
 934 financial emergency. Such measures may include, but are not
 935 limited to:

936 (a) Requiring approval of the local governmental entity's
 937 budget by the Governor or approval of the district school
 938 board's budget by the Commissioner of Education.

939 (b) Authorizing a state loan to a local governmental entity
 940 and providing for repayment of same.

941 (c) Prohibiting a local governmental entity or district
 942 school board from issuing bonds, notes, certificates of
 943 indebtedness, or any other form of debt until such time as it is
 944 no longer subject to this section.

945 (d) Making such inspections and reviews of records,
 946 information, reports, and assets of the local governmental
 947 entity or district school board as are needed. The appropriate
 948 local officials shall cooperate in such inspections and reviews.

949 (e) Consulting with officials and auditors of the local
 950 governmental entity or the district school board and the
 951 appropriate state officials regarding any steps necessary to
 952 bring the books of account, accounting systems, financial
 953 procedures, and reports into compliance with state requirements.

954 (f) Providing technical assistance to the local
 955 governmental entity or the district school board.

956 (g)1. Establishing a financial emergency board to oversee
 957 the activities of the local governmental entity or the district

22-00468-18

2018354

958 school board. If a financial emergency board is established for
 959 a local governmental entity, the Governor shall appoint board
 960 members and select a chair. If a financial emergency board is
 961 established for a district school board, the State Board of
 962 Education shall appoint board members and select a chair. The
 963 financial emergency board shall adopt such rules as are
 964 necessary for conducting board business. The board may:

965 a. Make such reviews of records, reports, and assets of the
 966 local governmental entity or the district school board as are
 967 needed.

968 b. Consult with officials and auditors of the local
 969 governmental entity or the district school board and the
 970 appropriate state officials regarding any steps necessary to
 971 bring the books of account, accounting systems, financial
 972 procedures, and reports of the local governmental entity or the
 973 district school board into compliance with state requirements.

974 c. Review the operations, management, efficiency,
 975 productivity, and financing of functions and operations of the
 976 local governmental entity or the district school board.

977 d. Consult with other governmental entities for the
 978 consolidation of all administrative direction and support
 979 services, including, but not limited to, services for asset
 980 sales, economic and community development, building inspections,
 981 parks and recreation, facilities management, engineering and
 982 construction, insurance coverage, risk management, planning and
 983 zoning, information systems, fleet management, and purchasing.

984 2. The recommendations and reports made by the financial
 985 emergency board must be submitted to the Governor for local
 986 governmental entities or to the Commissioner of Education and

22-00468-18

2018354__

987 the State Board of Education for district school boards for
988 appropriate action.

989 (h) Requiring and approving a plan, to be prepared by
990 officials of the local governmental entity or the district
991 school board in consultation with the appropriate state
992 officials, prescribing actions that will cause the local
993 governmental entity or district school board to no longer be
994 subject to this section. The plan must include, but need not be
995 limited to:

996 1. Provision for payment in full of obligations outlined in
997 subsection (1), designated as priority items, which are
998 currently due or will come due.

999 2. Establishment of priority budgeting or zero-based
1000 budgeting in order to eliminate items that are not affordable.

1001 3. The prohibition of a level of operations which can be
1002 sustained only with nonrecurring revenues.

1003 4. Provisions implementing the consolidation, sourcing, or
1004 discontinuance of all administrative direction and support
1005 services, including, but not limited to, services for asset
1006 sales, economic and community development, building inspections,
1007 parks and recreation, facilities management, engineering and
1008 construction, insurance coverage, risk management, planning and
1009 zoning, information systems, fleet management, and purchasing.

1010 Section 24. The Legislature finds that a proper and
1011 legitimate state purpose is served when internal controls are
1012 established to prevent and detect fraud, waste, and abuse and to
1013 safeguard and account for government funds and property.
1014 Therefore, the Legislature determines and declares that this act
1015 fulfills an important state interest.

Page 35 of 36

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

22-00468-18

2018354__

1016 Section 25. This act shall take effect July 1, 2018.

Page 36 of 36

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

The Florida Senate
COMMITTEE VOTE RECORD

COMMITTEE: Community Affairs
ITEM: SB 354
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Tuesday, November 7, 2017
TIME: 10:00 a.m.—12:00 noon
PLACE: 301 Senate Office Building

FINAL VOTE		SENATORS	11/07/2017 Amendment 397270					
Yea	Nay		Yea	Nay	Yea	Nay	Yea	Nay
X		Bean						
		Brandes						
X		Campbell						
X		Perry						
X		Rodriguez						
X		Simmons						
X		Lee, CHAIR						
6	0	TOTALS	RCS	-				
Yea	Nay		Yea	Nay	Yea	Nay	Yea	Nay

FINAL ACTION: Favorable with Committee Substitute

CODES: FAV=Favorable RCS=Replaced by Committee Substitute TP=Temporarily Postponed WD=Withdrawn
UNF=Unfavorable RE=Replaced by Engrossed Amendment VA=Vote After Roll Call OO=Out of Order
-R=Reconsidered RS=Replaced by Substitute Amendment VC=Vote Change After Roll Call AV=Abstain from Voting

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 512

INTRODUCER: Senator Young

SUBJECT: Homestead Waivers

DATE: November 6, 2017 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Favorable
2.			JU	
3.			RC	

I. Summary:

SB 512 creates a presumption that certain statutory language, or substantially similar language, in a deed constitutes an intentional waiver of a specific homestead protection for a married person that would otherwise apply upon the death of the other spouse. It is not the exclusive method for waiving such rights.

II. Present Situation:

Constitutional and Statutory Provisions Regarding the Devise of a Homestead

Under Florida law, a surviving spouse's rights in the couple's marital homestead residence are provided in Article (4)(c) of Article X of the Florida Constitution and s. 732.401, F.S. Spouses are free to contractually waive these rights.

The Florida Constitution defines when a homestead cannot be devised. Specifically, section (4)(c) of Article X of the Florida Constitution provides:

The homestead shall not be subject to devise if the owner is survived by spouse or minor child, except the homestead may be devised to the owner's spouse if there be no minor child. The owner of homestead real estate, joined by the spouse if married, may alienate the homestead by mortgage, sale or gift and, if married, may by deed transfer the title to an estate by the entirety with the spouse. If the owner or spouse is incompetent, the method of alienation or encumbrance shall be as provided by law.

Section (4)(c) of Article X of the Florida Constitution protects the surviving spouse and minor children from having the homestead property transferred out from under them by the other spouse (or other parent) without the consent of both spouses.¹

Section 732.401, F.S., defines how a homestead vests if it is not devisable or if it is not validly devised in a manner authorized by Florida law (e.g., if the decedent is survived by a minor child and cannot devise the homestead or is survived by a spouse and no minor child but the decedent does not devise the homestead outright to the decedent's surviving spouse).

Generally, if not devised as permitted by law, the homestead descends as other intestate property, unless the decedent is survived by a spouse and one or more descendants, in which case the surviving spouse receives a life estate with a vested remainder in the then living descendants, per stirpes.² However, there is a 6 month post-death period in which there is a right of election for the surviving spouse to instead take a 50 percent tenant in common interest with the other 50 percent passing to the decedent's then living descendants, per stirpes.³

Section 732.201(10), F.S., defines a "devise" and provides:

"Devise," when used as a noun, means a testamentary disposition of real or personal property and, when used as a verb, means to dispose of real or personal property by will or trust. The term includes "gift," "give," "bequeath," "bequest," and "legacy." A devise is subject to charges for debts, expenses, and taxes as provided in this code, the will, or the trust.

Section 732.4015, F.S., defines a devise of homestead property. "As provided by the Florida Constitution, the homestead shall not be subject to devise if the owner is survived by a spouse or minor child or minor children, except that the homestead may be devised to the owner's spouse if there is no child or minor children."⁴

"Devise" includes a disposition by trust of that portion of the trust estate which, if titled in the name of the grantor of the trust, would be the grantor's homestead.⁵

Thus, for a homestead in a decedent's name or for a homestead in a revocable trust, the devise restrictions apply.

Statutory Provisions Regarding Homestead Waivers

Section 732.702, F.S., provides a procedure for waiving spousal rights, including homestead rights, under written contracts, agreements or waivers.

¹ *Stone v. Stone*, 157 So. 3d 295, 299.

² Section 732.401(1), F.S.

³ Section 732.401(2), F.S.

⁴ Section 732.4015, F.S.

⁵ Section 732.4015(2)(b), F.S.

Generally, under statute, a waiver of “all rights” is sufficient to waive all spousal rights in an agreement under the statute. Section 732.702(2), F.S., provides that if the agreement, contract or waiver is executed after marriage, then each spouse must make a fair disclosure to the other of that spouse’s estate. No disclosure is required before marriage. Section 732.702(3), F.S., provides that no consideration is required for the agreement, contract or waiver to be valid.

Case Law

Recent case law has addressed the issue of whether joining in a deed (without any more formal agreement or acknowledgement) constitutes a waiver of homestead rights.

Habeeb v. Linder

The first published case on the issue of whether joining in a deed might constitute a homestead waiver was *Habeeb v. Linder*.⁶ In order to be valid, a homestead-waiver agreement must provide the other spouse with a “fair disclosure” of his or her assets or estate, and the waiver must be “legally sufficient.”⁷ If a spouse provides that he or she “waives all rights,” it is a legally sufficient waiver. In *Habeeb v. Linder*, the case centered on whether a deed that contained language that did not explicitly use the phrase “waive all rights” could be construed to waive homestead devise restriction rights.

The Third District Court of Appeal initially published an opinion holding that by joining in a deed, the joining spouse waived her post-death homestead devise restriction rights. The Court reasoned that the use of the word “hereditaments” in the deed was broad enough to constitute a legally sufficient waiver of homestead devise restrictions.⁸ Stated another way, the Court found that a spouse that had transferred all “hereditaments” intended to “waive all rights.” Subsequently, however, on May 17, 2011, in a sua sponte order, the Third District Court of Appeal withdrew the *Habeeb* decision. Thus, because of the withdrawal (and as a result of the settlement of that case which meant a final decision was not pursued), *Habeeb* is not a citable precedent.

Stone v. Stone

Subsequently, Florida’s Fourth District Court of Appeal held that a spouse waived her homestead rights by joining in the execution of a deed, conveying her husband’s one-half interest in a homestead property to a qualified personal resident trust in *Stone v. Stone*.⁹ The *Stone* decision is consistent with the withdrawn opinion in *Habeeb*, that joining in a deed can constitute a waiver, even if the deed contained no special waiver language (legally sufficient language) and even if there was no evidence of a financial disclosure (fair disclosure).

After the *Stone* decision, in *Lyons v. Lyons*, the Fourth District Court of Appeal held that where a deed conveying the wife’s interest in a homestead residence to a qualified personal residence

⁶ *Habeeb v. Linder*, 36 Fla. L. Weekly D300 (Fla. 3d DCA 2011).

⁷ Section 732.702, F.S.

⁸ The term “hereditaments” includes “anything capable of being inherited, whether it is corporeal, incorporeal, real, personal, or mixed.” 42 Fla. Jur. 2d Property s. 7 (2010).

⁹ *Stone v. Stone*, 157 So. 3d 295 (Fla. 4th DCA 2014).

trust, without the joinder of the wife's spouse, the wife did not have standing to subsequently challenge the transfer.¹⁰ The Court held that only the husband could challenge the transfer.

