

By Representative K. Pruitt

1                                   A bill to be entitled  
2           An act relating to local government; amending  
3           s. 11.45, F.S.; revising provisions which  
4           provide requirements for annual financial  
5           audits of local governmental entities by  
6           independent certified public accountants;  
7           requiring the auditor to notify each member of  
8           the governing body of such an entity of certain  
9           deteriorating financial conditions; providing  
10          duties of the Auditor General upon  
11          identification of information in an audit  
12          report that indicates a local governmental  
13          entity may be in a state of financial  
14          emergency; amending s. 125.901, F.S.;  
15          correcting a reference; amending s. 165.041,  
16          F.S., relating to merger of local government  
17          entities, to conform; amending s. 189.403,  
18          F.S.; redefining "dependent special district"  
19          and defining "public facilities" under the  
20          Uniform Special District Accountability Act of  
21          1989; providing that, for purposes of the ad  
22          valorem tax exemption for governmental units,  
23          special districts shall be treated as  
24          municipalities; providing for retroactive  
25          effect; amending s. 189.4031, F.S.; removing  
26          provisions relating to applicability to certain  
27          dependent special districts; requiring  
28          independent special district charters to  
29          contain certain information; amending s.  
30          189.404, F.S.; deleting a requirement that the  
31          law creating an independent special district

1 provide a method for dissolving the district;  
2 specifying that only the Legislature may create  
3 an independent special district, except as  
4 otherwise authorized by law; requiring a status  
5 statement in a district charter; amending s.  
6 189.4041, F.S.; providing requirements for  
7 creation of dependent special districts by  
8 county or municipal ordinance; amending s.  
9 189.4042, F.S.; providing merger and  
10 dissolution requirements for special districts;  
11 repealing s. 189.4043, F.S., which provides  
12 special district dissolution procedures;  
13 amending s. 189.4044, F.S.; providing  
14 procedures and requirements for declaration  
15 that a district is inactive; amending s.  
16 189.4045, F.S.; revising provisions relating to  
17 financial allocations upon merger or  
18 dissolution; amending s. 189.405, F.S.;  
19 revising election procedures and requirements  
20 for special districts; providing method of  
21 qualifying and providing for fees; amending s.  
22 189.4051, F.S.; revising the special  
23 requirements and procedures for elections for  
24 districts with governing boards elected on a  
25 one-acre/one-vote basis; amending s. 189.412,  
26 F.S.; revising provisions relating to the  
27 duties of the Special District Information  
28 Program; removing the requirement for  
29 organization of a biennial conference; amending  
30 s. 189.415, F.S.; revising requirements  
31 relating to special districts' public

1 facilities reports and providing for annual  
2 notice of changes thereto; amending s.  
3 189.4155, F.S.; revising requirements relating  
4 to consistency of special district facilities  
5 with local government comprehensive plans and  
6 providing that such requirements do not apply  
7 to certain spoil disposal sites and ports;  
8 amending s. 189.416, F.S.; revising the time  
9 for designation of a registered office and  
10 agent; amending s. 189.417, F.S.; requiring  
11 publication of special district meeting  
12 schedules and revising requirements for filing  
13 such schedules; amending s. 189.421, F.S.;  
14 revising provisions relating to initiation of  
15 enforcement proceedings against districts that  
16 fail to file certain reports; amending s.  
17 189.422, F.S.; revising provisions which  
18 authorize department action if a district is  
19 determined to be inactive or if failure to file  
20 reports is determined to be volitional;  
21 amending s. 189.425, F.S.; revising provisions  
22 relating to rulemaking authority; creating s.  
23 189.428, F.S.; establishing an oversight review  
24 process for special districts and providing  
25 requirements with respect thereto; specifying  
26 who should carry out the review; providing  
27 review criteria; providing for a final report  
28 and providing requirements for a plan for  
29 merger or dissolution of a district under  
30 review; providing exemptions; requiring  
31 districts to submit a draft codified charter so

1           that their special acts may be codified by the  
2           Legislature; amending s. 196.012, F.S.;  
3           revising provisions which specify when a  
4           governmental, municipal, or public purpose is  
5           deemed to be served by a lessee of government  
6           property for ad valorem tax exemption purposes;  
7           amending s. 196.199, F.S.; providing that all  
8           nonalienated or reversionary interests in  
9           property owned by a local government which is  
10          subject to a leasehold or other possessory  
11          interest of a nongovernmental lessee shall be  
12          deemed to be used for a governmental,  
13          municipal, or public purpose or function;  
14          providing effective dates.

15

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

17

18           Section 1. Paragraph (a) of subsection (3) of section  
19 11.45, Florida Statutes, 1996 Supplement, is amended to read:

20           11.45 Definitions; duties; audits; reports.--

21           (3)(a)1. The Auditor General shall annually make  
22 financial audits of the accounts and records of all state  
23 agencies, as defined in this section, of all district school  
24 boards, and of all district boards of trustees of community  
25 colleges. This section does not limit the Auditor General's  
26 discretionary authority to conduct performance audits of these  
27 governmental entities as authorized in subparagraph 2. A  
28 district school board may select an independent auditor to  
29 perform a financial audit as defined in paragraph (1)(b)  
30 notwithstanding the notification provisions of this section.  
31 In addition, a district school board may employ an internal

1 auditor to perform ongoing financial verification of the  
2 financial records of a school district who must report  
3 directly to the district school board or its designee.  
4         2. The Auditor General may at any time make financial  
5 audits and performance audits of the accounts and records of  
6 all governmental entities created pursuant to law. The audits  
7 referred to in this subparagraph must be made whenever  
8 determined by the Auditor General, whenever directed by the  
9 Legislative Auditing Committee, or whenever otherwise required  
10 by law or concurrent resolution. A district school board,  
11 expressway authority, or bridge authority may require that the  
12 annual financial audit of its accounts and records be  
13 completed within 12 months after the end of its fiscal year.  
14 If the Auditor General is unable to meet that requirement, the  
15 Auditor General shall notify the school board, the expressway  
16 authority, or the bridge authority pursuant to subparagraph 4.  
17         3. The Office of Program Policy Analysis and  
18 Government Accountability within the Office of the Auditor  
19 General shall maintain a schedule of performance audits of  
20 state programs. In conducting a performance audit of a state  
21 program, the Office of Program Policy Analysis and Government  
22 Accountability, when appropriate, shall identify and comment  
23 upon alternatives for accomplishing the goals of the program  
24 being audited. Such alternatives may include funding  
25 techniques and, if appropriate, must describe how other states  
26 or governmental units accomplish similar goals.  
27         4. If by July 1 in any fiscal year a district school  
28 board or local governmental entity has not been notified that  
29 a financial audit for that fiscal year will be performed by  
30 the Auditor General pursuant to subparagraph 2., each  
31 municipality with either revenues or expenditures of more than

1 \$100,000, each special district with either revenues or  
2 expenditures of more than \$50,000, and each county agency  
3 shall, and each district school board may, require that an  
4 annual financial audit of its accounts and records be  
5 completed, within 12 months after the end of its respective  
6 fiscal year, by an independent certified public accountant  
7 retained by it and paid from its public funds. An independent  
8 certified public accountant who is selected to perform an  
9 annual financial audit of a school district must report  
10 directly to the district school board or its designee. A  
11 management letter must be prepared and included as a part of  
12 each financial audit report. Each local government finance  
13 commission, board, or council, and each municipal power  
14 corporation, created as a separate legal or administrative  
15 entity by interlocal agreement under s. 163.01(7), shall  
16 provide the Auditor General, within 12 months after the end of  
17 its fiscal year, with an annual financial audit report of its  
18 accounts and records and a written statement or explanation or  
19 rebuttal concerning the auditor's comments, including  
20 corrective action to be taken. The county audit shall be one  
21 document that includes a separate audit of each county agency.  
22 The county audit must include an audit of the deposits into  
23 and expenditures from the Public Records Modernization Trust  
24 Fund. The Auditor General shall tabulate the results of the  
25 audits of the Public Records Modernization Trust Fund and  
26 report a summary of the audits to the Legislature annually.  
27 5. The governing body of a municipality or a special  
28 district must establish an auditor selection committee and  
29 competitive auditor selection procedures. The governing board  
30 may elect to use its own competitive auditor selection  
31 procedures or the procedures outlined in subparagraph 6.

1           6. The governing body of a noncharter county or  
2 district school board that elects to use a certified public  
3 accountant other than the Auditor General is responsible for  
4 selecting an independent certified public accountant to audit  
5 the county agencies of the county or district school board  
6 according to the following procedure:

7           a. For each noncharter county, an auditor selection  
8 committee must be established, consisting of the county  
9 officers elected pursuant to s. 1(d), Art. VIII of the State  
10 Constitution, and one member of the board of county  
11 commissioners or its designee.

12           b. The committee shall publicly announce, in a uniform  
13 and consistent manner, each occasion when auditing services  
14 are required to be purchased. Public notice must include a  
15 general description of the audit and must indicate how  
16 interested certified public accountants can apply for  
17 consideration.

18           c. The committee shall encourage firms engaged in the  
19 lawful practice of public accounting who desire to provide  
20 professional services to submit annually a statement of  
21 qualifications and performance data.

22           d. Any certified public accountant desiring to provide  
23 auditing services must first be qualified pursuant to law. The  
24 committee shall make a finding that the firm or individual to  
25 be employed is fully qualified to render the required  
26 services. Among the factors to be considered in making this  
27 finding are the capabilities, adequacy of personnel, past  
28 record, and experience of the firm or individual.

29           e. The committee shall adopt procedures for the  
30 evaluation of professional services, including, but not  
31 limited to, capabilities, adequacy of personnel, past record,

1 experience, results of recent external quality control  
2 reviews, and such other factors as may be determined by the  
3 committee to be applicable to its particular requirements.

4 f. The public must not be excluded from the  
5 proceedings under this subparagraph.

6 g. The committee shall evaluate current statements of  
7 qualifications and performance data on file with the  
8 committee, together with those that may be submitted by other  
9 firms regarding the proposed audit, and shall conduct  
10 discussions with, and may require public presentations by, no  
11 fewer than three firms regarding their qualifications,  
12 approach to the audit, and ability to furnish the required  
13 services.