Although not expressly addressed in any of the aforementioned cases, Florida courts have consistently held that waivers of constitutional rights must be made knowingly and intelligently.¹¹

III. Effect of Proposed Changes:

The bill provides that a spouse is presumed to have waived his or her rights as a surviving spouse with respect to the devise restrictions under s. 4(c), Art. X of the State Constitution if the following or substantially similar language is included in a deed:

“By joining this deed, I intend to waive homestead rights that would otherwise prevent my spouse from devising the homestead property described in this deed to someone other than me.”

This waiver language may not be considered a waiver of the protection against the owner's credit claims during the owner's lifetime and after death. The language may not be considered a waiver of the restrictions against alienation by mortgage, sale, gift, or deed without the joinder of the owner's spouse.

The bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

¹⁰ *Lyons v. Lyons*, 155 So. 3d 1179 (Fla. 4th DCA 2014).

¹¹ *Chames v. DeMayo*, 972 So. 2d 850 (Fla. 2007).

B. Private Sector Impact:

The bill may provide more certainty and greater predictability for Florida residents and their attorneys as they plan for the disposition of constitutionally protected homesteads upon death.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 732.7025 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11.7-17

Meeting Date

SB 512

Bill Number (if applicable)

Topic Homestead waiver

Amendment Barcode (if applicable)

Name Martha Edenfield

Job Title Attorney

Address 215 So Monroc Street # 815

Phone 850-999-4100

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Tallahassee

City

FL

State

32301

Zip

Email m.edenfield@deanmead.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing The Real Property, Probate & Trust LAW Section of the Florida Bar

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

By Senator Young

18-00593-18

2018512__

1 A bill to be entitled
2 An act relating to homestead waivers; creating s.
3 732.7025, F.S.; providing language that may be used to
4 waive spousal homestead rights concerning devise
5 restrictions; providing an effective date.
6
7 Be It Enacted by the Legislature of the State of Florida:
8
9 Section 1. Section 732.7025, Florida Statutes, is created
10 to read:
11 732.7025 Waiver of homestead rights through deed.-
12 (1) A spouse is presumed to have waived his or her rights
13 as a surviving spouse with respect to the devise restrictions
14 under s. 4(c), Art. X of the State Constitution if the following
15 or substantially similar language is included in a deed:
16
17 "By joining this deed, I intend to waive homestead rights
18 that would otherwise prevent my spouse from devising the
19 homestead property described in this deed to someone other than
20 me."
21
22 (2) The waiver language in subsection (1) may not be
23 considered a waiver of the protection against the owner's
24 creditor claims during the owner's lifetime and after death.
25 Such language may not be considered a waiver of the restrictions
26 against alienation by mortgage, sale, gift, or deed without the
27 joinder of the owner's spouse.
28 Section 2. This act shall take effect July 1, 2018.

The Florida Senate
COMMITTEE VOTE RECORD

COMMITTEE: Community Affairs
ITEM: SB 512
FINAL ACTION: Favorable
MEETING DATE: Tuesday, November 7, 2017
TIME: 10:00 a.m.—12:00 noon
PLACE: 301 Senate Office Building

FINAL VOTE		SENATORS						
Yea	Nay		Yea	Nay	Yea	Nay	Yea	Nay
VA		Bean						
		Brandes						
X		Campbell						
X		Perry						
X		Rodriguez						
X		Simmons						
X		Lee, CHAIR						
6	0	TOTALS						
Yea	Nay		Yea	Nay	Yea	Nay	Yea	Nay

CODES: FAV=Favorable RCS=Replaced by Committee Substitute TP=Temporarily Postponed WD=Withdrawn
 UNF=Unfavorable RE=Replaced by Engrossed Amendment VA=Vote After Roll Call OO=Out of Order
 -R=Reconsidered RS=Replaced by Substitute Amendment VC=Vote Change After Roll Call AV=Abstain from Voting

Community Redevelopment Agencies (CRAs)

Senate Committee on Community Affairs

Laila Racevskis, PhD, Senior Legislative Analyst

November 7, 2017



Legislative Scope

- ▶ OPPAGA CRA review addressed
 - Primary activities
 - Governance structure
 - Funding mechanisms
 - Program/project overlap
 - Achievement of established goals
 - Options for improvement

BACKGROUND

CRAs Created to Revitalize Slum and Blighted Areas

- ▶ Community Redevelopment Act provided funding for local redevelopment efforts
 - 1969 act stated that local governments can establish CRAs in areas containing slum or blight where there is a shortage of affordable housing and where redevelopment is in the interest of public welfare
 - 2002 act amendment stipulated that lack of affordable housing no longer an independent reason for creating a CRA

QUESTIONS AND ANSWERS

What Are the Primary Activities of CRAs?

- ▶ State Law Provides Guidance Regarding Community Redevelopment Activities
 - Section 163.370(2), *F.S.* - Outlines powers granted to counties and municipalities for community redevelopment, including furnishing or repairing streets, utilities, and playgrounds
 - Section 163.387(6), *F.S.* - Provides that CRA trust funds may be expended for several purposes, including administration and planning and property acquisition and preparation for redevelopment

What Are the Primary Activities of CRAs?

(Continued)

- ▶ OPPAGA survey shows most frequently reported CRA activities include
 - Enhancing appearance of residential or commercial areas (64%)
 - Rehabilitating commercial properties (42%)
 - Improving transportation infrastructure (28%)
 - Improving utilities (28%)

How Are CRAs Governed?

- ▶ 76% governed by a board that mirrors or is very similar to the local government that oversees the CRA
- ▶ 72% of OPPAGA survey respondents reported that their board membership consists solely of elected officials
- ▶ 27% of OPPAGA survey respondents reported that private citizens serve on their board

How Are CRAs Funded?

- ▶ Tax increment financing (TIF) is primary source of funding
- ▶ For Fiscal Year 2014-15, CRAs reported
 - \$594.4 million in revenues
 - \$605.2 million in expenditures
 - \$714.5 million in debt
- ▶ Bond issues provide upfront money to fund redevelopment projects; TIF is used to pay the debt service on the bonds
- ▶ 80% of OPPAGA survey respondents reported that their CRAs have never issued bonds

How Are CRAs Funded? (Continued)

During a 10-year period, CRAs issued **\$1.35 billion** in bonds; 10 CRAs issued the vast majority

Community Redevelopment Agency	Amount Issued
Miami Beach Redevelopment Agency	\$322,095,000
Orlando CRA	205,235,000
Hollywood CRA	128,575,000
West Palm Beach CRA	121,964,000
Port St. Lucie CRA	86,922,530
Southeast Overtown/Park West CRA	55,885,000
Pompano Beach CRA	34,100,000
Fort Pierce Redevelopment Agency	31,055,000
Collier County CRA	28,057,900
Riviera Beach CRA	25,570,000
TOTAL	\$1,039,459,430

Do CRA Programs and Projects Overlap With Those of Other Entities?

- ▶ 47% of survey respondents do not think there is overlap between their CRA's activities and those of other organizations
- ▶ 39% of survey respondents reported that there is overlap
 - Of these respondents, 97% reported that other similar projects may be funded by local government entities such as cities or counties

Are CRAs Achieving Established Goals?

- ▶ Studies of CRAs in other states show mixed results
- ▶ Florida-specific reports have raised concerns about effectiveness
- ▶ CRAs use a variety of performance measures, but no standard gathering and reporting of performance data across CRAs

OPTIONS FOR IMPROVEMENT

Improve Governance

- ▶ Provide county taxing authorities more control over expenditures of CRAs created by municipalities
- ▶ Expand board composition to include non-elected citizen members

Ensure Appropriate Use of Funds

- ▶ Specify types of expenditures that qualify for undertakings of a CRA
- ▶ Require all municipally-created CRAs to submit annual budget requests with sufficient time to allow the county commission to review
- ▶ Promote compliance with the audit requirement in s.163.387(8), *F.S.*
- ▶ Require audits to determine compliance with laws pertaining to expenditure and disposition of unused CRA trust fund moneys

Enhance Accountability

- ▶ Require CRAs to submit digital map files depicting geographical boundaries and total acreage
- ▶ Require CRAs to annually report on a set of standard performance measures that include job creation, business establishment growth, unemployment, and other metrics
- ▶ Require CRAs to annually submit a project list that includes project description, anticipated project costs, project expenditures, and other data

Enhance Accountability

- ▶ In order to be reauthorized, CRAs must demonstrate progress in areas such as business, employment, and wage growth as well as poverty, unemployment, and crime reduction
- ▶ Create a dissolution process for CRAs that do not demonstrate progress during the first 20 years of existence or during the first 20 years since the last reauthorization

QUESTIONS

Contact Information

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Senior Legislative Analyst

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THE FLORIDA LEGISLATURE'S
OFFICE OF PROGRAM POLICY ANALYSIS & GOVERNMENT ACCOUNTABILITY

OPPAGA supports the Florida Legislature by providing data, evaluative research, and objective analyses that assist legislative budget and policy deliberations.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11/7/17
Meeting Date

Bill Number (if applicable)

Topic Community Redevelopment Agencies

Amendment Barcode (if applicable)

Name Laila Racerskis

Job Title Senior Legislative Analyst

Address 111 W. Madison St.
Street

Phone ~~717~~ 717-0524

Tallahassee FL
City State Zip

Email racerskis.laila@pppaga.fl.gov

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing OPPAGA

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

STATE OF FLORIDA AUDITOR GENERAL

Local Government Financial Reporting System Performance Audit – Report No. 2015-037 – CRA Findings

Senate Committee on
Community Affairs
November 7, 2017 Meeting



Sherrill F. Norman, CPA
Auditor General

Local Government Financial Reporting System



LGFRS means any statutory provisions related to local government financial reporting, which should provide for the accumulation of financial and other information to be used by the Legislature and other officials to: (Section 11.45(2)(g), FS)

- Enhance citizen participation in local government;
- Improve the financial condition of local governments;
- Provide essential government services in an efficient and effective manner; and
- Improve decision-making on the part of the Legislature, State agencies, and local government officials on matters relating to local governments.

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Community Redevelopment Agencies (CRAs)

- CRAs are special districts created by cities or counties to redevelop slum and blighted areas or to address a shortage of affordable housing for low to moderate income individuals or the elderly.
- CRAs are funded through tax increment financing as described in Section 163.387(1)(a), FS
- Of the 1689 special districts, 224 are CRAs (13% of all special districts)
- CRAs are dependent districts, usually because:
 - Membership of CRA's governing body is identical to that of the governing body of a single county or a single municipality, or
 - Members of CRA's governing body are appointed by the governing body of a single county or a single municipality

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Finding 1: Expenditures of a community redevelopment agency (CRA)

- As special districts, CRAs are limited to the express powers provided by law
- Section 163.387(6), FS, provides that CRAs may expend CRA trust fund moneys as provided in the CRA plan for enumerated purposes but is preceded by the phrase “including but not limited to”
- Our audits of CRAs have disclosed that many CRAs use CRA trust fund moneys for promotional activities or for purposes that may not be consistent with the intent of the Redevelopment Act
- **Recommend revising Section 163.387(6), FS, to limit CRA trust fund expenditures to specified purposes**

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Finding 2: CRA Governance

- The CRA governing board was the same as the governing body of the entity that created the CRA for 67 percent of active CRAs as of 9/30/14.
- Taxing authorities, other than the entity that created the CRA, must remit tax increment revenues to the CRA but likely have no say in how those moneys are expended
- Our audits of municipal CRAs disclosed instances in which the CRAs appeared to have paid moneys to the municipality that created the CRA for general operating expenses, contrary to Section 163.370(3), FS
- **Recommend revising Chapter 163, FS, to require county approval for the adoption and amendment of all municipal CRA plans**

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Finding 3: CRA Exemptions

- 31 CRAs that adopted a CRA plan or were authorized to issue debt prior to 10/1/84 are not subject to provisions in law governing the contents of a CRA's plan
- One of the CRAs we audited was created in 1981 and its CRA plan was very general, making it difficult to identify authorized CRA activities
- **Recommend repealing Section 163.362(11), FS, to impose the same requirements as to the contents of CRA plans on all CRAs**

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Finding 4: CRA Trust Fund Unexpended Balances

- Section 163.387(7), FS, governs the disposition of unexpended balances in the CRA trust fund at fiscal year-end
- No mechanism is provided for CRAs to establish reserves to mitigate current and future risks (e.g., revenue shortfalls)
- **Recommend revising Section 163.387(7), FS, to allow CRAs to establish reserves**

LGFRS Report No. 2015-037

Recommended Law Changes - CRAs



Finding 5: CRA audits

- Section 163.387(8), FS, requires the CRA to provide for an annual financial audit of the CRA trust fund
- Use of moneys in the CRA trust fund are restricted to those purposes specified in s. 163.387(6), FS, and in the CRA plan, and disposition of CRA trust fund moneys is specified in s. 163.387(7), FS
- Our audits of CRAs have disclosed noncompliance with Sections 163.387(6) and (7), FS
- **Recommend revising Section 163.387(8), FS, to require financial auditors to determine CRAs' compliance with Section 163.387(6) and (7), FS**



Questions?

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11/7/17

Meeting Date

Bill Number (if applicable)

Topic Auditor General Report No. 2015-037

Amendment Barcode (if applicable)

Name Ted Sauerbeck

Job Title Senior Auditor

Address 111 West Madison Street, Pepper Building
Street

Phone 850-556-6157

Tallahassee FL
City State Zip

Email tedsauerbeck@aud.state.fl.us

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Auditor General

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 432

INTRODUCER: Senator Lee

SUBJECT: Community Redevelopment Agencies

DATE: November 6, 2017 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Favorable
2.	_____	_____	ATD	_____
3.	_____	_____	AP	_____
4.	_____	_____	RC	_____

I. Summary:

SB 432 makes numerous changes to ch. 163, F.S., relating to Community Redevelopment Agencies (CRAs).

The bill increases accountability and transparency for CRAs by:

- Providing registration and reporting requirements for lobbyists of CRAs;
- Requiring the commissioners of a CRA to undergo 4 hours of ethics training annually;
- Requiring two additional non-elected officials with substantive expertise to be members of the CRA board in certain circumstances;
- Prohibiting the use of tax increment revenues for CRA activities related to festivals or street parties designed to promote tourism, grants to entities that promote tourism, and grants to nonprofit entities providing socially beneficial programs;
- Requiring each CRA to use the same procurement and purchasing processes as the creating county or municipality;
- Expanding the annual reporting requirements for CRAs to include audit information and performance data and requiring the information and data to be published on the agency website;
- Providing that moneys in the local government redevelopment trust fund may only be expended pursuant to an annual budget adopted by the board of commissioners for the CRA and only for those purposes specified in current law beginning October 1, 2018;
- Requiring a CRA created by a municipality to provide its proposed budget, and any amendments to the budget, to the board of county commissioners for the county in which the CRA is located 10 days after the adoption of such budget;
- Limiting to 18 percent administrative and overhead expenses for the CRA’s total annual budget; and
- Requiring counties and municipalities to include CRA data in their annual financial report.

The bill also provides a process for the Department of Economic Opportunity (DEO) to declare a CRA inactive if it has no revenue, expenditures, and debt for 3 consecutive fiscal years.

II. Present Situation:

The Community Redevelopment Act

The Community Redevelopment Act of 1969 (Act) authorizes a county or municipality to create a community redevelopment agency (CRA) as a means of redeveloping slums and blighted areas.¹ The Act defines a “blighted area” as an area in which there are a substantial number of deteriorated structures causing economic distress or endangerment to life or property and two or more of the factors listed in s. 163.340(8), F.S., are present. However, an area may also be classified as blighted if one factor is present and all taxing authorities with jurisdiction over the area agree that the area is blighted by interlocal agreement or by passage of a resolution by the governing bodies.²

The Act defines a “slum area” as “an area having physical or economic conditions conducive to disease, infant mortality, juvenile delinquency, poverty, or crime because there is a predominance of buildings or improvements” in poor states of repair with one of the following factors present:

- Inadequate provision for ventilation, light, air, sanitation, or open spaces;
- High density of population, compared to the population density of adjacent areas within the county or municipality, and overcrowding, as indicated by government-maintained statistics or other studies and the requirements of the Florida Building Code; or
- The existence of conditions that endanger life or property by fire or other causes.³

Creation of Community Redevelopment Agencies

Either a county or a municipal government may create a CRA.⁴ Before creating a CRA, a county or municipal government must adopt a resolution with a “finding of necessity.”⁵ This resolution must make legislative findings “supported by data and analysis” that the area to be included in the CRA’s jurisdiction is either blighted or a slum and that redevelopment of the area is necessary to promote “the public health, safety, morals, or welfare” of residents.

A county or municipality may create a CRA upon the adoption of a finding of necessity and a finding that a CRA is necessary for carrying out the community redevelopment goals embodied by the Act.⁶ A CRA created by a county may only operate within the boundaries of a municipality when the municipality has concurred by resolution with the community redevelopment plan adopted by the county. A CRA created by a municipality may not include more than 80 percent of the municipality if it was created after July 1, 2006.⁷

¹ Chapter 163, F.S., part III.

² Section 163.340(8), F.S.

³ Section 163.340(7), F.S.

⁴ See s. 163.355, F.S. (prohibiting counties and municipalities from exercising powers under the Act without a finding of necessity).

⁵ *Id.*

⁶ Section 163.356(1), F.S.

⁷ Section 163.340(10), F.S.

The ability to create, expand, or modify a CRA is also determined by the county's status as a charter or non-charter county, as summarized below:

- If a CRA is created in a charter county after the adoption of the charter, the county possesses authority to create CRAs within the county, but may delegate authority to a municipality via interlocal agreement.⁸
- If a CRA is created in a charter county before the adoption of the charter, the county does not have authority over CRA operations, including modification of the redevelopment plan or expansion of CRA boundaries.⁹
- If a CRA is created in a non-charter county, the county does not have authority over CRA operations, including modification of the redevelopment plan or expansion of CRA boundaries.¹⁰

As of October 12, 2017, there are 224 CRAs in Florida, which is a 30 percent increase over the past decade.¹¹

Community Redevelopment Agency Boards

The Act allows the local governing body creating a CRA to choose between two structures for the agency governing board.

One option is to appoint a board of commissioners consisting of five to nine members serving 4-year terms.¹² The local governing body may appoint any person as a commissioner who lives in or is engaged in business in the agency's area of operation.¹³ The local governing body making the appointment selects the chair and vice chair of the commission.¹⁴ Commissioners are not entitled to compensation for their services, but may receive reimbursement for expenses incurred in the discharge of their official duties.¹⁵ Commissioners and employees of an agency are subject to the code of ethics for public officers and employees under ch. 112, F.S.¹⁶

The second option is for the local governing body to appoint itself as the agency board of commissioners.¹⁷ If the local governing body consists of five members, the local governing body may appoint two additional members to 4-year terms.¹⁸ The additional members must meet the

⁸ Section 163.410, F.S.

⁹ *Id.*

¹⁰ Section 163.415, F.S.

¹¹ Compare Dept. of Economic Opportunity, Special District Accountability Program, Official List of Special Districts Online, <http://specialdistrictreports.floridajobs.org/webreports/criteria.aspx> (last visited Oct. 12, 2017) (224 active CRAs as of Oct. 12, 2017) with Bill Analysis for HB 1583 (2006) (stating there were 171 CRAs in operation as of Mar. 26, 2006).

¹² Section 163.356(2), F.S.

¹³ Section 163.356(3)(b), F.S. A person is "engaged in business" if he or she owns a business, performs services for compensation, or serves as an officer or director of a business that owns property or performs services in the agency's area of operation.

¹⁴ Section 163.356(3)(c), F.S.

¹⁵ Section 163.356(3)(a), F.S.

¹⁶ Section 163.367(1), F.S., but cf. s. 112.3142, F.S. (requiring ethics training for specific constitutional officers and elected municipal officers).

¹⁷ Section 163.357(1)(a), F.S.

¹⁸ Section 163.357(1)(c), F.S.

selection criteria for appointed board members under s. 163.356, F.S., or be representatives of another taxing authority within the agency's area of operation, subject to an interlocal agreement between the local governing body creating the CRA and the other taxing authority.¹⁹

As of October 12, 2017, the local governing body creating the CRA serves as the CRA board for 156 of the 224 active CRAs.²⁰

Community Redevelopment Agency Operations

The CRA board of commissioners is responsible for exercising the powers of the agency.²¹ A majority of the board's members are required for a quorum. An agency is authorized to employ an executive director, technical experts, legal counsel, and other agents and employees necessary to fulfill its duties.²²

A CRA exercising its powers under the Act must file an annual report to the governing body of the creating local government entity.²³ The report must contain a complete financial statement of the assets, liabilities, income, and operating expenses of the agency. The CRA must publish a notice in a newspaper of general circulation in the community that the report has been filed and is available for inspection during business hours in the office of the clerk of the city or county commission and the office of the agency.²⁴

Community Redevelopment Plans

A community redevelopment plan must be in place before a CRA can engage in operations.²⁵ Each community redevelopment plan must provide a time certain for completing all redevelopment financed by increment revenues.²⁶ The time certain must occur no later than 30 years after the fiscal year in which the plan is approved, adopted, or amended pursuant to s. 163.361(1), F.S.²⁷ However, for any agency created after July 1, 2002, the time certain for completing all redevelopment financed by increment revenues must occur within 40 years after the fiscal year in which the plan is approved or adopted.²⁸

The county, municipality, the CRA itself, or members of the public may submit the plan and the CRA then chooses which plan it will use as its community redevelopment plan.²⁹ Next, the CRA must submit the plan to the local planning agency for review before the plan can be considered.³⁰ The local planning agency must complete its review within 60 days.

¹⁹ Section 163.357(1)(c)-(d), F.S.

²⁰ Dept. of Economic Opportunity, Special District Accountability Program, Official List of Special Districts Online, <http://specialdistrictreports.floridajobs.org/webreports/criteria.aspx> (last visited Oct. 12, 2017).

²¹ Section 163.356(3)(b), F.S.

²² Section 163.356(3)(c), F.S.

²³ *Id.*

²⁴ *Id.*

²⁵ Section 163.360(1), F.S.

²⁶ Section 163.362(10), F.S.

²⁷ *Id.*

²⁸ *Id.*

²⁹ Section 163.360(4), F.S.