14 h. The committee shall select no fewer than three  
15 firms deemed to be the most highly qualified to perform the  
16 required services after considering such factors as the  
17 ability of professional personnel; past performance;  
18 willingness to meet time requirements; location; recent,  
19 current, and projected workloads of the firms; and the volume  
20 of work previously awarded to the firm by the agency, with the  
21 object of effecting an equitable distribution of contracts  
22 among qualified firms, provided such distribution does not  
23 violate the principle of selection of the most highly  
24 qualified firms. If fewer than three firms desire to perform  
25 the services, the committee shall recommend such firms as it  
26 determines to be qualified.

27 i. If the governing board receives more than one  
28 proposal for the same engagement, the board may rank, in order  
29 of preference, the firms to perform the engagement. The firm  
30 ranked first may then negotiate a contract with the board  
31 giving, among other things, a basis of its fee for that



1 engagement. If the board is unable to negotiate a  
2 satisfactory contract with that firm, negotiations with that  
3 firm shall be formally terminated, and the board shall then  
4 undertake negotiations with the second-ranked firm. Failing  
5 accord with the second-ranked firm, negotiations shall then be  
6 terminated with that firm and undertaken with the third-ranked  
7 firm. Negotiations with the other ranked firms shall be  
8 undertaken in the same manner. The board, in negotiating with  
9 firms, may reopen formal negotiations with any one of the  
10 three top-ranked firms, but it may not negotiate with more  
11 than one firm at a time. The board shall also negotiate on the  
12 scope and quality of services. In making such determination,  
13 the board shall conduct a detailed analysis of the cost of the  
14 professional services required in addition to considering  
15 their scope and complexity. For contracts over \$50,000, the  
16 board shall require the firm receiving the award to execute a  
17 truth-in-negotiation certificate stating that the rates of  
18 compensation and other factual unit costs supporting the  
19 compensation are accurate, complete, and current at the time  
20 of contracting. Such certificate shall also contain a  
21 description and disclosure of any understanding that places a  
22 limit on current or future years' audit contract fees,  
23 including any arrangements under which fixed limits on fees  
24 will not be subject to reconsideration if unexpected  
25 accounting or auditing issues are encountered. Such  
26 certificate shall also contain a description of any services  
27 rendered by the certified public accountant or firm of  
28 certified public accountants at rates or terms that are not  
29 customary. Any auditing service contract under which such a  
30 certificate is required must contain a provision that the  
31 original contract price and any additions thereto shall be

1 adjusted to exclude any significant sums by which the board  
2 determines the contract price was increased due to inaccurate  
3 or incomplete factual unit costs. All such contract  
4 adjustments shall be made within 1 year following the end of  
5 the contract.

6 j. If the board is unable to negotiate a satisfactory  
7 contract with any of the selected firms, the committee shall  
8 select additional firms, and the board shall continue  
9 negotiations in accordance with this subsection until an  
10 agreement is reached.

11 7. At the conclusion of the audit field work, the  
12 independent certified public accountant shall discuss with the  
13 head of each local governmental entity or the chair's designee  
14 or with the chair of the district school board or the chair's  
15 designee, as appropriate, all of the auditor's comments that  
16 will be included in the audit report. If the officer is not  
17 available to discuss the auditor's comments, their discussion  
18 is presumed when the comments are delivered in writing to his  
19 or her office. The auditor shall notify each member of the  
20 governing body of a local governmental entity for which  
21 deteriorating financial conditions exist which may cause a  
22 condition described in s. 218.503(1) to occur if actions are  
23 not taken to address such conditions.

24 8. The officer's written statement of explanation or  
25 rebuttal concerning the auditor's comments, including  
26 corrective action to be taken, must be filed with the  
27 governing body of the local governmental entity or district  
28 school board within 30 days after the delivery of the  
29 financial audit report.

30 9. The Auditor General, in consultation with the Board  
31 of Accountancy, shall adopt rules for the form and conduct of

1 all local governmental entity audits. The rules must include,  
2 but are not limited to, requirements for the reporting of  
3 information necessary to carry out the purposes of the Local  
4 Government Financial Emergencies Act as stated in s. 218.501.

5       10. Any local governmental entity or district school  
6 board financial audit report required under subparagraph 4.  
7 and the officer's written statement of explanation or rebuttal  
8 concerning the auditor's comments, including corrective action  
9 to be taken, must be submitted to the Auditor General within  
10 45 days after delivery of the audit report to the local  
11 governmental entity or district school board but no later than  
12 12 months after the end of the fiscal year. If the Auditor  
13 General does not receive the financial audit report within the  
14 prescribed period, he or she must notify the Legislative  
15 Auditing Committee that the governmental entity has not  
16 complied with this subparagraph. Following notification of  
17 failure to submit the required audit report or items required  
18 by rule adopted by the Auditor General, a hearing must be  
19 scheduled by rule of the committee. After the hearing, the  
20 committee shall determine which local governmental entities  
21 will be subjected to further state action. If it finds that  
22 one or more local governmental entities should be subjected to  
23 further state action, the committee shall:

24       a. In the case of a local governmental entity, request  
25 the Department of Revenue and the Department of Banking and  
26 Finance to withhold any funds payable to such governmental  
27 entity until the required financial audit is received by the  
28 Auditor General.

29       b. In the case of a special district, notify the  
30 Department of Community Affairs that the special district has  
31 failed to provide the required audits. Upon receipt of

1 notification, the Department of Community Affairs shall  
2 proceed pursuant to ss. 189.421 and 189.422.

3 11.a. The Auditor General, in consultation with the  
4 Board of Accountancy, shall review all audit reports submitted  
5 by local governmental entities pursuant to subparagraph 9. The  
6 Auditor General shall request any significant items that were  
7 omitted in violation of a rule adopted by the Auditor General.  
8 The items must be provided within 45 days after the date of  
9 the request. If the Auditor General does not receive the  
10 requested items, he shall notify the Joint Legislative  
11 Auditing Committee.

12 b. The Auditor General shall notify the Governor and  
13 the Joint Legislative Auditing Committee of any audit report  
14 reviewed by the Auditor General which contains a statement  
15 that the local governmental entity is in a state of financial  
16 emergency as provided in s. 218.503. If the Auditor General,  
17 in reviewing any audit report, identifies additional  
18 information which indicates that the local governmental entity  
19 may be in a state of financial emergency as provided in s.  
20 218.503, the Auditor General shall request appropriate  
21 clarification from the local governmental entity. The  
22 requested clarification must be provided within 45 days after  
23 the date of the request. If the Auditor General does not  
24 receive the requested clarification, he or she shall notify  
25 the Joint Legislative Auditing Committee. If, after obtaining  
26 the requested clarification, the Auditor General determines  
27 that the local governmental entity is in a state of financial  
28 emergency as provided in s. 218.503, he or she shall notify  
29 the Governor and the Joint Legislative Auditing Committee.

1           12. In conducting a performance audit of any agency,  
2 the Auditor General shall use the Agency Strategic Plan of the  
3 agency in evaluating the performance of the agency.

4           Section 2. Subsection (4) of section 125.901, Florida  
5 Statutes, is amended to read:

6           125.901 Children's services; independent special  
7 district; council; powers, duties, and functions.--

8           (4) Any district created pursuant to the provisions of  
9 this section may be dissolved by a special act of the  
10 Legislature, or the county governing body may by ordinance  
11 dissolve the district subject to the approval of the  
12 electorate. If any district is dissolved pursuant to the  
13 provisions of this subsection, each county shall first  
14 obligate itself to assume the debts, liabilities, contracts,  
15 and outstanding obligations of the district within the total  
16 millage available to the county governing body for all county  
17 and municipal purposes as provided for under s. 9, Art. VII of  
18 the State Constitution. Any district may also be dissolved  
19 pursuant to the provisions of s. 189.4042 ~~189.4043~~ or s.  
20 ~~189.4044~~.

21           Section 3. Section 165.041, Florida Statutes, 1996  
22 Supplement, is amended to read:

23           165.041 Incorporation; merger.--

24           (1)(a) A charter for incorporation of a municipality,  
25 except in case of a merger which is adopted as otherwise  
26 provided in subsections (2) and (3), ~~and (4)~~, shall be  
27 adopted only by a special act of the Legislature upon  
28 determination that the standards herein provided have been  
29 met.

30           (b) To inform the Legislature on the feasibility of a  
31 proposed incorporation of a municipality, a feasibility study

1 shall be completed and submitted to the Legislature in  
2 conjunction with a proposed special act for the enactment of  
3 the municipal charter. Such feasibility study shall contain  
4 the following:

5         1. Data and analysis to support the conclusions that  
6 incorporation is necessary and financially feasible, including  
7 population projections and population density calculations,  
8 and an explanation concerning methodologies used for such  
9 analysis.

10         2. Evaluation of the alternatives available to the  
11 area to address its policy concerns.

12         3. Evidence that the proposed municipality meets the  
13 requirements for incorporation pursuant to s. 165.061.

14         (c) In counties that have adopted a municipal overlay  
15 for municipal incorporation pursuant to s. 163.3217, such  
16 information shall be submitted to the Legislature in  
17 conjunction with any proposed municipal incorporation in the  
18 county. This information should be used to evaluate the  
19 feasibility of a proposed municipal incorporation in the  
20 geographic area.

21         (2)(a) A charter for merger of two or more  
22 municipalities and associated unincorporated areas may also be  
23 adopted by passage of a concurrent ordinance by the governing  
24 bodies of each municipality affected, approved by a vote of  
25 the qualified voters in each area affected.

26         (b) The ordinance shall provide for:

27                 1. The charter and its effective date.

28                 2. The financial or other adjustments required.

29                 3. A referendum for separate majorities by each unit  
30 or area to be affected.

31

1           4. The date of election, which should be the next  
2 regularly scheduled election or a special election held prior  
3 to such election, if approved by a majority of the members of  
4 the governing body of each governmental unit affected, but no  
5 sooner than 30 days after passage of the ordinance.