³⁰ *Id.*

The CRA must submit the community redevelopment plan to the governing body that created the CRA as well as each taxing authority that levies ad valorem taxes on taxable real property contained in the boundaries of the CRA.³¹ The local governing body that created the CRA must hold a public hearing before the plan is approved.³²

To approve the plan, the local governing body must make findings as specified in s. 163.360(7), F.S. The community redevelopment plan must also:

- Conform to the comprehensive plan for the county or municipality;
- Indicate land acquisition, demolition, and removal of structures; redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area; zoning and planning changes, if any; land uses; maximum densities; and building requirements; and
- Provide for the development of affordable housing in the area, or state the reasons for not addressing in the plan the development of affordable housing.³³

Redevelopment Trust Fund

CRA's are not permitted to levy or collect taxes; however, the local governing body is permitted to establish a community redevelopment trust fund that is funded through tax increment financing (TIF). The amount of TIF available to the agency in a given year is equal to 95 percent of the difference between:

- The amount of ad valorem taxes levied in the current year by each taxing authority, excluding any debt service millage, on taxable real property within the boundaries of the community redevelopment area; and
- The amount of ad valorem taxes that would have been produced by levying the current year's millage rate for each taxing authority, excluding any debt service millage, on taxable real property within the boundaries of the community redevelopment area at the total assessed value of the taxable real property prior to the effective rate of the ordinance providing for the redevelopment trust fund.³⁴

A CRA created by a county on or after July 1, 1994, may set the amount of funding provided at less than 95 percent, with a floor of 50 percent.

The TIF authority of a CRA may be limited in certain circumstances.³⁵

Each taxing authority must transfer TIF funds to the redevelopment trust fund of the CRA by January 1 of each year.³⁶ For CRA's created before July 1, 2002, each taxing authority must make an annual appropriation to the trust fund for the lesser of 60 years from when the community redevelopment plan was adopted or 30 years from when it was amended. For CRA's created on or after July 1, 2002, each taxing authority must make an annual appropriation to the trust fund for

³¹ Section 163.360(5), F.S.

³² Section 163.360(6), F.S.

³³ Section 163.360(2), F.S.

³⁴ Section 163.387(1)(a), F.S.

³⁵ Section 163.387(1)(b)1. and 2., F.S.

³⁶ Section 163.387(2)(a), F.S.

40 years from when the community redevelopment plan was adopted. If there are any outstanding loans, advances, or indebtedness at the conclusion of these time periods, the local governing body that created the CRA must continue transfers to the redevelopment trust fund until the debt has been paid.³⁷

If a taxing authority does not transfer the TIF funds to the redevelopment trust fund, the taxing authority is required to pay a penalty of 5 percent of the TIF amount to the trust fund as well as 1 percent interest per month for the outstanding amount.³⁸ A CRA may choose to waive these penalties in whole or in part.

Certain taxing authorities are exempt from contributing to the redevelopment trust fund.³⁹

Additionally, the local governing body creating the CRA may choose to exempt other special districts levying ad valorem taxes in the community redevelopment area.⁴⁰

Any revenue bonds issued by the CRA are payable from revenues pledged to and received by the CRA and deposited into the redevelopment trust fund.⁴¹ The lien created by the revenue bonds does not attach to the bonds until the revenues are deposited in the redevelopment trust fund and do not grant bondholders any right to require taxation in order to retire the bond. Revenue bonds issued by a CRA are not a liability of the state or any political subdivision of the state and this status must be made clear on the face of the bond.⁴²

A CRA may spend funds deposited in its redevelopment trust fund for purposes, including, but not limited to those listed in s. 163.387(6), F.S.

If any funds remain in the redevelopment trust fund on the last day of the fiscal year, the funds must be:

- Returned to each taxing authority on a pro rata basis;
- Used to reduce the amount of any indebtedness to which increment revenues are pledged;
- Deposited into an escrow account for the purpose of later reducing any indebtedness to which increment revenues are pledged; or
- Appropriated to a specific redevelopment project pursuant to an approved community redevelopment plan and the project must be completed within 3 years from the date of such appropriation.⁴³

Each CRA is required to provide for an annual audit of its redevelopment trust fund, conducted by an independent certified public accountant or firm.⁴⁴

³⁷ Section 163.387(3)(a), F.S.

³⁸ Section 163.387(2)(b), F.S.

³⁹ Section 163.387(2)(c), F.S.

⁴⁰ Section 163.387(2)(d), F.S.

⁴¹ Section 163.387(4), F.S.

⁴² Section 163.387(5), F.S.

⁴³ Section 163.387(7), F.S.

⁴⁴ Section 163.387(8), F.S.

CRA Oversight and Accountability

Miami-Dade County Grand Jury Report

A Miami-Dade County grand jury issued a report in 2016 after “learning of several examples of mismanagement of large amounts of public dollars” by CRAs.⁴⁵ The report found that some CRA boards were “spending large amounts of taxpayer dollars on what appeared to be pet projects of elected officials” and “there is a significant danger of CRA funds being used as a slush fund for elected officials.”⁴⁶ In the event funds were misused, the report found that the Act lacked any accountability and enforcement measures.

The report noted that while county and municipal governments may not pledge ad valorem tax proceeds to finance bonds without voter approval, the board of a CRA can pledge TIF funds to finance bonds without any public input.⁴⁷

The grand jury found that redevelopment trust fund money was often used “without the exercise of any process of due diligence, without justification and without recourse.”⁴⁸ The report notes that the Act does not provide guidelines for the proper use of CRA funds, resulting in questionable expenditures.⁴⁹ For example, one CRA highlighted in the report spent \$300,000 of its \$400,000 budget on administrative expenses. The report also found examples of the CRA funds being used to fund fairs, carnivals, and other community entertainment events.⁵⁰ Additionally, the report found that funds may have been misused as part of the CRA contracting process since there is no specified procurement process for CRAs.⁵¹

While the Act states affordable housing is one of the three primary purposes for the existence of CRAs, the report found that the provision of affordable housing by CRAs “appears to be the exception and not the rule.”⁵² The report stated that while CRAs cite prohibitive costs as a reason for not developing affordable housing, funds are often used for other purposes.⁵³ Some CRAs have requested that their boundaries be extended to include areas for low-income housing while not providing any affordable housing.⁵⁴ Some CRA board members have stated the agencies do not focus on affordable housing because it does not produce sufficient revenue.⁵⁵

Another area of concern for the grand jury was a focus on removing blight by improving the appearance of commercial areas, but leaving slum conditions in place, particularly in the form of multi-family housing that is “unsafe, unsanitary, and overcrowded.”⁵⁶ The grand jury points to news coverage of some apartment buildings with overflowing toilets and frequent losses of

⁴⁵ Miami-Dade County Grand Jury, Final Report for Spring Term A.D. 2015, at 1, available at https://www.miamisao.com/publications/grand_jury/2000s/gj2015s.pdf (filed Feb. 3, 2016).

⁴⁶ *Id.* at 7.

⁴⁷ *Id.* at 9.

⁴⁸ *Id.* at 14.

⁴⁹ *Id.* at 15.

⁵⁰ *Id.* at 16.

⁵¹ *Id.* at 17.

⁵² *Id.* at 19.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.* at 20.

⁵⁶ *Id.* at 22.

power due to the need for repairs. The report notes the contrast between these conditions and the use of some CRA proceeds to “fund ball stadiums, performing arts centers[,] and dog parks.”⁵⁷

The grand jury report also notes that while a finding of necessity is required for creating a CRA, there is no process for determining whether the mission of the CRA has been fulfilled.⁵⁸

The report concludes by making 29 recommendations for ensuring transparency and accountability in the operation of CRAs, including:

- Requiring all CRA boards to contain members of the community;
- Imposing a cap on annual CRA expenditures used for administrative costs;
- Requiring CRAs to adopt procurement guidelines that mirror those of the associated county or municipality;
- Requiring each CRA to submit its budget to the county commission with sufficient time for full consideration;
- Setting aside a percentage of TIF revenue for affordable housing; and
- Imposing ethics training requirements.⁵⁹

Broward County Inspector General Reports

The Broward County Office of the Inspector General has conducted two investigations into CRA operations in the past five years: Hallandale Beach CRA in 2013⁶⁰ and Margate CRA in 2014.⁶¹ The investigation into the Hallandale Beach CRA showed that the agency failed to create a trust fund and that the city commission failed to operate the CRA as an entity separate from the city.⁶² The former executive director of the CRA stated the city had “free reign” to use funds from the CRA’s account.⁶³ The report found over \$2 million of questionable expenditures by the Hallandale Beach CRA between 2007 and 2012, including \$125,000 in inappropriate loans and \$152,494 spent on “civic promotions such as festivals and fireworks displays.”⁶⁴ After some of these issues were brought to the attention of the city and the CRA, the CRA continued working on a funding plan that included spending \$5,347,000 on two parks outside of the boundaries of the CRA. The report also found that the CRA paid “substantially more than its appraised value” to purchase a property owned by a church whose pastor was a city commissioner at the time.⁶⁵

The investigation of the Margate CRA showed a failure to properly allocate TIF funds received from the county and other taxing authorities.⁶⁶ While the CRA stated unused funds were not

⁵⁷ *Id.*

⁵⁸ *Id.* at 32.

⁵⁹ *Id.* at 34-36.

⁶⁰ Broward Office of the Inspector Gen., Final Report Re: Gross Mismanagement of Public Funds by the City of Hallandale Beach and the Hallandale Beach Community Redevelopment Agency, OIG 11-020, available at <http://www.broward.org/InspectorGeneral/PublicationsPress/Documents/OIG11020-201405219-BrownMemo.pdf> (Apr. 18, 2013).

⁶¹ Broward Office of the Inspector Gen., Final Report Re: Misconduct by the Margate Community Redevelopment Agency in the Handling of Taxpayer Funds, OIG 13-015A, available at <http://www.broward.org/InspectorGeneral/Documents/OIG13015AMargateCRAFinalReport.pdf> (July 22, 2014).

⁶² City of Hallandale Beach, *supra* note 60, at 1.

⁶³ *Id.* at 28.

⁶⁴ *Id.* at 1.

⁶⁵ *Id.* at 2.

⁶⁶ Margate Community Redevelopment Agency, *supra* note 61, at 1.

returned because they were allocated for a specific project, the investigation showed the agency had a pattern of intentionally retaining excess unallocated funds for later use.⁶⁷ This pattern of misuse had resulted in a debt to the county of approximately \$2.7 million for fiscal years 2008-2012.⁶⁸

Auditor General Report

The Auditor General is required to conduct a performance audit of the local government financial information reporting system every 3 years.⁶⁹ As part of the most recent performance audit, the Auditor General made five findings concerning CRAs:

- Current law could be enhanced to be more specific as to the types of expenditures that qualify for undertakings of a CRA.
- Current law could be enhanced to provide county taxing authorities more control over expenditures of CRAs created by municipalities to help ensure that CRA trust fund moneys are used appropriately.
- Current law could be revised to require all CRAs, including those created before October 1, 1984, to follow the statutory requirements governing the specific authorized uses of CRA trust fund moneys.
- Current law could be enhanced to allow CRAs to provide for reserves of unexpended CRA trust fund balances to be used during financial downturns.
- Current law could be enhanced to promote compliance with the audit requirement in s. 163.387(8), F.S., and to require such audits to include a determination of compliance with laws pertaining to expenditure of, and disposition of unused, CRA trust fund moneys.⁷⁰

Ethics Training Requirements for Public Officials

Constitutional officers and all elected municipal officers must complete 4 hours of ethics training on an annual basis.⁷¹ The required ethics training must include instruction on Art. II, s. 8 of the Florida Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws. This requirement may be met by attending a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.

Inactive Special Districts

A "special district" is a unit of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary. Whether dependent or independent, when a special district no longer fully functions or fails to meet its statutory responsibilities,

⁶⁷ *Id.*

⁶⁸ *Id.* at 2.

⁶⁹ Section 11.45(2)(g), F.S.

⁷⁰ Florida Auditor Gen., Report No. 2015-037, p. 1, available at http://www.myflorida.com/audgen/pages/pdf_files/2015-037.pdf (Oct. 2014).

⁷¹ Section 112.3142, F.S. A "constitutional officer" is defined as the Governor, the Lieutenant Governor, the Attorney General, the Chief Financial Officer, the Commissioner of Agriculture, state attorneys, public defenders, sheriffs, tax collectors, property appraisers, supervisors of elections, clerks of the circuit court, county commissioners, district school board members, and superintendents of schools.

DEO must declare that district inactive by following a specified process.⁷² The DEO must first document the factual basis for declaring the district inactive.

A special district may be declared inactive if it meets one of the following criteria:

- The registered agent of the district, the chair of the district governing body, or the governing body of the appropriate local general-purpose government:
 - Provides DEO with written notice that the district has taken no action for 2 or more years;
 - Provides DEO with written notice that the district has not had any members on its governing body or insufficient numbers to constitute a quorum for 2 or more years; or
 - Fails to respond to an inquiry by DEO within 21 days.⁷³
- Following statutory procedure,⁷⁴ DEO determines the district failed to file specified reports,⁷⁵ including required financial reports.⁷⁶
- For more than 1 year, no registered office or agent for the district was on file with DEO.⁷⁷
- The governing body of the district unanimously adopts a resolution declaring the district inactive and provides documentation of the resolution to DEO.⁷⁸

Once DEO determines which criterion applies to the district, notice of the proposed declaration of inactive status is published by DEO, the local general-purpose government for the area where the district is located, or the district itself.⁷⁹ After declaring certain special districts inactive, DEO must send written notice of the declaration to the authorities that created the district. The property and assets of a special district declared inactive by DEO are first used to pay any debts of the district and any remaining property or assets then escheat to the county or municipality in which the district was located. If the district's assets are insufficient to pay its outstanding debts, the local general-purpose government in which the district was located may assess and levy within the territory of the inactive district such taxes as necessary to pay the remaining debt.⁸⁰

A district declared inactive may not collect taxes, fees, or assessments.⁸¹ This prohibition continues until the declaration of invalid status is withdrawn or revoked by DEO⁸² or invalidated in an administrative proceeding⁸³ or civil action⁸⁴ timely brought by the governing body of the special district.⁸⁵ Failure of the special district to challenge (or prevail against) the declaration of

⁷² Section 189.062(1), F.S.

⁷³ Section 189.062(1)(a)1.-3., F.S.

⁷⁴ Section 189.067, F.S.

⁷⁵ Section 189.066, F.S.

⁷⁶ Section 189.062(1)(a)4., F.S. See, ss. 189.016(9), 218.32, 218.39, F.S.

⁷⁷ Section 189.062(1)(a)5., F.S.

⁷⁸ Section 189.062(1)(a)6., F.S.

⁷⁹ Publication must be in a newspaper of general circulation in the county or municipality where the district is located and a copy sent by certified mail to the district's registered agent or chair of the district's governing body, if any.

⁸⁰ Section 189.062(2), F.S.

⁸¹ Section 189.062(5), F.S.

⁸² Section 189.062(5)(a), F.S.

⁸³ Section 189.062(5)(b)1., F.S. Administrative proceedings are conducted pursuant to s. 120.569, F.S.

⁸⁴ Section 189.062(5)(b)2., F.S. The action for declaratory and injunctive relief is brought under ch. 86, F.S.

⁸⁵ The special district must initiate the legal challenge within 30 days after the date the written notice of DEO's declaration of inactive status is provided to the special district. Section 189.062(5)(b), F.S.

inactive status enables DEO to enforce the statute through a petition for enforcement in circuit court.⁸⁶

Declaring a special district to be inactive does not dissolve the district or otherwise cease its legal existence. Subsequent action is required to repeal the legal authority creating the district, whether by the Legislature⁸⁷ or the entity that created the district.⁸⁸

Annual Financial Reports for Local Government Entities

Counties, municipalities, and special districts must submit an annual financial report for the previous fiscal year to the Department of Financial Services (DFS).⁸⁹ The report must include component units of the local government entity submitting the report. If a local government entity is required to conduct an audit under s. 218.39, F.S., for the fiscal year, the annual financial report, as well as a copy of the audit report, must be submitted to DFS within 45 days of completion of the audit report, but no later than 9 months after the end of the fiscal year. If the local government entity is not required to conduct an audit under s. 218.39, F.S., for the fiscal year, the annual financial report is due no later than 9 months after the end of the fiscal year. Each local government must provide a link to the annual audit report on its website.

III. Effect of Proposed Changes:

Section 1 creates s. 112.327, F.S., to provide registration and reporting requirements for persons who lobby before CRAs. A person may not lobby a CRA until he or she has registered as a lobbyist with that CRA. The registrant must disclose, under oath, the following information:

- His or her name and business address;
- The name and business address of each principal he or she represents; and
- The existence of any direct or indirect business association, partnership, or financial relationship with any officer or employee of a CRA with which he or she lobbies or intends to lobby.

A CRA must make lobbyist registrations available to the public. If the CRA maintains a website, a database of the currently registered lobbyists and principals must be available on that website. If the CRA does not maintain a website, the database must be available on the website of the county or municipality that created the CRA.

A CRA may establish an annual lobbyist registration fee of up to \$40 for each principal represented.

Section 2 amends s. 112.3142, F.S., to require each commissioner of a CRA to complete 4 hours of ethics training each calendar year beginning October 1, 2018. This requirement may be satisfied by the completion of a continuing legal education class or other continuing education

⁸⁶ Section 189.062(5)(c), F.S. The enforcement action is brought in the circuit court in and for Leon County.

⁸⁷ Sections 189.071(3), 189.072(3), F.S.

⁸⁸ Section 189.062(4), F.S. Unless otherwise provided by law or ordinance, dissolution of a special district transfers title to all district property to the local general-purpose government, which also must assume all debts of the dissolved district. Section 189.076(2), F.S.

⁸⁹ Section 218.32, F.S.

professional education class, seminar, or presentation if the required subject material is covered by such class.

Section 3 amends s. 163.340, F.S., to revise the definition of the term “blighted area.” The revised definition adds four new factors to the definition. The four factors include higher rates of unemployment; higher rates of poverty; higher rates of foreclosure; and higher rates of infant mortality than the surrounding area. The revision also removes from the definition of “blighted area” a clause that allowed an area to be classified as blighted if one factor was present if all taxing authorities agreed by interlocal agreement or resolution that the area is blighted. As a result, an area needs to have two of the factors listed in s. 163.340 (8), F.S., in order to be considered blighted.

Section 4 amends s. 163.356, F.S., to delete the old annual report requirements and directs the reader to s. 163.371(1), F.S., which provides the new CRA annual report requirements.

Section 5 amends s. 163.357, F.S., to require, rather than authorize, a governing body of a county or municipality that appoints itself as the governing body of the CRA and consists of five members to appoint two additional persons to act as members of the CRA. The two additional members may not be elected officials and must have expertise in architecture, finance, construction, land use, affordable housing, sustainability, or other educational or professional experience in community redevelopment.

Section 6 amends s. 163.367, F.S., to provide that commissioners of a CRA must comply with the ethics training requirements in s. 112.3142, F.S. The requirements include mandating that officers complete 4 hours of ethics training each calendar year.

Section 7 amends s. 163.370, F.S., to add to the list of projects that may not be paid for or financed by increment revenues. The newly prohibited projects include CRA activities related to festivals or street parties designed to promote tourism; grants to entities that promote tourism; and grants to nonprofit entities providing socially beneficial programs. Additionally, the section requires a CRA to procure all commodities and services under the same purchasing processes and requirements that apply to the county or municipality that created the agency.

Section 8 creates s. 163.371, F.S., to provide reporting requirements for CRAs. Specifically, the section requires each CRA to submit an annual report to the county or municipality that created the agency by March 31 of each year and to publish the report to the agency’s website. The report must include the most recent complete audit report of the redevelopment trust fund and provide performance data for each community redevelopment plan authorized, administered, or overseen by the CRA. The performance data report must include the following information as of December 31 of the year being reported:

- The total number of projects the CRA started and completed, and the estimated cost of each project;
- The total expenditures from the redevelopment trust fund;
- The original assessed real property values within the CRA’s area of authority as of the day the agency was created;
- The total assessed real property values within the CRA’s area of authority as of January 1 of the year being reported; and

- The total amount expended for affordable housing for low- and middle-income residents.

The report must also include a summary indicating if and to what extent the CRA has achieved the goals set out in its community redevelopment plan.

By January 1, 2019, each CRA must publish digital maps on its website depicting the geographic boundaries and the total acreage of the CRA. If any change is made to the boundaries or total acreage, the CRA must post the updated map files on its website within 60 days after the date such change takes effect.

Section 9 creates s. 163.3756, F.S., relating to inactive CRAs. The section provides a legislative finding that a number of CRAs continue to exist despite reporting no revenues, no expenditures, and no outstanding debt in their annual report.

The Department of Economic Opportunity must declare inactive any CRA reporting no revenues, expenditures, or debt for 3 consecutive fiscal years with the calculation beginning on October 1, 2015. The DEO must notify the CRA of the declaration of inactive status. If the CRA has no board members and no agent, the DEO must notify the governing board or commission of the county or municipality that created the CRA. The governing board of a CRA declared inactive by this procedure may seek to invalidate the declaration by initiating proceedings under s. 189.062(5), F.S., within 30 days after the date of receipt of the DEO notice.

A CRA declared inactive may only expend funds from its redevelopment trust fund as necessary to service outstanding bond debt. The CRA may not expend other funds without an ordinance of the governing body of the local government that created the CRA consenting to the expenditure of funds.

The provisions of s. 189.062(2) and (4), F.S., do not apply to a CRA that has been declared inactive under this section.

The bill further provides that the provisions of this section are cumulative to the provisions of s. 189.062, F.S., which provides special procedures for inactive special districts. However, if the provisions in this section conflict with s. 189.062, F.S., this section prevails.

The DEO must maintain on its website a separate list of CRAs declared inactive pursuant to this section.

Section 10 amends s. 163.387, F.S., relating to the redevelopment trust fund.

Beginning October 1, 2018, money in the redevelopment trust fund may be expended for undertakings of the CRA as described in the community redevelopment plan pursuant to an annual budget adopted by the board of commissioners of the CRA and for the following purposes:⁹⁰

⁹⁰ The only new purpose provided under this section is the administrative and overhead expenses. The other purposes exist under current law. However, current law provides that CRAs are authorized, but not limited, to using money for these other purposes. The bill strictly limits CRAs to the listed purposes only.

- Administrative and overhead expenses directly or indirectly necessary to implement a CRA plan adopted by the agency.
- Expenses of redevelopment planning, surveys, and financial analysis.
- The acquisition of real property in the redevelopment area.
- The clearance and preparation of any redevelopment area for redevelopment and relocation of site occupants within or outside the CRA.
- The repayment of principal and interest or any redemption premium for loans, advances, bonds, bond anticipation notes, and any other form of indebtedness.
- All expenses incidental to or connected with the issuance, sale, redemption, retirement, or purchase of bonds, bond anticipation notes, or other form of indebtedness.
- The development of affordable housing with the CRA.
- The development of community policing innovations.
- Infrastructure improvement, building construction, and building renovation, including improvements, construction, and renovation related to parking lots, parking garages, and neighborhood parks.
- Grants and loans to businesses for façade improvements, signage, sprinkler system upgrades, and other structural improvements.