6           (c) Notice of the election shall be published at least  
7 once each week for 2 consecutive weeks immediately prior to  
8 the election, in a newspaper of general circulation in the  
9 area to be affected. Such notice shall give the time and  
10 places for the election and a general description of the area  
11 to be included in the municipality, which shall be in the form  
12 of a map to show clearly the area to be covered by the  
13 municipality.

14           ~~(3) The merger of one or more municipalities or~~  
15 ~~counties with special districts, or of two or more special~~  
16 ~~districts, may also be adopted by passage of a concurrent~~  
17 ~~ordinance or, in the case of special districts, resolution by~~  
18 ~~the governing bodies of each unit to be affected.~~

19           (3)(4)(a) Initiation of procedures for municipal  
20 incorporation by merger as described in subsection ~~subsections~~  
21 ~~(2) and (3)~~ may be done either by adoption of a resolution by  
22 the governing body of an area to be affected or by a petition  
23 of 10 percent of the qualified voters in the area.

24           (b) If a petition has been filed with the clerks of  
25 the governing bodies concerned, the governing bodies shall  
26 immediately undertake a study of the feasibility of the  
27 formation proposal and shall, within 6 months, either adopt an  
28 ordinance under subsection (2) ~~or subsection (3)~~ or reject the  
29 petition, specifically stating the facts upon which the  
30 rejection is based.

31

1 (c) The purpose of this subsection is to provide broad  
2 citizen involvement in both initiating and developing their  
3 local government; therefore, establishment of appropriate  
4 citizen advisory committees, as well as other mechanisms for  
5 citizen involvement, by the governing bodies of the units  
6 affected is specifically authorized and encouraged.

7 Section 4. (1) Subsections (1) and (2) of section  
8 189.403, Florida Statutes, are amended, and subsection (7) is  
9 added to said section, to read:

10 189.403 Definitions.--As used in this chapter, the  
11 term:

12 (1) "Special district" means a local unit of special  
13 purpose, as opposed to general-purpose, government within a  
14 limited boundary, created by general law, special act, local  
15 ordinance, or by rule of the Governor and Cabinet. The  
16 special purpose or purposes of special districts are  
17 implemented by specialized functions and related prescribed  
18 powers. For the purpose of s. 196.199(1), special districts  
19 shall be treated as municipalities.The term does not include  
20 a school district, a community college district, a special  
21 improvement district created pursuant to s. 285.17, a  
22 municipal service taxing or benefit unit as specified in s.  
23 125.01, or a board which provides electrical service and which  
24 is a political subdivision of a municipality or is part of a  
25 municipality.

26 (2) "Dependent special district" means a special  
27 district that meets at least one of the following criteria:

28 (a) The membership of its governing body is identical  
29 to that of the governing body of a single county or a single  
30 municipality.

31



1 (b) All members of its governing body are appointed by  
2 the governing body of a single county or a single  
3 municipality.

4 (c) During their unexpired terms, members of the  
5 special district's governing body are subject to removal at  
6 will by the governing body of a single county or a single  
7 municipality.

8 (d) The district has a budget that requires approval  
9 through an affirmative vote or can be vetoed by the governing  
10 body of a single county or a single municipality.

11  
12 This subsection is for purposes of definition only. Nothing  
13 in this subsection confers additional authority upon local  
14 governments not otherwise authorized by the provisions of the  
15 special acts or general acts of local application creating  
16 each special district, as amended.

17 (7) "Public facilities" means major capital  
18 improvements, including, but not limited to, transportation  
19 facilities, sanitary sewer facilities, solid waste facilities,  
20 water management and control facilities, potable water  
21 facilities, alternative water systems, educational facilities,  
22 parks and recreational facilities, health systems and  
23 facilities, and, except for spoil disposal by those ports  
24 listed in s. 311.09(1), spoil disposal sites for maintenance  
25 dredging in waters of the state.

26 (2) The amendment to s. 189.403(1), Florida Statutes,  
27 by this section shall take effect upon this act becoming a law  
28 and shall apply to the 1995 tax rolls and thereafter.

29 Section 5. Section 189.4031, Florida Statutes, is  
30 amended to read:

31

1           189.4031 Special districts; requirements; charter  
2 requirements.--

3           (1) All special districts, regardless of the existence  
4 of other, more specific provisions of applicable law, shall  
5 comply with the creation, dissolution, and reporting  
6 requirements set forth in this chapter. ~~For a dependent~~  
7 ~~special district created by special act prior to October 1,~~  
8 ~~1989, nothing herein is intended to confer new power upon the~~  
9 ~~general-purpose local government, nor reduce the powers of the~~  
10 ~~dependent special district, relating to budget development or~~  
11 ~~approval in contradiction to the provisions of the special~~  
12 ~~act.~~

13           (2) Notwithstanding any general law, special act, or  
14 ordinance of a local government to the contrary, any  
15 independent special district charter enacted after the  
16 effective date of this section shall contain the information  
17 required by s. 189.404(3).

18           Section 6. Paragraph (c) of subsection (3) and  
19 subsection (4) of section 189.404, Florida Statutes, are  
20 amended, and subsection (5) is added to said section, to read:

21           189.404 Legislative intent for the creation of  
22 independent special districts; special act prohibitions; model  
23 elements and other requirements; general-purpose local  
24 government/Governor and Cabinet creation authorizations.--

25           (3) MINIMUM REQUIREMENTS.--General laws or special  
26 acts that create or authorize the creation of independent  
27 special districts and are enacted after September 30, 1989,  
28 must address and require the following in their charters:

29           (c) The methods for establishing ~~and dissolving~~ the  
30 district.

31

1           (4) LOCAL GOVERNMENT/GOVERNOR AND CABINET CREATION  
2 AUTHORIZATIONS.--Except as otherwise authorized by general  
3 law, only the Legislature may create independent special  
4 districts.

5           (a) A municipality may create an independent special  
6 district which shall be established by ordinance in accordance  
7 with s. 190.005, or as otherwise authorized in general law.

8           (b) A county may create an independent special  
9 district which shall be adopted by a charter in accordance  
10 with s. 125.901 or s. 154.331 or chapter 155, or which shall  
11 be established by ordinance in accordance with s. 190.005, or  
12 as otherwise authorized by general law.

13           (c) The Governor and Cabinet may create an independent  
14 special district which shall be established by rule in  
15 accordance with s. 190.005, ~~in accordance with s. 374.075,~~ or  
16 as otherwise authorized in general law. The Governor and  
17 Cabinet may also approve the establishment of a charter for  
18 the creation of an independent special district which shall be  
19 in accordance with s. 373.1962, or as otherwise authorized in  
20 general law.

21           (d)1. Any combination of two or more counties may  
22 create a regional special district which shall be established  
23 in accordance with s. 950.001, or as otherwise authorized in  
24 general law.

25           2. Any combination of two or more counties or  
26 municipalities may create a regional special district which  
27 shall be established in accordance with s. 373.1962, or as  
28 otherwise authorized by general law.

29           3. Any combination of two or more counties,  
30 municipalities, or other political subdivisions may create a  
31

1 regional special district in accordance with s. 163.567, or as  
2 otherwise authorized in general law.

3 (5) STATUS STATEMENT.--After October 1, 1997, the  
4 charter of any newly created special district shall contain  
5 and, as practical, the charter of a preexisting special  
6 district shall be amended to contain, a reference to the  
7 status of the special district as dependent or independent.  
8 When necessary, the status statement shall be amended to  
9 conform with the department's determination or declaratory  
10 statement regarding the status of the district.

11 Section 7. Section 189.4041, Florida Statutes, is  
12 amended to read:

13 189.4041 Dependent special districts ~~created after~~  
14 ~~September 30, 1989.~~--

15 (1) A charter for the creation of a dependent special  
16 district created after September 30, 1989, shall be adopted  
17 only by ordinance of a county or municipal governing body  
18 having jurisdiction over the area affected.

19 (2) A county is authorized to create dependent special  
20 districts within the boundary lines of the county, subject to  
21 the approval of the governing body of the incorporated area  
22 affected.

23 (3) A municipality is authorized to create dependent  
24 special districts within the boundary lines of the  
25 municipality.

26 (4) Dependent special districts created by a county or  
27 municipality shall be created by adoption of an ordinance that  
28 includes:

29 (a) The purpose, powers, functions, and duties of the  
30 district.

31

1           (b) The geographic boundary limitations of the  
2 district.

3           (c) The authority of the district.

4           (d) An explanation of why the district is the best  
5 alternative.

6           (e) The membership, organization, compensation, and  
7 administrative duties of the governing board.

8           (f) The applicable financial disclosure, noticing, and  
9 reporting requirements.

10          (g) The methods for financing the district.

11          (h) A declaration that the creation of the district is  
12 consistent with the approved local government comprehensive  
13 plans.

14          Section 8. Section 189.4042, Florida Statutes, is  
15 amended to read:

16           189.4042 Merger and dissolution procedures.--

17           (1)(a) The merger or dissolution of dependent one or  
18 more municipalities or counties with special districts, may be  
19 effectuated by an ordinance of the general-purpose local  
20 governmental entity wherein the geographical area of the  
21 district or districts is located or the merger of two or more  
22 special districts, may be adopted by passage of a concurrent  
23 ordinance or, in the case of special districts, resolution by  
24 the governing bodies of each unit to be affected. However, a  
25 county may not dissolve a special district that is dependent  
26 to a municipality or vice versa, or a dependent district  
27 created by special act.