However, administrative and overhead expenses may not exceed 18 percent of the total annual budget of a CRA.

A community redevelopment agency created by a municipality shall submit its annual budget to the board of county commissioners for the county in which the agency is located within 10 days after the adoption of the budget and submit amendments of its annual budget to the board of county commissioners within 10 days after the date the amended budget is adopted.

Except as provided in this section, the bill requires CRAs to comply with budgeting, auditing, and reporting requirements of s. 189.016, F.S.

Each CRA with revenues or a total of expenditures and expenses over \$100,000, as reported on the trust fund financial statements, shall provide for a financial audit each fiscal year.

The bill expands the current reporting requirements for the audit report of the redevelopment trust fund to include:

- A complete financial statement identifying all assets, liabilities, income, and operating expenses of the CRA as of the end of fiscal year; and
- A finding by the auditor determining whether the CRA complied with the requirements concerning remaining funds at the conclusion of the fiscal year.

The bill requires the audit report for the CRA to be included with the annual financial report submitted by the county or municipality that created the CRA to DFS, even if the CRA files a separate financial report under s. 218.32, F.S.

Section 11 amends s. 218.32, F.S., relating to annual financial reports. The section provides that the failure of a county or municipality to include in its annual report to the DFS the full audit

required under s. 163.387(8), F.S., for each CRA created by that county or municipality constitutes a failure to report under s. 218.32, F.S.

By November 1 of each year, the DFS must provide the Special District Accountability Program of the DEO with a list of each CRA reporting no revenues, expenditures, or debt for the CRA's previous fiscal year.

Section 12 amends s. 163.524, F.S., to conform a cross reference to the new factors listed under the term "blighted area."

Section 13 provides that the act takes effect on July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill requires CRAs to create lobbyist registration forms and make the registrations available to the public online. However, CRAs may establish an annual lobbyist registration fee, not to exceed \$40, for each principal represented, to fulfill these duties, consistent with other lobbyist registration fees.⁹¹

The bill may also require expenditures by DEO or DFS if additional staff are necessary to comply with the duties created by the bill.

⁹¹ See ss.112.3215 and 112.3261, F.S. (Lobbying registration fees for persons lobbying the Constitutional Revision Commission and water management districts).

The bill may have a fiscal impact on CRA expenditures due to the reporting requirements in the bill, including the requirement to post certain information on the agency's website.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Lines 380-383 and lines 384-385 of the bill appear inconsistent. Lines 380-383 of the bill contain a Legislative finding that some CRAs continue to exist while reporting “no revenues, no expenditures, and no outstanding debt.” Lines 384-385 of the bill, however, provide for a declaration of inactive status if a CRA has “no revenues, expenditures, or debt.”

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 112.3142, 163.340, 163.356, 163.357, 163.367, 163.370, 163.387, 218.32, and 163.524.

This bill creates the following sections of the Florida Statutes: 112.327, 163.371, and 163.3756.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11/7/17
Meeting Date

432
Bill Number (if applicable)

Topic CRAs

Amendment Barcode (if applicable)

Name Bill Peebles

Job Title

Address PO Box 10930

Phone 850 566 3025

Tallahassee FL 32302
Street City State Zip

Email bill@billpeebles.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Redevelopment Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11/7/17
Meeting Date

432
Bill Number (if applicable)

Topic CRA's

Amendment Barcode (if applicable)

Name David Cruz

Job Title Legislative Counsel

Address P.O. Box 1757
Street

Phone 701-3676

Tallahassee FL 32302
City State Zip

Email DCRUZ@fllcities.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida League of Cities

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

By Senator Lee

20-00595-18

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1 A bill to be entitled
 2 An act relating to community redevelopment agencies;
 3 creating s. 112.327, F.S.; defining terms; prohibiting
 4 a person from lobbying a community redevelopment
 5 agency until he or she has registered as a lobbyist
 6 with that agency; providing registration requirements;
 7 requiring an agency to make lobbyist registrations
 8 available to the public; requiring a database of
 9 currently registered lobbyists and principals to be
 10 available on certain websites; requiring a lobbyist to
 11 send a written statement to the agency canceling the
 12 registration for a principal that he or she no longer
 13 represents; authorizing an agency to remove the name
 14 of a lobbyist from the list of registered lobbyists
 15 under certain circumstances; authorizing an agency to
 16 establish an annual lobbyist registration fee, not to
 17 exceed a specified amount; requiring an agency to be
 18 diligent in ascertaining whether persons required to
 19 register have complied, subject to certain
 20 requirements; requiring the Commission on Ethics to
 21 investigate a lobbyist or principal under certain
 22 circumstances, subject to certain requirements;
 23 requiring the commission to provide the Governor with
 24 a report of its findings and recommendations in such
 25 investigations; authorizing the Governor to enforce
 26 the commission's findings and recommendations;
 27 authorizing community redevelopment agencies to adopt
 28 rules to govern the registration of lobbyists;
 29 amending s. 112.3142, F.S.; requiring ethics training

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30 for community redevelopment agency commissioners;
 31 specifying requirements for such training; amending s.
 32 163.340, F.S.; revising the definition of the term
 33 "blighted area"; amending s. 163.356, F.S.; revising
 34 reporting requirements; deleting provisions requiring
 35 certain annual reports; amending s. 163.357, F.S.;
 36 requiring, rather than authorizing, a governing body
 37 that consists of five members to appoint two
 38 additional persons to act as members of the community
 39 redevelopment agency; providing requirements for the
 40 additional members; amending s. 163.367, F.S.;
 41 requiring ethics training for community redevelopment
 42 agency commissioners; amending s. 163.370, F.S.;
 43 revising the list of projects that are prohibited from
 44 being financed by increment revenues; requiring
 45 community redevelopment agencies to follow certain
 46 procurement procedures; creating s. 163.371, F.S.;
 47 providing annual reporting requirements; requiring a
 48 community redevelopment agency to publish annual
 49 reports and boundary maps on its website; creating s.
 50 163.3756, F.S.; providing legislative findings;
 51 requiring the Department of Economic Opportunity to
 52 declare inactive community redevelopment agencies that
 53 have reported no financial activity for a specified
 54 number of years; providing hearing procedures;
 55 authorizing certain financial activity by a community
 56 redevelopment agency that is declared inactive;
 57 providing for application; requiring the department to
 58 maintain a website identifying all inactive community

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59 redevelopment agencies; amending s. 163.387, F.S.;

60 effective on a specified date, revising requirements

61 for the use of redevelopment trust fund proceeds;

62 limiting allowed expenditures; revising requirements

63 for the annual budget of a community redevelopment

64 agency; requiring municipal community redevelopment

65 agencies to provide an annual budget to the county

66 commission; revising requirements for use of moneys in

67 the redevelopment trust fund for specific

68 redevelopment projects; revising requirements for the

69 annual audit; requiring the audit to be included with

70 the financial report of the county or municipality

71 that created the community redevelopment agency;

72 amending s. 218.32, F.S.; revising criteria for

73 finding that a county or municipality failed to file a

74 report; requiring the Department of Financial Services

75 to provide a report to the Department of Economic

76 Opportunity concerning community redevelopment

77 agencies reporting no revenues, expenditures, or

78 debts; amending s. 163.524, F.S.; conforming a cross-

79 reference; making technical changes; providing an

80 effective date.

81

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

83

84 Section 1. Section 112.327, Florida Statutes, is created to

85 read:

86 112.327 Lobbying before community redevelopment agencies;

87 registration and reporting.-

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88 (1) As used in this section, the term:

89 (a) "Agency" or "community redevelopment agency" means a

90 public agency created by, or designated pursuant to, s. 163.356

91 or s. 163.357 and operating under the authority of part III of

92 chapter 163.

93 (b) "Lobby" means to seek to influence an agency with

94 respect to a decision of the agency in an area of policy or

95 procurement or to attempt to obtain the goodwill of an agency

96 official or employee on behalf of another person. The term shall

97 be interpreted and applied consistently with the rules of the

98 commission implementing s. 112.3215.

99 (c) "Lobbyist" has the same meaning as provided in s.

100 112.3215.

101 (d) "Principal" has the same meaning as provided in s.

102 112.3215.

103 (2) A person may not lobby an agency until he or she has

104 registered as a lobbyist with that agency. Such registration

105 shall be due upon the person initially being retained to lobby

106 and is renewable on a calendar-year basis thereafter. Upon

107 registration, the person shall provide a statement, signed by

108 the principal or principal's representative, stating that the

109 registrant is authorized to represent the principal. The

110 principal shall also identify and designate its main business on

111 the statement authorizing that lobbyist pursuant to a

112 classification system approved by the agency. Any changes to the

113 information required by this section must be disclosed within 15

114 days by filing a new registration form. An agency may create its

115 own lobbyist registration forms or may accept a completed

116 legislative branch or executive branch lobbyist registration

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117 form. In completing the form required by the agency, the
 118 registrant must disclose, under oath, the following:
 119 (a) His or her name and business address.
 120 (b) The name and business address of each principal
 121 represented.
 122 (c) The existence of any direct or indirect business
 123 association, partnership, or financial relationship with any
 124 officer or employee of an agency with which he or she lobbies or
 125 intends to lobby.
 126 (3) An agency shall make lobbyist registrations available
 127 to the public. If an agency maintains a website, a database of
 128 currently registered lobbyists and principals must be available
 129 on that website. If the agency does not maintain a website, the
 130 database of currently registered lobbyists and principals must
 131 be available on the website of the county or municipality that
 132 created the agency.
 133 (4) A lobbyist shall promptly send a written statement to
 134 the agency canceling the registration for a principal upon
 135 termination of the lobbyist's representation of that principal.
 136 An agency may remove the name of a lobbyist from the list of
 137 registered lobbyists if the principal notifies the agency that a
 138 person is no longer authorized to represent that principal.
 139 (5) An agency may establish an annual lobbyist registration
 140 fee, not to exceed \$40, for each principal represented. The
 141 agency may use registration fees only for the purpose of
 142 administering this section.
 143 (6) An agency shall be diligent in ascertaining whether
 144 persons required to register under this section have complied.
 145 An agency may not knowingly authorize an unregistered person to

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146 lobby the agency.
 147 (7) Upon receipt of a sworn complaint alleging that a
 148 lobbyist or principal has failed to register with an agency or
 149 has knowingly submitted false information in a report or
 150 registration required under this section, the commission shall
 151 investigate a lobbyist or principal pursuant to the procedures
 152 established under s. 112.324. The commission shall provide the
 153 Governor with a report of its findings and recommendations in
 154 any investigation conducted pursuant to this subsection. The
 155 Governor may enforce the commission's findings and
 156 recommendations.
 157 (8) Community redevelopment agencies may adopt rules to
 158 govern the registration of lobbyists, including the adoption of
 159 forms and the establishment of the lobbyist registration fee.
 160 Section 2. Subsection (2) of section 112.3142, Florida
 161 Statutes, is amended to read:
 162 112.3142 Ethics training for specified constitutional
 163 officers and elected municipal officers.-
 164 (2) (a) All constitutional officers must complete 4 hours of
 165 ethics training each calendar year which addresses, at a
 166 minimum, s. 8, Art. II of the State Constitution, the Code of
 167 Ethics for Public Officers and Employees, and the public records
 168 and public meetings laws of this state. This requirement may be
 169 satisfied by completion of a continuing legal education class or
 170 other continuing professional education class, seminar, or
 171 presentation if the required subjects are covered.
 172 (b) ~~Beginning January 1, 2015,~~ All elected municipal
 173 officers must complete 4 hours of ethics training each calendar
 174 year which addresses, at a minimum, s. 8, Art. II of the State

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175 Constitution, the Code of Ethics for Public Officers and
 176 Employees, and the public records and public meetings laws of
 177 this state. This requirement may be satisfied by completion of a
 178 continuing legal education class or other continuing
 179 professional education class, seminar, or presentation if the
 180 required subjects are covered.