28           ~~(2)(a) Initiation of procedures for merger of special~~  
29 ~~districts as described in subsection (1) may be done either by~~  
30 ~~adoption of a resolution by the governing body of an area to~~  
31

1 ~~be affected or by a petition of 10 percent of the qualified~~  
2 ~~voters in the area.~~

3 ~~(b) If a petition has been filed with the governing~~  
4 ~~bodies concerned, the governing bodies shall immediately~~  
5 ~~undertake a study of the feasibility of the merger proposal~~  
6 ~~and shall, within 6 months, either adopt a resolution under~~  
7 ~~subsection (1) or reject the petition, specifically stating~~  
8 ~~the facts upon which the rejection is based.~~

9 ~~(b)(c) A copy of any ordinance and of any changes to a~~  
10 ~~the proposed charter affecting the status or boundaries of one~~  
11 ~~or more special districts or merger agreement shall be filed~~  
12 ~~with the Special District Information Program within 30 days~~  
13 ~~after the effective date of such activity the merger with the~~  
14 ~~Special District Information Program and each local~~  
15 ~~general purpose government within which the district is~~  
16 ~~located.~~

17 ~~(d) The purpose of this subsection is to provide broad~~  
18 ~~citizen involvement in both initiating and developing special~~  
19 ~~districts; therefore, establishment of appropriate citizen~~  
20 ~~advisory committees, as well as other mechanisms for citizen~~  
21 ~~involvement, by the governing bodies of the units affected is~~  
22 ~~specifically authorized and encouraged.~~

23 ~~(2) The merger or dissolution of an independent~~  
24 ~~special district or a dependent district created and operating~~  
25 ~~pursuant to a special act may only be effectuated by the~~  
26 ~~Legislature unless otherwise provided by general law. If an~~  
27 ~~independent district was created by a county or municipality,~~  
28 ~~the county or municipality that created the district may merge~~  
29 ~~or dissolve the district.~~

30 (3) The provisions of this section shall not apply to  
31 community development districts implemented pursuant to

1 chapter 190 or to water management districts created and  
2 operated pursuant to chapter 373.

3 Section 9. Section 189.4043, Florida Statutes, is  
4 hereby repealed.

5 Section 10. Section 189.4044, Florida Statutes, is  
6 amended to read:

7 189.4044 Special ~~dissolution~~ procedures for inactive  
8 districts.--

9 (1) The ~~department~~ Secretary of State by proclamation  
10 shall declare inactive any special district in this state by  
11 filing upon a report with the Speaker of the House of  
12 Representatives and the President of the Senate being filed by  
13 ~~the department~~ which shows that such special district is no  
14 longer active. The inactive status of the special district  
15 must be based upon a finding:

16 (a) That the special district meets one of the  
17 following criteria:~~has not had appointed or elected a~~  
18 ~~governing body within the 4 years immediately preceding or as~~  
19 ~~otherwise provided by law or has not operated within the 2~~  
20 ~~years immediately preceding;~~

21 1. The district has taken no action for 2 calendar  
22 years;

23 2. The district has not had a governing board or a  
24 sufficient number of governing board members to constitute a  
25 quorum for 18 or more months;

26 3. The district has failed to file or make a good  
27 faith effort to file any of the reports listed in s. 189.419;  
28 or

29 4. The district has failed, for 2 consecutive fiscal  
30 years, to pay fees assessed by the Special District  
31 Information Program pursuant to this chapter.

1           (b) That a notice of the proposed declaration  
2 ~~proclamation~~ has been published once a week for 4 weeks in a  
3 newspaper of general circulation within the county or  
4 municipality wherein the territory of the special district is  
5 located, stating the name of said special district, the law  
6 under which it was organized and operating, a general  
7 description of the territory included in said special  
8 district, and stating that any objections to the proposed  
9 declaration ~~proclamation~~ or to any claims against the assets  
10 ~~debts~~ of said special district shall be filed not later than  
11 60 days following the date of last publication with the  
12 department; and

13           (c) That 60 days have elapsed from the last  
14 publication date of the notice of proposed declaration  
15 ~~proclamation~~ and no sustained objections have been filed.

16           ~~(2) The state agency charged with collecting financial~~  
17 ~~information from special districts shall report to the~~  
18 ~~Department of State and the Department of Community Affairs~~  
19 ~~any special district which has failed to file a report within~~  
20 ~~the time set by law.~~

21           ~~(2)(3)~~ If any special district is declared inactive  
22 pursuant to this section ~~owes any debt at the time of~~  
23 ~~proclamation, the~~ any property or assets of the special  
24 district are ~~such unit, or which belonged thereto at the time~~  
25 ~~of such proclamation, shall be~~ subject to legal process for  
26 payment of any debts of the district ~~such debt~~. After the  
27 payment of all the debts of said inactive special district,  
28 the remainder of its property or assets shall escheat to the  
29 county or municipality wherein located. If, however, it shall  
30 be necessary, in order to pay any such debt, to levy any tax  
31 or taxes on the property in the territory or limits of the



1 inactive special district, the same may be assessed and levied  
2 by order of the local general-purpose government wherein the  
3 same is situated and shall be assessed by the county property  
4 appraiser and collected by the county tax collector.

5 (3)(4) The department shall notify the Speaker of the  
6 House of Representatives and the President of the Senate of  
7 each ~~Any~~ special act creating or amending the charter of any  
8 special district declared to be proclaimed inactive under this  
9 section hereunder shall be reported by the Governor to the  
10 presiding officers of both houses of the Legislature. The  
11 declaration proclamation of inactive status shall be  
12 sufficient notice as required by s. 10, Art. III of the State  
13 Constitution to authorize the Legislature to repeal any  
14 special laws so reported.

15 (4) A special district declared inactive under this  
16 section must be dissolved by repeal of its enabling laws.

17 Section 11. Subsections (1) and (2) of section  
18 189.4045, Florida Statutes, are amended to read:

19 189.4045 Financial allocations.--

20 (1) The government formed by merger of existing  
21 special districts shall assume all indebtedness of, and  
22 receive title to all property owned by, the preexisting  
23 special districts. The proposed charter ~~or merger agreement~~  
24 shall provide for the determination of the proper allocation  
25 of the indebtedness so assumed and the manner in which said  
26 debt shall be retired.

27 (2) Unless otherwise provided by law or ordinance, the  
28 dissolution of a special district government shall transfer  
29 the title to all property owned by the preexisting special  
30 district government to the local general-purpose government,  
31 which shall also assume all indebtedness of the preexisting

1 special district, ~~unless otherwise provided in the dissolution~~  
2 ~~plan.~~

3 Section 12. Effective January 1, 1998, subsections  
4 (2), (3), and (4) of section 189.405, Florida Statutes, are  
5 amended to read:

6 189.405 Elections; general requirements and  
7 procedures.--

8 (2)(a) Any independent special district located  
9 entirely in a single county may provide for the conduct of  
10 district elections by the supervisor of elections for that  
11 county. Any independent special district that conducts its  
12 elections through the office of the supervisor shall make  
13 election procedures consistent with the Florida Election Code,  
14 ~~chapters 97 through 106, for the following:~~

15 1. ~~Qualifying periods, in accordance with s. 99.061;~~

16 2. ~~Petition format, in accordance with rules adopted~~  
17 ~~by the Division of Elections;~~

18 3. ~~Canvassing of returns, in accordance with ss.~~  
19 ~~101.5614 and 102.151;~~

20 4. ~~Noticing special district elections, in accordance~~  
21 ~~with chapter 100; and~~

22 5. ~~Polling hours, in accordance with s. 100.011.~~

23 (b) Any independent special district not conducting  
24 district elections through the supervisor of elections shall  
25 report to the supervisor in a timely manner the purpose, date,  
26 authorization, procedures, and results of each election  
27 conducted by the district.

28 (c) A candidate for a position on a governing board of  
29 a single-county special district that has its elections  
30 conducted by the supervisor of elections shall qualify for the  
31 office with the county supervisor of elections in whose

1 jurisdiction the district is located. Elections for governing  
2 board members elected by registered electors shall be  
3 nonpartisan, except when partisan elections are specified by a  
4 district's charter. Candidates may qualify by paying a filing  
5 fee of \$25 or by submitting a petition that contains the  
6 signatures of at least 3 percent of the district's registered  
7 electors. No election or party assessment shall be levied if  
8 the election is nonpartisan. The qualifying fee shall be  
9 remitted to the general revenue fund of the qualifying officer  
10 to help defray the cost of the election. The petition form  
11 shall be submitted and checked in the same manner as those for  
12 nonpartisan judicial candidates pursuant to s. 105.035.

13 (3)(a) If a multicounty special district has a  
14 popularly elected governing board, elections for the purpose  
15 of electing members to such board shall conform to the Florida  
16 Election Code, chapters 97 through 106.

17 (b) With the exception of those districts conducting  
18 elections on a one-acre/one-vote basis, qualifying for  
19 multicounty special district governing board positions shall  
20 be coordinated by the Department of State ~~supervisors of~~  
21 ~~elections for each of the counties within the district.~~  
22 Elections for governing board members elected by registered  
23 electors shall be nonpartisan, except when partisan elections  
24 are specified by a district's charter. Candidates may qualify  
25 by paying a filing fee of \$25 or by submitting a petition that  
26 contains the signatures of at least 3 percent of the  
27 district's registered electors. No election or party  
28 assessment shall be levied if the election is nonpartisan.  
29 The qualifying fee shall be remitted to the Department of  
30 State. The petition form shall be submitted and checked in  
31

1 the same manner as those for nonpartisan judicial candidates  
2 pursuant to s. 105.035.

3 (4) With the exception of elections of special  
4 district governing board members conducted on a  
5 one-acre/one-vote basis, in any election conducted in a  
6 special district the decision made by a majority of those  
7 voting shall prevail, except as otherwise specified by law.

8 Section 13. Section 189.4051, Florida Statutes, is  
9 amended to read:

10 189.4051 Elections; special requirements and  
11 procedures for districts with governing boards elected on a  
12 one-acre/one-vote basis.--

13 ~~(1) ELECTION PROVISIONS FOR SPECIAL DISTRICTS WITH~~  
14 ~~GOVERNING BOARDS ELECTED ON A ONE-ACRE/ONE-VOTE BASIS.--~~

15 ~~(a) With the exception of those districts established~~  
16 ~~as single-purpose water control districts, and which continue~~  
17 ~~to act as single-purpose water control districts, pursuant to~~  
18 ~~chapter 298, pursuant to a special act, pursuant to a local~~  
19 ~~government ordinance, or pursuant to a judicial decree, if a~~  
20 ~~special district has a governing board elected on the basis of~~  
21 ~~one vote for each acre of land owned and:~~

22 ~~1. Has a total resident population of more than 2,500~~  
23 ~~according to the latest census or population estimate;~~

24 ~~2. Has more than 2,000 registered voters; and~~

25 ~~3. Submits a petition signed by more than 70 percent~~  
26 ~~of the registered voters requesting conversion from a~~  
27 ~~one-acre/one-vote to a one-person/one-vote election principle~~  
28 ~~to the supervisor of elections in the county in which all or~~  
29 ~~most of the area of the district land is located,~~

30  
31

1 ~~it may proceed in accordance with the provisions of subsection~~  
2 ~~(3) at any time following the effective date of this act.~~

3 ~~(b) With the exception of those districts established~~  
4 ~~as single purpose water control districts, and which continue~~  
5 ~~to act as single purpose water control districts, pursuant to~~  
6 ~~chapter 298, pursuant to a special act, pursuant to a local~~  
7 ~~government ordinance, or pursuant to a judicial decree, the~~  
8 ~~governing board of any special district where the board is~~  
9 ~~elected on a one-acre/one-vote basis may request the local~~  
10 ~~legislative delegation which represents the area within the~~  
11 ~~district to modify the district charter by special act to~~  
12 ~~provide for a more equitable basis of election for governing~~  
13 ~~board members than the present election procedure. If such~~  
14 ~~request is enacted into law during the 1989 or 1990 Regular~~  
15 ~~Session of the Florida Legislature, such law shall be the~~  
16 ~~election charter for election of governing board members~~  
17 ~~within said district and shall exempt said district from the~~  
18 ~~election provisions of this section.~~

19 ~~(1)(2) DEFINITIONS.--As used in this section, the~~  
20 ~~term:~~

21 (a) "Qualified elector" means any person at least 18  
22 years of age who is a citizen of the United States, a  
23 permanent resident of Florida, and a freeholder or  
24 freeholder's spouse and resident of the district who registers  
25 with the supervisor of elections of a ~~the~~ county within which  
26 the district lands are located when the registration books are  
27 open.

28 (b) "Urban area" means a contiguous developed and  
29 inhabited urban area within a district with a minimum average  
30 resident population density of at least 1.5 persons per acre  
31 as defined by the latest official census, special census, or

1 population estimate or a minimum density of one single-family  
2 home per 2.5 acres with access to improved roads or a minimum  
3 density of one single-family home per 5 acres within a  
4 recorded plat subdivision. Urban areas shall be designated by  
5 the governing board of the district with the assistance of all  
6 local general-purpose governments having jurisdiction over the  
7 area within the district.

8 (c) "Governing board member" means any duly elected  
9 member of the governing board of a special district elected  
10 pursuant to this section, provided that any board member  
11 elected by popular vote shall be a qualified district elector  
12 and any board member elected on a one-acre/one-vote basis  
13 shall meet the requirements of s. 298.11 for election to the  
14 board.

15 (d) "Contiguous developed urban area" means any  
16 reasonably compact urban area located entirely within a  
17 special district. The separation of urban areas by a publicly  
18 owned park, right-of-way, highway, road, railroad, canal,  
19 utility, body of water, watercourse, or other minor  
20 geographical division of a similar nature shall not prevent  
21 such areas from being defined as urban areas.

22 ~~(2)(3)~~ POPULAR ELECTIONS; REFERENDUM; DESIGNATION OF  
23 URBAN AREAS.--

24 (a) Referendum.--

25 1. A referendum shall be called by the governing board  
26 of a special district where the board is elected on a  
27 one-acre/one-vote basis on the question of whether certain  
28 members of a district governing board should be elected by  
29 qualified electors, provided each of the following conditions  
30 has been is satisfied at least 60 days prior to the general or  
31 special election at which the referendum is to be held:

1           a. The district shall have a total population,  
2 according to the latest official state census, a special  
3 census, or a population estimate, of at least 500 qualified  
4 electors.

5           b. A petition signed by 10 percent of the qualified  
6 electors of the district shall have been ~~be~~ filed with the  
7 governing board of the district. The petition shall be  
8 submitted to the supervisor of elections of the county or  
9 counties in which the lands are located. The supervisor shall,  
10 within 30 days after the receipt of the petitions, certify to  
11 the governing board the number of signatures of qualified  
12 electors contained on the petition.

13           2. Upon verification by the supervisor or supervisors  
14 of elections of the county or counties within which district  
15 lands are located that 10 percent of the qualified electors of  
16 the district have petitioned the governing board, a referendum  
17 election shall be called by the governing board at the next  
18 regularly scheduled election of governing board members  
19 occurring at least 30 days after verification of the petition  
20 or within 6 months of verification, whichever is earlier.

21           3. If the qualified electors approve the election  
22 procedure described in this subsection, the governing board of  
23 the district shall be increased to five members and elections  
24 shall be held pursuant to the criteria described in this  
25 subsection beginning with the next regularly scheduled  
26 election of governing board members or at a special election  
27 called within 6 months following the referendum and final  
28 unappealed approval of district urban area maps as provided in  
29 paragraph (b), whichever is earlier.

30           4. If the qualified electors of the district  
31 disapprove the election procedure described in this

1 subsection, elections of the members of the governing board  
2 shall continue as described by s. 298.12 or the enabling  
3 legislation for the district. No further referendum on the  
4 question shall be held for a minimum period of 2 years  
5 following the referendum.

6 (b) Designation of urban areas.--

7 1. Within 30 days after approval of the election  
8 process described in this subsection by qualified electors of  
9 the district, the governing board shall direct the district  
10 staff ~~engineer~~ to prepare and present maps of the district  
11 describing the extent and location of all urban areas within  
12 the district. Such determination shall be based upon the  
13 criteria contained within paragraph(1)(~~2~~)(b).

14 2. Within 60 days after approval of the election  
15 process described in this subsection by qualified electors of  
16 the district, the maps describing urban areas within the  
17 district shall be presented to the governing board.

18 3. Any district landowner or elector may contest the  
19 accuracy of the urban area maps prepared by the district staff  
20 ~~engineer~~ within 30 days after submission to the governing  
21 board. Upon notice of objection to the maps, the governing  
22 board shall request the county engineer to prepare and present  
23 maps of the district describing the extent and location of all  
24 urban areas within the district. Such determination shall be  
25 based upon the criteria contained within paragraph(1)(~~2~~)(b).  
26 Within 30 days after the governing board request, the county  
27 engineer shall present the maps to the governing board.

28 4. Upon presentation of the maps by the county  
29 engineer, the governing board shall compare the maps submitted  
30 by both the district staff ~~engineer~~ and the county engineer  
31 and make a determination as to which set of maps to adopt.



1 Within 60 days after presentation of all such maps, the  
2 governing board may amend and shall adopt the official maps at  
3 a regularly scheduled board meeting.

4         5. Any district landowner or qualified elector may  
5 contest the accuracy of the urban area maps adopted by the  
6 board within 30 days after adoption by petition to the circuit  
7 court with jurisdiction over the district. Accuracy shall be  
8 determined pursuant to paragraph ~~(1)(2)~~(b). Any petitions  
9 petition so filed shall be heard expeditiously ~~disposed of by~~  
10 ~~summary proceeding of the court~~, and the maps shall either be  
11 approved or approved with necessary amendments to render the  
12 maps accurate and shall be certified to the board with  
13 ~~amendments, if necessary.~~

14         6. Upon adoption by the board or certification by the  
15 court, the district urban area maps shall serve as the  
16 official maps for determination of the extent of urban area  
17 within the district and the number of governing board members  
18 to be elected by qualified electors and by the  
19 one-acre/one-vote principle at the next regularly scheduled  
20 election of governing board members.

21         7. Upon a determination of the percentage of urban  
22 area within the district as compared with total area within  
23 the district, the governing board shall order elections in  
24 accordance with the ~~changed~~ percentages pursuant to paragraph  
25 ~~(3)(4)~~(a). The landowners' meeting date shall be designated by  
26 the governing board.

27         8. The maps shall be updated and readopted every 5  
28 years or sooner in the discretion of the governing board.

29         ~~(3)(4)~~ GOVERNING BOARD.--

30         (a) Composition of board.--

31

- 1           1. Members of the governing board of the district  
2 shall be elected in accordance with the following  
3 determinations of urban area:
- 4           a. If urban areas constitute 25 percent or less of the  
5 district, one governing board member shall be elected by the  
6 qualified electors and four governing board members shall be  
7 elected in accordance with the one-acre/one-vote principle  
8 contained within s. 298.11 or the district-enabling  
9 legislation.
- 10           b. If urban areas constitute 26 percent to 50 percent  
11 of the district, two governing board members shall be elected  
12 by the qualified electors and three governing board members  
13 shall be elected in accordance with the one-acre/one-vote  
14 principle contained within s. 298.11 or the district-enabling  
15 legislation.
- 16           c. If urban areas constitute 51 percent to 70 percent  
17 of the district, three governing board members shall be  
18 elected by the qualified electors and two governing board  
19 members shall be elected in accordance with the  
20 one-acre/one-vote principle contained within s. 298.11 or the  
21 district-enabling legislation.
- 22           d. If urban areas constitute 71 percent to 90 percent  
23 of the district, four governing board members shall be elected  
24 by the qualified electors and one governing board member shall  
25 be elected in accordance with the one-acre/one-vote principle  
26 contained within s. 298.11 or the district-enabling  
27 legislation.
- 28           e. If urban areas constitute 91 percent or more of the  
29 district, all governing board members shall be elected by the  
30 qualified electors.  
31

1           2. All governing board members elected by qualified  
2 electors shall be elected at large.

3           (b) Term of office.--All governing board members  
4 elected by qualified electors shall have a term of 4 years  
5 except for governing board members elected at the first  
6 election and the first landowners' meeting following the  
7 referendum prescribed in paragraph~~(2)~~~~(3)~~(a). Governing board  
8 members elected at the first election and the first  
9 landowners' meeting following the referendum shall serve as  
10 follows:

11           1. If one governing board member is elected by the  
12 qualified electors and four are elected on a one-acre/one-vote  
13 basis, the governing board member elected by the qualified  
14 electors shall be elected for a period of 4 years. Governing  
15 board members elected on a one-acre/one-vote basis shall be  
16 elected for periods of 1, 2, 3, and 4 years, respectively, as  
17 prescribed by ss. 298.11 and 298.12.