181 (c) Beginning October 1, 2018, each commissioner of a
 182 community redevelopment agency under part III of chapter 163
 183 must complete 4 hours of ethics training each calendar year
 184 which addresses, at a minimum, s. 8, Art. II of the State
 185 Constitution, the Code of Ethics for Public Officers and
 186 Employees, and the public records and public meetings laws of
 187 this state. This requirement may be satisfied by completion of a
 188 continuing legal education class or other continuing
 189 professional education class, seminar, or presentation if the
 190 required subject material is covered by such class.

191 (d) The commission shall adopt rules establishing minimum
 192 course content for the portion of an ethics training class which
 193 addresses s. 8, Art. II of the State Constitution and the Code
 194 of Ethics for Public Officers and Employees.

195 (e)~~(d)~~ The Legislature intends that a constitutional
 196 officer or elected municipal officer who is required to complete
 197 ethics training pursuant to this section receive the required
 198 training as close as possible to the date that he or she assumes
 199 office. A constitutional officer or elected municipal officer
 200 assuming a new office or new term of office on or before March
 201 31 must complete the annual training on or before December 31 of
 202 the year in which the term of office began. A constitutional
 203 officer or elected municipal officer assuming a new office or

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204 new term of office after March 31 is not required to complete
 205 ethics training for the calendar year in which the term of
 206 office began.

207 Section 3. Subsection (8) of section 163.340, Florida
 208 Statutes, is amended to read:

209 163.340 Definitions.—The following terms, wherever used or
 210 referred to in this part, have the following meanings:

211 (8) "Blighted area" means an area in which there are a
 212 substantial number of deteriorated or deteriorating structures;
 213 in which conditions, as indicated by government-maintained
 214 statistics or other studies, endanger life or property or are
 215 leading to economic distress; and in which two or more of the
 216 following factors are present:

217 (a) Predominance of defective or inadequate street layout,
 218 parking facilities, roadways, bridges, or public transportation
 219 facilities.

220 (b) Aggregate assessed values of real property in the area
 221 for ad valorem tax purposes have failed to show any appreciable
 222 increase over the 5 years before ~~prior to~~ the finding of such
 223 conditions.

224 (c) Faulty lot layout in relation to size, adequacy,
 225 accessibility, or usefulness.

226 (d) Unsanitary or unsafe conditions.

227 (e) Deterioration of site or other improvements.

228 (f) Inadequate and outdated building density patterns.

229 (g) Falling lease rates per square foot of office,
 230 commercial, or industrial space compared to the remainder of the
 231 county or municipality.

232 (h) Tax or special assessment delinquency exceeding the

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233 fair value of the land.

234 (i) Residential and commercial vacancy rates higher in the
235 area than in the remainder of the county or municipality.

236 (j) Incidence of crime in the area higher than in the
237 remainder of the county or municipality.

238 (k) Fire and emergency medical service calls to the area
239 proportionately higher than in the remainder of the county or
240 municipality.

241 (l) A greater number of violations of the Florida Building
242 Code in the area than the number of violations recorded in the
243 remainder of the county or municipality.

244 (m) Diversity of ownership or defective or unusual
245 conditions of title which prevent the free alienability of land
246 within the deteriorated or hazardous area.

247 (n) Governmentally owned property with adverse
248 environmental conditions caused by a public or private entity.

249 (o) A substantial number or percentage of properties
250 damaged by sinkhole activity which have not been adequately
251 repaired or stabilized.

252 (p) Rates of unemployment higher in the area than in the
253 remainder of the county or municipality.

254 (q) Rates of poverty higher in the area than in the
255 remainder of the county or municipality.

256 (r) Rates of foreclosure higher in the area than in the
257 remainder of the county or municipality.

258 (s) Rates of infant mortality higher in the area than in
259 the remainder of the county or municipality.

260

261 However, the term "blighted area" also means any area in which

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262 ~~at least one of the factors identified in paragraphs (a) through~~
263 ~~(e) is present and all taxing authorities subject to s.~~
264 ~~163.387(2) (a) agree, either by interlocal agreement with the~~
265 ~~agency or by resolution, that the area is blighted. Such~~
266 ~~agreement or resolution must be limited to a determination that~~
267 ~~the area is blighted. For purposes of qualifying for the tax~~
268 ~~credits authorized in chapter 220, the term "blighted area"~~
269 ~~means an area as defined in this subsection.~~

270 Section 4. Paragraphs (c) and (d) of subsection (3) of
271 section 163.356, Florida Statutes, are amended to read:

272 163.356 Creation of community redevelopment agency.-

273 (3) (c) The governing body of the county or municipality
274 shall designate a chair and vice chair from among the
275 commissioners. An agency may employ an executive director,
276 technical experts, and such other agents and employees,
277 permanent and temporary, as it requires, and determine their
278 qualifications, duties, and compensation. For such legal service
279 as it requires, an agency may employ or retain its own counsel
280 and legal staff.

281 (d) An agency authorized to transact business and exercise
282 powers under this part shall file with the governing body the
283 report required pursuant to s. 163.371(1), on or before March 31
284 of each year, a report of its activities for the preceding
285 fiscal year, which report shall include a complete financial
286 statement setting forth its assets, liabilities, income, and
287 operating expenses as of the end of such fiscal year. At the
288 time of filing the report, the agency shall publish in a
289 newspaper of general circulation in the community a notice to
290 the effect that such report has been filed with the county or

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291 ~~municipality and that the report is available for inspection~~
 292 ~~during business hours in the office of the clerk of the city or~~
 293 ~~county commission and in the office of the agency.~~

294 ~~(e)(d)~~ At any time after the creation of a community
 295 redevelopment agency, the governing body of the county or
 296 municipality may appropriate to the agency such amounts as the
 297 governing body deems necessary for the administrative expenses
 298 and overhead of the agency, including the development and
 299 implementation of community policing innovations.

300 Section 5. Paragraph (c) of subsection (1) of section
 301 163.357, Florida Statutes, is amended to read:

302 163.357 Governing body as the community redevelopment
 303 agency.—

304 (1)

305 (c) A governing body that which consists of five members
 306 shall may appoint two additional persons to act as members of
 307 the community redevelopment agency. These members may not be
 308 elected officials. The two additional members must have
 309 expertise in at least one of the following areas: architecture,
 310 finance, construction, land use, affordable housing,
 311 sustainability, or other educational or professional experience
 312 in the area of community redevelopment. The terms of office of
 313 the additional members shall be for 4 years, except that the
 314 first person appointed shall initially serve a term of 2 years.
 315 Persons appointed under this section are subject to all
 316 provisions of this part relating to appointed members of a
 317 community redevelopment agency.

318 Section 6. Subsection (1) of section 163.367, Florida
 319 Statutes, is amended to read:

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320 163.367 Public officials, commissioners, and employees
 321 subject to code of ethics.—

322 (1)(a) The officers, commissioners, and employees of a
 323 community redevelopment agency created by, or designated
 324 pursuant to, s. 163.356 or s. 163.357 are shall be subject to
 325 ~~the provisions and requirements of~~ part III of chapter 112.

326 (b) Commissioners of a community redevelopment agency must
 327 comply with the ethics training requirements in s. 112.3142.

328 Section 7. Paragraphs (d), (e), and (f) are added to
 329 subsection (3) of section 163.370, Florida Statutes, and
 330 subsection (5) is added to that section, to read:

331 163.370 Powers; counties and municipalities; community
 332 redevelopment agencies.—

333 (3) The following projects may not be paid for or financed
 334 by increment revenues:

335 (d) Community redevelopment agency activities related to
 336 festivals or street parties designed to promote tourism.

337 (e) Grants to entities that promote tourism.

338 (f) Grants to nonprofit entities providing socially
 339 beneficial programs.

340 (5) A community redevelopment agency shall procure all
 341 commodities and services under the same purchasing processes and
 342 requirements that apply to the county or municipality that
 343 created the agency.

344 Section 8. Section 163.371, Florida Statutes, is created to
 345 read:

346 163.371 Reporting requirements.—

347 (1) Beginning March 31, 2019, and no later than March 31 of
 348 each year thereafter, a community redevelopment agency shall

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349 file an annual report with the county or municipality that
 350 created the agency and publish the information on the agency's
 351 website. The report must include the following information:
 352 (a) A complete audit report of the redevelopment trust fund
 353 pursuant to s. 163.387(8).
 354 (b) The performance data for each plan authorized,
 355 administered, or overseen by the community redevelopment agency
 356 as of December 31 of the year being reported, including the:
 357 1. Total number of projects started and completed and the
 358 estimated cost for each project.
 359 2. Total expenditures from the redevelopment trust fund.
 360 3. Original assessed real property values within the
 361 community redevelopment agency's area of authority as of the day
 362 the agency was created.
 363 4. Total assessed real property values of property within
 364 the boundaries of the community redevelopment agency as of
 365 January 1 of the year being reported.
 366 5. Total amount expended for affordable housing for low-
 367 income and middle-income residents.
 368 (c) A summary indicating if and to what extent the
 369 community redevelopment agency has achieved the goals set out in
 370 its community redevelopment plan.
 371 (2) By January 1, 2019, each community redevelopment agency
 372 shall publish on its website digital maps that depict the
 373 geographic boundaries and total acreage of the community
 374 redevelopment agency. If any change is made to the boundaries or
 375 total acreage, the agency shall post updated map files on its
 376 website within 60 days after the date such change takes effect.
 377 Section 9. Section 163.3756, Florida Statutes, is created

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378 to read:
 379 163.3756 Inactive community redevelopment agencies.—
 380 (1) The Legislature finds that a number of community
 381 redevelopment agencies continue to exist but report no revenues,
 382 no expenditures, and no outstanding debt in their annual report
 383 to the Department of Financial Services pursuant to s. 218.32.
 384 (2) (a) A community redevelopment agency that has reported
 385 no revenues, expenditures, or debt under s. 218.32 or s.
 386 189.016(9) for 3 consecutive fiscal years calculated from no
 387 earlier than October 1, 2015, shall be declared inactive by the
 388 Department of Economic Opportunity, which shall notify the
 389 agency of the declaration of inactive status under this
 390 subsection. If the agency has no board members and no agent, the
 391 notice of inactive status must be delivered to the governing
 392 board or commission of the county or municipality which created
 393 the agency.
 394 (b) The governing board of a community redevelopment agency
 395 declared inactive under this subsection may seek to invalidate
 396 the declaration by initiating proceedings under s. 189.062(5)
 397 within 30 days after the date of the receipt of the notice from
 398 the Department of Economic Opportunity.
 399 (3) A community redevelopment agency declared inactive
 400 under this section is authorized to expend funds only from the
 401 redevelopment trust fund as necessary to service outstanding
 402 bond debt. The agency may not expend other funds without an
 403 ordinance of the governing body of the local government which
 404 created the agency consenting to the expenditure of funds.
 405 (4) The provisions of s. 189.062(2) and (4) do not apply to
 406 a community redevelopment agency that has been declared inactive

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407 under this section.

408 (5) The provisions of this section are cumulative to the
 409 provisions of s. 189.062. To the extent the provisions of this
 410 section conflict with the provisions of s. 189.062, this section
 411 prevails.

412 (6) The Department of Economic Opportunity shall maintain
 413 on its website a separate list of community redevelopment
 414 agencies declared inactive under this section.

415 Section 10. Subsections (6) and (8) of section 163.387,
 416 Florida Statutes, are amended to read:

417 163.387 Redevelopment trust fund.—

418 (6) Effective October 1, 2018, moneys in the redevelopment
 419 trust fund may be expended from time to time for undertakings of
 420 a community redevelopment agency as described in the community
 421 redevelopment plan only pursuant to an annual budget adopted by
 422 the board of commissioners of the community redevelopment agency
 423 and only for the following purposes stated in this subsection.7
 424 including, but not limited to:

425 (a) Except as provided in this subsection, a community
 426 redevelopment agency shall comply with the requirements of s.
 427 189.016.

428 (b) A community redevelopment agency created by a
 429 municipality shall submit its annual budget to the board of
 430 county commissioners for the county in which the agency is
 431 located within 10 days after the adoption of such budget and
 432 submit amendments of its annual budget to the board of county
 433 commissioners within 10 days after the date the amended budget
 434 is adopted Administrative and overhead expenses necessary or
 435 incidental to the implementation of a community redevelopment

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436 ~~plan adopted by the agency.~~

437 (c) The annual budget of a community redevelopment agency
 438 may provide for payment of the following expenses:

439 1. Administrative and overhead expenses directly or
 440 indirectly necessary to implement a community redevelopment plan
 441 adopted by the agency. However, administrative and overhead
 442 expenses may not exceed 18 percent of the total annual budget of
 443 the community redevelopment agency.

444 ~~2.(b)~~ Expenses of redevelopment planning, surveys, and
 445 financial analysis, including the reimbursement of the governing
 446 body or the community redevelopment agency for such expenses
 447 incurred before the redevelopment plan was approved and adopted.

448 ~~3.(e)~~ The acquisition of real property in the redevelopment
 449 area.

450 ~~4.(d)~~ The clearance and preparation of any redevelopment
 451 area for redevelopment and relocation of site occupants within
 452 or outside the community redevelopment area as provided in s.
 453 163.370.

454 ~~5.(e)~~ The repayment of principal and interest or any
 455 redemption premium for loans, advances, bonds, bond anticipation
 456 notes, and any other form of indebtedness.

457 ~~6.(f)~~ All expenses incidental to or connected with the
 458 issuance, sale, redemption, retirement, or purchase of bonds,
 459 bond anticipation notes, or other form of indebtedness,
 460 including funding of any reserve, redemption, or other fund or
 461 account provided for in the ordinance or resolution authorizing
 462 such bonds, notes, or other form of indebtedness.

463 ~~7.(g)~~ The development of affordable housing within the
 464 community redevelopment area.

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- 465 ~~8.(A)~~ The development of community policing innovations.
- 466 9. Infrastructure improvement, building construction, and
- 467 building renovation, including improvements, construction, and
- 468 renovation related to parking lots, parking garages, and
- 469 neighborhood parks.
- 470 10. Grants and loans to businesses for facade improvements,
- 471 signage, sprinkler system upgrades, and other structural
- 472 improvements.
- 473 (8) (a) Each community redevelopment agency with revenues or
- 474 a total of expenditures and expenses in excess of \$100,000, as
- 475 reported on the trust fund financial statements, shall provide
- 476 for a financial an audit of the trust fund each fiscal year and
- 477 a report of such audit shall to be prepared by an independent
- 478 certified public accountant or firm. Each financial audit
- 479 provided pursuant to this subsection must be conducted in
- 480 accordance with rules for audits adopted by the Auditor General
- 481 which are in effect as of the last day of the community
- 482 redevelopment agency's fiscal year being audited.
- 483 (b) The audit ~~Such~~ report shall:
- 484 1. Describe the amount and source of deposits into, and the
- 485 amount and purpose of withdrawals from, the trust fund during
- 486 such fiscal year and the amount of principal and interest paid
- 487 during such year on any indebtedness to which increment revenues
- 488 are pledged and the remaining amount of such indebtedness.
- 489 2. Include a complete financial statement identifying the
- 490 assets, liabilities, income, and operating expenses of the
- 491 community redevelopment agency as of the end of such fiscal
- 492 year.
- 493 3. Include a finding by the auditor determining whether the

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- 494 community redevelopment agency complies with the requirements of
- 495 subsection (7).
- 496 (c) The audit report for the community redevelopment agency
- 497 shall be included with the annual financial report submitted by
- 498 the county or municipality that created the agency to the
- 499 Department of Financial Services as provided in s. 218.32,
- 500 regardless of whether the agency reports separately under s.
- 501 218.32.
- 502 (d) The agency shall provide ~~by registered mail~~ a copy of
- 503 the audit report to each taxing authority.
- 504 Section 11. Subsection (3) of section 218.32, Florida
- 505 Statutes, is amended to read:
- 506 218.32 Annual financial reports; local governmental
- 507 entities.—
- 508 (3) (a) The department shall notify the President of the
- 509 Senate and the Speaker of the House of Representatives of any
- 510 municipality that has not reported any financial activity for
- 511 the last 4 fiscal years. Such notice must be sufficient to
- 512 initiate dissolution procedures as described in s.
- 513 165.051(1) (a). Any special law authorizing the incorporation or
- 514 creation of the municipality must be included within the
- 515 notification.
- 516 (b) Failure of a county or municipality to include in its
- 517 annual report to the department the full audit required by s.
- 518 163.387(8) for each community redevelopment agency created by
- 519 that county or municipality constitutes a failure to report
- 520 under this section.
- 521 (c) By November 1 of each year, the department must provide
- 522 the Special District Accountability Program of the Department of

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523 Economic Opportunity with a list of each community redevelopment
524 agency reporting no revenues, expenditures, or debt for the
525 community redevelopment agency's previous fiscal year.

526 Section 12. Subsection (3) of section 163.524, Florida
527 Statutes, is amended to read:

528 163.524 Neighborhood Preservation and Enhancement Program;
529 participation; creation of Neighborhood Preservation and
530 Enhancement Districts; creation of Neighborhood Councils and
531 Neighborhood Enhancement Plans.—

532 (3) After the boundaries and size of the Neighborhood
533 Preservation and Enhancement District have been defined, the
534 local government shall pass an ordinance authorizing the
535 creation of the Neighborhood Preservation and Enhancement
536 District. The ordinance shall contain a finding that the
537 boundaries of the Neighborhood Preservation and Enhancement
538 District comply with s. 163.340(7) or (8) (a)-(s) ~~(8) (a)-(e)~~ or
539 do not contain properties that are protected by deed
540 restrictions. Such ordinance may be amended or repealed in the
541 same manner as other local ordinances.

542 Section 13. This act shall take effect July 1, 2018.

Everette, Shirlyne

From: Brandes, Jeff
Sent: Thursday, October 26, 2017 11:35 AM
To: Lee, Tom
Cc: Anderson, Charlie; Yeatman, Tom; Everette, Shirlyne
Subject: Request for Committee Excusal

Good morning Chair Lee,

I am writing to request respectfully that I be excused from the Community Affairs Committee the week of November 6 due to a family matter.

If you have any questions regarding this request, please feel free to contact my office, or myself. Thank you for time and consideration of this matter.

Kind Regards,

Jeff Brandes

State Senator, District 24
District Office: (727) 563 - 2100
Capitol Office: (850) 487 - 5024

CourtSmart Tag Report

Room: SB 301

Case No.:

Type:

Caption: Senate Community Affairs Committee Judge:

Started: 11/7/2017 10:03:01 AM

Ends: 11/7/2017 11:14:27 AM

Length: 01:11:27

10:03:04 AM Roll Call
10:03:13 AM Quorum Present
10:03:30 AM Senator Stargel, Tab 1
10:03:44 AM SB 354
10:04:35 AM Questions?
10:04:40 AM Amendment barcode 397270
10:05:03 AM Questions?
10:05:08 AM No Testimony
10:05:11 AM Amendment barcode 397270 Adopted
10:05:23 AM Andrew Hosek from Americans for Prosperity waives in support
10:05:34 AM Justin Thames, Florida Institute of CPAs, speaks in opposition
10:07:26 AM Questions?
10:07:35 AM Chair Lee questions
10:07:56 AM Mr. Thames responds
10:10:27 AM Debate?
10:10:30 AM Senator Stargel closes on bill
10:10:51 AM Roll Call Vote
10:11:08 AM SB 354 reported favorably
10:11:23 AM Tab 3
10:11:42 AM Presentation by Laila Racevskis from OPPAGA on CRAs
10:26:34 AM Questions?
10:26:38 AM Chair Lee questions
10:27:56 AM Ms. Racevskis responds
10:28:21 AM Chair Lee questions
10:29:07 AM Ms. Racevskis responds
10:29:10 AM Chair Lee
10:29:16 AM Ms. Racevskis
10:29:21 AM Chair Lee
10:29:23 AM Questions?
10:29:55 AM Tab 2
10:30:02 AM Senator Young recognized
10:30:48 AM SB 512 explained by Senator Young
10:32:27 AM Questions?
10:32:45 AM Martha Edenfield waives in support
10:32:54 AM Debate?
10:33:04 AM Senator Young waives close on SB512
10:33:08 AM Roll Call on SB512
10:33:31 AM SB512 reported Favorably
10:33:42 AM Presentation by Ted Sauerbeck, Senior Auditor from the Florida Auditor General
10:42:39 AM Questions?
10:42:50 AM Senator Simmons Questions
10:43:28 AM Ted Sauerbeck Responds
10:44:34 AM Questions?
10:44:44 AM Tab 5
10:45:17 AM Senator Simmons acting vice chair
10:45:42 AM Chair Lee explains SB 432
10:49:00 AM Questions?
10:49:27 AM David Cruz, Florida League of Cities, speaking against SB 432
10:53:28 AM Questions?
10:53:34 AM Senator Rodriguez Question
10:53:43 AM David Cruz Responds
10:54:28 AM Senator Rodriguez Question

10:54:52 AM David Cruz Responds
10:55:33 AM Senator Perry Question
10:55:46 AM David Cruz Responds
10:56:35 AM Senator Perry
10:56:48 AM David Cruz Responds
10:57:26 AM Bill Peebles, Florida redevelopment Association, speaking against SB 432
10:59:23 AM Questions?
10:59:33 AM Senator Simmons Question
11:01:02 AM Bill Peebles Responds
11:03:20 AM Senator Simmons follow-up questions
11:03:39 AM Bill Peebles Responds
11:04:02 AM Questions?
11:04:21 AM Debate?
11:04:26 AM Senator Perry Debates
11:05:22 AM Senator Campbell Debates
11:07:37 AM Chair Lee closes on SB 432
11:13:44 AM Roll Call SB 432
11:13:55 AM SB 432 reported favorably
11:14:21 AM Meeting Adjourned