18           2. If two governing board members are elected by the  
19 qualified electors and three are elected on a  
20 one-acre/one-vote basis, the governing board members elected  
21 by the electors shall be elected for a period of 4 years.  
22 Governing board members elected on a one-acre/one-vote basis  
23 shall be elected for periods of 1, 2, and 3 years,  
24 respectively, as prescribed by ss. 298.11 and 298.12.

25           3. If three governing board members are elected by the  
26 qualified electors and two are elected on a one-acre/one-vote  
27 basis, two of the governing board members elected by the  
28 electors shall be elected for a term of 4 years and the other  
29 governing board member elected by the electors shall be  
30 elected for a term of 2 years. Governing board members  
31 elected on a one-acre/one-vote basis shall be elected for

1 terms of 1 and 2 years, respectively, as prescribed by ss.  
2 298.11 and 298.12.

3 4. If four governing board members are elected by the  
4 qualified electors and one is elected on a one-acre/one-vote  
5 basis, two of the governing board members elected by the  
6 electors shall be elected for a term of 2 years and the other  
7 two for a term of 4 years. The governing board member elected  
8 on a one-acre/one-vote basis shall be elected for a term of 1  
9 year as prescribed by ss. 298.11 and 298.12.

10 5. If five governing board members are elected by the  
11 qualified electors, three shall be elected for a term of 4  
12 years and two for a term of 2 years.

13 6. If any vacancy occurs in a seat occupied by a  
14 governing board member elected by the qualified electors, the  
15 remaining members of the governing board shall, within 45 days  
16 after the vacancy occurs ~~of receipt of a resignation~~, appoint  
17 a person who would be eligible to hold the office to the  
18 unexpired term ~~of the resigning member~~.

19 (c) Landowners' meetings.--

20 1. An annual landowners' meeting shall be held  
21 pursuant to s. 298.11 and at least one governing board member  
22 shall be elected on a one-acre/one-vote basis pursuant to s.  
23 298.12 for so long as 10 percent or more of the district is  
24 not contained in an urban area. In the event all district  
25 governing board members are elected by qualified electors,  
26 there shall be no further landowners' meetings.

27 2. At any landowners' meeting called pursuant to this  
28 section, 50 percent of the district acreage shall not be  
29 required to constitute a quorum and each governing board  
30 member shall be elected by a majority of the acreage

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1 represented either by owner or proxy present and voting at  
2 said meeting.

3           3. All landowners' meetings of districts operating  
4 pursuant to this section shall be set by the board within the  
5 month preceding the month of the election of the governing  
6 board members by the electors.

7           4. Vacancies on the board shall be filled pursuant to  
8 s. 298.12 except as otherwise provided in subparagraph (b)6.

9           (4)~~(5)~~ QUALIFICATIONS.--Elections for governing board  
10 members elected by qualified electors shall be nonpartisan.  
11 Qualifications shall be pursuant to the Florida Election Code  
12 and shall occur during the qualifying period established by s.  
13 99.061. Qualification requirements shall only apply to those  
14 governing board member candidates elected by qualified  
15 electors. Following the first election pursuant to this  
16 section, elections to the governing board by qualified  
17 electors shall occur at the next regularly scheduled election  
18 closest in time to the expiration date of the term of the  
19 elected governing board member. If the next regularly  
20 scheduled election is beyond the normal expiration time for  
21 the term of an elected governing board member, the governing  
22 board member shall hold office until the election of a  
23 successor.

24           (5)~~(6)~~ Those districts established as single-purpose  
25 water control districts, and which continue to act as  
26 single-purpose water control districts, pursuant to chapter  
27 298, pursuant to a special act, pursuant to a local government  
28 ordinance, or pursuant to a judicial decree, shall be exempt  
29 from the provisions of this section. All other independent  
30 special districts with governing boards elected on a  
31

1 one-acre/one-vote basis shall be subject to the provisions of  
2 this section.

3 (6)~~(7)~~ The provisions of this section shall not apply  
4 to community development districts established pursuant to  
5 chapter 190.

6 Section 14. Section 189.412, Florida Statutes, 1996  
7 Supplement, as amended by section 12 of chapter 96-324, Laws  
8 of Florida, is amended to read:

9 189.412 Special District Information Program; duties  
10 and responsibilities.--The Special District Information  
11 Program of the Department of Community Affairs is created and  
12 has the following special duties:

13 (1) The collection and maintenance of special district  
14 compliance status reports from the Auditor General, the  
15 Department of Banking and Finance, the Division of Bond  
16 Finance of the State Board of Administration, the Division of  
17 Retirement, the Division of Ad Valorem Tax of the Department  
18 of Revenue, and the Commission on Ethics for the reporting  
19 required in ss. 11.45, 112.3144, 112.3145, 112.3148, 112.3149,  
20 112.63, 200.068, 218.32, 218.34, ~~and~~ 218.38, and 280.17 and  
21 chapter 121 and from state agencies administering programs  
22 that distribute money to special districts. The special  
23 district compliance status reports must consist of a list of  
24 special districts used in that state agency and a list of  
25 ~~information indicating~~ which special districts did not comply  
26 with the reporting statutorily required by that agency.

27 (2) The maintenance of a master list of independent  
28 and dependent special districts which shall be annually  
29 updated and distributed to the appropriate officials in state  
30 and local governments.

31

1           ~~(3) The organization and sponsorship of a biennial~~  
2 ~~conference, which may include, but need not be limited to, any~~  
3 ~~of the following purposes:~~

4           ~~(a) Explaining special district reporting requirements~~  
5 ~~prescribed by general law.~~

6           ~~(b) Describing general statutory provisions that~~  
7 ~~affect special districts in the state.~~

8           ~~(c) Conducting training sessions in budget~~  
9 ~~preparation, bond issuance, and other financial matters.~~

10           ~~(d) Examining all aspects of special district~~  
11 ~~reporting requirements in order to develop more efficient~~  
12 ~~submission and use of the reports.~~

13           (3)~~(4)~~ The publishing and updating of a "Florida  
14 Special District Handbook" that contains, at a minimum:

15           (a) A section that specifies definitions of special  
16 districts and status distinctions in the statutes.

17           (b) A section or sections that specify current  
18 statutory provisions for special district creation,  
19 implementation, modification, dissolution, and operating  
20 procedures.

21           (c) A section that summarizes the reporting  
22 requirements applicable to all types of special districts as  
23 provided in ss. 189.417 and 189.418.

24           (4)~~(5)~~ When feasible, securing and maintaining access  
25 to special district information collected by all state  
26 agencies in existing or newly created state computer systems.

27           (5)~~(6)~~ The facilitation of coordination and  
28 communication among state agencies regarding special district  
29 information.

30           (6)~~(7)~~ The conduct of studies relevant to special  
31 districts.

1           ~~(7)(8)~~ The provision of assistance related to and  
2 appropriate in the performance of requirements specified in  
3 this chapter.

4           Section 15. Subsections (2) and (5) of section  
5 189.415, Florida Statutes, are amended to read:

6           189.415 Special district public facilities report.--

7           (2) ~~Beginning March 1, 1991,~~Each independent special  
8 district shall submit ~~annually~~ to each local general-purpose  
9 government in which it is located a public facilities report  
10 and an annual notice of any changes. The public facilities  
11 report shall specify the following information:

12           (a) A description of existing public facilities owned  
13 or and operated by the special district, and each public  
14 facility that is operated by another entity, except a local  
15 general purpose government, through a lease or other agreement  
16 with the special district. This description shall include the  
17 current capacity of the facility, the current demands placed  
18 upon it, and its location. This information shall be required  
19 in the initial report and updated every 5 years at least 12  
20 months prior to the submission date of the evaluation and  
21 appraisal report of the appropriate local government required  
22 by s. 163.3191. At least 12 months prior to the date on which  
23 each special district's first updated report is due, the  
24 department shall notify each independent district on the  
25 official list of special districts compiled ~~by the department~~  
26 pursuant to s. 189.4035 of the schedule for submission of the  
27 evaluation and appraisal report by each local government  
28 within the special district's jurisdiction.

29           (b) A description of each public facility the district  
30 is building, improving, or expanding, or is currently  
31 proposing to build, improve, or expand within at least the



1 next 5 years, including any facilities that the district is  
2 assisting another entity, except a local general purpose  
3 government, to build, improve, or expand through a lease or  
4 other agreement with the district. For each public facility  
5 identified, the report shall describe how the district  
6 currently proposes to finance the facility.

7 (c) If the special district currently proposes to  
8 replace any facilities identified in paragraph (a) or  
9 paragraph (b) within the next 10 years, the date when such  
10 facility will be replaced.

11 (d) The anticipated time the construction,  
12 improvement, or expansion of each facility will be completed.

13 (e) The anticipated capacity of and demands on each  
14 public facility when completed. In the case of an improvement  
15 or expansion of a public facility, both the existing and  
16 anticipated capacity must be listed.

17 ~~(5) For each special district created after March 1,~~  
18 ~~1990,~~The facilities report shall be prepared and submitted  
19 within 1 year after the district's creation.

20 Section 16. Subsections (1) and (3) of section  
21 189.4155, Florida Statutes, are amended to read:

22 189.4155 Activities of special districts; local  
23 government comprehensive planning.--

24 (1) Construction or expansion of a public facility, or  
25 major alteration which affects the quantity or quality of the  
26 level of service of a public facility, which is undertaken or  
27 initiated by a special district or through some other entity  
28 shall be consistent with the applicable local government  
29 comprehensive plan adopted pursuant to part II of chapter 163;  
30 provided, however, the local government comprehensive plan  
31 shall not:

1 (a) Require an independent special district to  
2 construct, expand, or perform a major alteration of any public  
3 facility; or

4 (b) Require any special district to construct, expand,  
5 or perform a major alteration of any public facility which  
6 would result in an impairment of covenants and agreements  
7 relating to bonds validated or issued by the special district.

8 (3) The provisions of this section shall not apply to  
9 water management districts created pursuant to s. 373.069, or  
10 to regional water supply authorities created pursuant to s.  
11 373.1962, to spoil disposal sites owned or used by the Federal  
12 Government or by ports listed in s. 403.021(9)(b), or to  
13 deepwater ports which comply with s. 189.415(10).

14 Section 17. Subsection (1) of section 189.416, Florida  
15 Statutes, is amended to read:

16 189.416 Designation of registered office and agent.--

17 (1) Within 30 days after the first meeting of its  
18 governing board ~~Prior to October 1, 1979, or no later than 1~~  
19 ~~year subsequent to its creation,~~ each special district in the  
20 state shall designate a registered office and a registered  
21 agent and file such information with the local governing  
22 authority or authorities and with the department. The  
23 registered agent shall be an agent of the district upon whom  
24 any process, notice, or demand required or permitted by law to  
25 be served upon the district may be served. A registered agent  
26 shall be an individual resident of this state whose business  
27 address is identical with the registered office of the  
28 district. The registered office may be, but need not be, the  
29 same as the place of business of the special district.

30 Section 18. Subsection (1) of section 189.417, Florida  
31 Statutes, is amended to read:

1           189.417 Meetings; notice; required reports.--  
2           (1) The governing body of each special district shall  
3 file quarterly, semiannually, or annually a schedule of its  
4 regular meetings with the local governing authority or  
5 authorities. The schedule shall include the date, time, and  
6 location of each scheduled meeting. The schedule shall be  
7 published quarterly, semiannually, or annually in a newspaper  
8 of general paid circulation in the manner required in this  
9 subsection.The governing body of an independent special  
10 district shall advertise the day, time, place, and purpose of  
11 any meeting other than a regular meeting or any recessed and  
12 reconvened meeting of the governing body, at least 7 days  
13 prior to such meeting, in a newspaper of general paid  
14 circulation in the county or counties in which the special  
15 district is located, unless a bona fide emergency situation  
16 exists, in which case a meeting to deal with the emergency may  
17 be held as necessary, with reasonable notice, so long as it is  
18 subsequently ratified by the board. No approval of the annual  
19 budget shall be granted at an emergency meeting. The  
20 advertisement shall be placed in that portion of the newspaper  
21 where legal notices and classified advertisements appear. ~~It~~  
22 ~~is the legislative intent that, whenever possible,~~The  
23 advertisement shall appear in a newspaper that is published at  
24 least 5 days a week, unless the only newspaper in the county  
25 is published fewer than 5 days a week. ~~It is further the~~  
26 ~~legislative intent that~~ The newspaper selected must be one of  
27 general interest and readership in the community and not one  
28 of limited subject matter, pursuant to chapter 50.  
29           Section 19. Subsection (3) of section 189.421, Florida  
30 Statutes, 1996 Supplement, is amended to read:  
31

1           189.421 Failure of district to disclose financial  
2 reports.--

3           (3) If the department determines that a good faith  
4 effort has not been made to file the report or that a  
5 reasonable time has passed since notice was delivered to the  
6 district pursuant to s. 189.419(1), and the reports have not  
7 been forthcoming, it may file a petition for hearing, pursuant  
8 to ss. 120.569 and 120.57, on the question of the inactivity  
9 of the district. The proceedings and hearings required by ss.  
10 189.416-189.422 shall be conducted by an administrative law  
11 judge assigned by the Division of Administrative Hearings of  
12 the Department of Management Services and shall be governed by  
13 the provisions of the Administrative Procedure Act. Such  
14 hearing shall be held in the county in which the district is  
15 located, pursuant to all the applicable provisions of chapter  
16 120. Notice of the hearing shall be served on the district's  
17 registered agent and published at least once a week for 2  
18 successive weeks prior to the hearing in a newspaper of  
19 general circulation in the area affected. The notice shall  
20 state the time, place, and nature of the hearing and that all  
21 interested parties may appear and be heard. Within 30 days of  
22 the hearing, the administrative law judge shall file a report  
23 with the department in the manner provided in chapter 120.

24           Section 20. Section 189.422, Florida Statutes, 1996  
25 Supplement, is amended to read:

26           189.422 Action of the department.--

27           (1) If the department determines, after receipt of the  
28 report from the administrative law judge, that there is an  
29 inactive district under the criteria established in s.  
30 189.4044, it shall notify the Speaker of the House of  
31 Representatives and the President of the Senate ~~file such~~

1 ~~determination with the Secretary of State pursuant to s.~~  
2 ~~189.4044.~~

3 (2) If the department determines that the failure to  
4 file the reports is a result of the volitional refusal of the  
5 members of the governing body of the district, it shall seek a  
6 money judgment against the district in the amount of the  
7 assessed fine. When appropriate, the department may also seek  
8 an injunction or writ of mandamus to compel production of the  
9 reports in the circuit court.

10 Section 21. Section 189.425, Florida Statutes, is  
11 amended to read:

12 189.425 Rulemaking authority.--~~Effective July 1, 1989,~~  
13 The Department of Community Affairs may ~~shall~~ adopt rules to  
14 implement the provisions of this chapter.

15 Section 22. Section 189.428, Florida Statutes, is  
16 created to read:

17 189.428 Special districts; oversight review process.--

18 (1) The Legislature finds it to be in the public  
19 interest to establish an oversight review process for special  
20 districts wherein each special district in the state may be  
21 reviewed by the local general purpose government in which the  
22 district exists. The Legislature further finds and determines  
23 that such law fulfills an important state interest. It is the  
24 intent of the Legislature that the oversight review process  
25 shall contribute to informed decisionmaking. These decisions  
26 may involve the continuing existence or dissolution of a  
27 district, the appropriate future role and focus of a district,  
28 improvements in the functioning or delivery of services by a  
29 district, and the need for any transition, adjustment, or  
30 special implementation periods or provisions. Any final  
31 recommendations from the oversight review process that are

1 adopted and implemented by the appropriate level of government  
2 shall not be implemented in a manner that would impair the  
3 obligation of contracts.

4 (2) It is the intent of the Legislature that any  
5 oversight review process be conducted in conjunction with  
6 special district public facilities reporting and the local  
7 government evaluation and appraisal report process described  
8 in s. 189.415(2).

9 (3) The order in which special districts may be  
10 subject to oversight review shall be determined by the  
11 reviewer and shall occur as follows:

12 (a) All dependent special districts may be reviewed by  
13 the general purpose local government to which they are  
14 dependent.

15 (b) All single-county independent special districts  
16 may be reviewed by a county or municipality in which they are  
17 located or the government that created the district.

18 (c) All multicounty independent special districts may  
19 be reviewed by the government that created the district. Any  
20 general purpose local governments within the boundaries of a  
21 multicounty district may prepare a preliminary review of a  
22 multicounty special district for possible reference or  
23 inclusion in the full review report.

24 (d) Upon request by the reviewer, any special district  
25 within all or a portion of the same county as the special  
26 district being reviewed may prepare a preliminary review of  
27 the district for possible reference or inclusion in the full  
28 oversight review report.

29 (4) All special districts, governmental entities, and  
30 state agencies shall cooperate with the Legislature and with  
31 any general purpose local government seeking information or

1 assistance with the oversight review process and with the  
2 preparation of an oversight review report.

3 (5) Those conducting the oversight review process  
4 shall, at a minimum, consider the listed criteria for  
5 evaluating the special district, but may also consider any  
6 additional factors relating to the district and its  
7 performance. If any of the listed criteria do not apply to  
8 the special district being reviewed, they need not be  
9 considered. The criteria to be considered by the reviewer  
10 include:

11 (a) The degree to which the service or services  
12 offered by the special district are essential or contribute to  
13 the well-being of the community.

14 (b) The extent of continuing need for the service or  
15 services currently provided by the special district.

16 (c) The extent of municipal annexation or  
17 incorporation activity occurring or likely to occur within the  
18 boundaries of the special district and its impact on the  
19 delivery of services by the special district.

20 (d) Whether there is a less costly alternative method  
21 of delivering the service or services that would adequately  
22 provide the district residents with the services provided by  
23 the district.

24 (e) Whether transfer of the responsibility for  
25 delivery of the service or services to an entity other than  
26 the special district being reviewed could be accomplished  
27 without jeopardizing the district's existing contracts, bonds,  
28 or outstanding indebtedness.

29 (f) Whether the Auditor General has determined that  
30 the special district is or may be in a state of financial  
31

1 emergency or has been experiencing financial difficulty during  
2 any of the last 3 fiscal years for which data are available.

3 (g) Whether the Auditor General failed to receive an  
4 audit report and has made a determination that the special  
5 district was required or may have been required to file an  
6 audit report during any of the last 3 fiscal years for which  
7 the data are available.

8 (h) Whether the district is inactive according to the  
9 official list of special districts, and whether the district  
10 is meeting and discharging its responsibilities as required by  
11 its charter, as well as projected increases or decreases in  
12 district activity.

13 (i) Whether the special district has failed to comply  
14 with any of the reporting requirements in this chapter,  
15 including preparation of the public facilities report.

16 (j) Whether the special district has designated a  
17 registered office and agent as required by s. 189.416, and has  
18 complied with all open public records and meeting  
19 requirements.

20 (6) Any special district may at any time provide the  
21 Legislature and the general purpose local government  
22 conducting the review or making decisions based upon the final  
23 oversight review report with written responses to any  
24 questions, concerns, preliminary reports, draft reports, or  
25 final reports relating to the district.

26 (7) The final report of a reviewing government shall  
27 be filed with the government that created the district and  
28 shall serve as the basis for any modification to the district  
29 charter or dissolution or merger of the district.

30 (8) If legislative dissolution or merger of a district  
31 is proposed in the final report, the reviewing government



1 shall also propose a plan for the merger or dissolution, and  
2 the plan shall address the following factors in evaluating the  
3 proposed merger or dissolution:

4 (a) Whether, in light of independent fiscal analysis,  
5 level-of-service implications, and other public policy  
6 considerations, the proposed merger or dissolution is the best  
7 alternative for delivering services and facilities to the  
8 affected area.

9 (b) Whether the services and facilities to be provided  
10 pursuant to the merger or dissolution will be compatible with  
11 the capacity and uses of existing local services and  
12 facilities.

13 (c) Whether the merger or dissolution is consistent  
14 with applicable provisions of the state comprehensive plan,  
15 the strategic regional policy plan, and the local government  
16 comprehensive plans of the affected area.

17 (d) Whether the proposed merger adequately provides  
18 for the assumption of all indebtedness.

19  
20 The reviewing government shall consider the report in a public  
21 hearing held within the jurisdiction of the district. If  
22 adopted by the governing board of the reviewing government,  
23 the request for legislative merger or dissolution of the  
24 district may proceed. The adopted plan shall be filed as an  
25 attachment to the economic impact statement regarding the  
26 proposed special act or general act of local application  
27 dissolving a district.

28 (9) This section does not apply to a deepwater port  
29 listed in s. 311.09(1) which is in compliance with a port  
30 master plan adopted pursuant to s. 163.3178(2)(k) or to an  
31

1 airport authority operating in compliance with an airport  
2 master plan approved by the Federal Aviation Administration.

3 Section 23. Codification.--Each district, by December  
4 1, 2001, or when any act relating to such district is  
5 introduced to the Legislature, whichever is first, shall  
6 submit to the Legislature a draft codified charter, at its  
7 expense, so that its special acts may be codified into a  
8 single act for reenactment by the Legislature, if there is  
9 more than one special act for the district. Any codified act  
10 relating to a district, which act is submitted to the  
11 Legislature for reenactment, shall provide for the repeal of  
12 all prior special acts of the Legislature relating to the  
13 district. The codified act shall be filed with the department  
14 pursuant to s. 189.418(2), Florida Statutes.

15 Section 24. Subsection (6) of section 196.012, Florida  
16 Statutes, is amended to read:

17 196.012 Definitions.--For the purpose of this chapter,  
18 the following terms are defined as follows, except where the  
19 context clearly indicates otherwise:

20 (6) Governmental, municipal, or public purpose or  
21 function shall be deemed to be served or performed when the  
22 lessee under any leasehold interest created in property of the  
23 United States, the state or any of its political subdivisions,  
24 or any municipality, agency, special district, authority, or  
25 other public body corporate of the state is demonstrated to  
26 perform a function or serve a governmental purpose which could  
27 properly be performed or served by an appropriate governmental  
28 unit or which is demonstrated to perform a function or serve a  
29 purpose which would otherwise be a valid subject for the  
30 allocation of public funds, whether or not such lessee is  
31 deemed to be engaged in a proprietary activity. For purposes

1 of the preceding sentence, an activity undertaken by a lessee  
2 which is permitted under the terms of its lease of real  
3 property designated as an aviation area on an airport layout  
4 plan which has been approved by the Federal Aviation  
5 Administration and which real property is used for the  
6 administration, operation, business offices and activities  
7 related specifically thereto in connection with the conduct of  
8 an aircraft full service fixed base operation which provides  
9 goods and services to the general aviation public in the  
10 promotion of air commerce shall be deemed an activity which  
11 serves a governmental, municipal, or public purpose or  
12 function. The use by a lessee, licensee, or management company  
13 of real property or a portion thereof as a convention center,  
14 visitor center, sports facility with permanent seating,  
15 concert hall, arena, stadium, park, or beach is deemed a use  
16 that serves a governmental, municipal, or public purpose or  
17 function when access to the property is open to the general  
18 public with or without a charge for admission. If property  
19 deeded to a municipality by the United States is subject to a  
20 requirement that the Federal Government, through a schedule  
21 established by the Secretary of the Interior, determine that  
22 the property is being maintained for public historic  
23 preservation, park, or recreational purposes and if those  
24 conditions are not met the property will revert back to the  
25 Federal Government, then such property shall be deemed to  
26 serve a municipal or public purpose. The term "governmental  
27 purpose" also includes a direct use of property on federal  
28 lands in connection with the Federal Government's Space  
29 Exploration Program. Real property and tangible personal  
30 property owned by the Federal Government and used for defense  
31 and space exploration purposes or which is put to a use in

1 support thereof shall be deemed to perform an essential  
2 national governmental purpose and shall be exempt. "Owned by  
3 the lessee" as used in this chapter does not include personal  
4 property, buildings, or other real property improvements used  
5 for the administration, operation, business offices and  
6 activities related specifically thereto in connection with the  
7 conduct of an aircraft full service fixed based operation  
8 which provides goods and services to the general aviation  
9 public in the promotion of air commerce provided that the real  
10 property is designated as an aviation area on an airport  
11 layout plan approved by the Federal Aviation Administration.  
12 For purposes of determination of "ownership," buildings and  
13 other real property improvements which will revert to the  
14 airport authority or other governmental unit upon expiration  
15 of the term of the lease shall be deemed "owned" by the  
16 governmental unit and not the lessee.

17 Section 25. Paragraph (d) is added to subsection (1)  
18 of section 196.199, Florida Statutes, 1996 Supplement, to  
19 read:

20 196.199 Government property exemption.--

21 (1) Property owned and used by the following  
22 governmental units shall be exempt from taxation under the  
23 following conditions:

24 (d) Notwithstanding the provisions of subsection (2)  
25 or subsection (4), all nonalienated or reversionary interests  
26 in real property owned by any political subdivision of the  
27 state, municipality, authority, special district, or other  
28 local government subject to a leasehold or other possessory  
29 interest of a nongovernmental lessee shall be deemed to be  
30 used for a governmental, municipal, or public purpose or  
31 function.

1           (2) Property owned by the following governmental units  
2 but used by nongovernmental lessees shall only be exempt from  
3 taxation under the following conditions:

4           (a) Leasehold interests in property of the United  
5 States, of the state or any of its several political  
6 subdivisions, or of municipalities, agencies, authorities, and  
7 other public bodies corporate of the state shall be exempt  
8 from ad valorem taxation only when the lessee serves or  
9 performs a governmental, municipal, or public purpose or  
10 function, as defined in s. 196.012(6). In all such cases, all  
11 other interests in the leased property shall also be exempt  
12 from ad valorem taxation. However, a leasehold interest in  
13 property of the state may not be exempted from ad valorem  
14 taxation when a nongovernmental lessee uses such property for  
15 the operation of a multipurpose hazardous waste treatment  
16 facility.

17           (b) Except as provided in paragraph (c), the exemption  
18 provided by this subsection shall not apply to those portions  
19 of a leasehold or other interest defined by s. 199.023(1)(d),  
20 subject to the provisions of subsection (7). Such leasehold  
21 or other interest shall be taxed only as intangible personal  
22 property pursuant to chapter 199 if rental payments are due in  
23 consideration of such leasehold or other interest. If no  
24 rental payments are due pursuant to the agreement creating  
25 such leasehold or other interest, the leasehold or other  
26 interest shall be taxed as real property. Nothing in this  
27 paragraph shall be deemed to exempt personal property,  
28 buildings, or other real property improvements owned by the  
29 lessee from ad valorem taxation.

30           (c) Any governmental property leased to an  
31 organization which uses the property exclusively for literary,

1 scientific, religious, or charitable purposes shall be exempt  
2 from taxation.

3 (4) Property owned by any municipality, agency,  
4 authority, or other public body corporate of the state which  
5 becomes subject to a leasehold interest or other possessory  
6 interest of a nongovernmental lessee other than that described  
7 in paragraph (2)(a), after April 14, 1976, shall be subject to  
8 ad valorem taxation unless the lessee is an organization which  
9 uses the property exclusively for literary, scientific,  
10 religious, or charitable purposes.

11 Section 26. Except as otherwise provided herein, this  
12 act shall take effect October 1, 1997.

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HOUSE SUMMARY

Revises provisions which provide requirements for annual financial audits of local governmental entities by independent certified public accountants. Requires the auditor to notify each member of the governing body of such an entity of certain deteriorating financial conditions. Provides duties of the Auditor General upon identification of information in an audit report that indicates a local governmental entity may be in a state of financial emergency.

Redefines "dependent special district" and defines "public facilities" under the Uniform Special District Accountability Act of 1989. Provides that, for purposes of the ad valorem tax exemption for governmental units, special districts shall be treated as municipalities. Provides for retroactive effect.

Requires independent special district charters to contain certain information. Deletes a requirement that the law creating an independent special district provide a method for dissolving the district. Specifies that only the Legislature may create an independent special district, except as otherwise authorized by law. Requires a status statement in a district charter. Provides requirements for creation of dependent special districts by county or municipal ordinance. Provides merger and dissolution requirements for special districts. Provides procedures and requirements for declaration that a district is inactive. Revises provisions relating to financial allocations upon merger or dissolution.

Revises election procedures and requirements for special districts. Provides method of qualifying and provides for fees. Revises the special requirements and procedures for elections for districts with governing boards elected on a one-acre/one-vote basis.

Revises provisions relating to the duties of the Special District Information Program. Removes the requirement for organization of a biennial conference. Revises requirements relating to special districts' public facilities reports and provides for annual notice of changes thereto. Revises requirements relating to consistency of special district facilities with local government comprehensive plans and provides that such requirements do not apply to certain spoil disposal sites and ports. Revises the time for designation of a registered office and agent. Requires publication of special district meeting schedules and revises requirements for filing such schedules.

Revises provisions relating to initiation of enforcement

286-176D-97

1 proceedings against districts that fail to file certain  
2 reports. Revises provisions which authorize department  
3 action if a district is determined to be inactive or if  
4 failure to file reports is determined to be volitional.  
5 Revises provisions relating to rulemaking authority.  
6 Establishes an oversight review process for special  
7 districts and provides requirements with respect thereto.  
8 Specifies who should carry out the review and provides  
9 review criteria. Provides for a final report and  
10 provides requirements for a plan for merger or  
11 dissolution of a district under review. Provides  
12 exemptions. Requires districts to submit a draft codified  
13 charter so that their special acts may be codified by the  
14 Legislature.

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