

STORAGE NAME: h3269s1z.ca  
DATE: August 17, 1998

**\*\*FINAL ACTION\*\***  
**\*\*SEE FINAL ACTION STATUS SECTION\*\***

**HOUSE OF REPRESENTATIVES  
AS REVISED BY THE COMMITTEE ON  
COMMUNITY AFFAIRS  
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** CS/HB 3269  
**RELATING TO:** Special Districts  
**SPONSOR(S):** Committee on Community Affairs and Representative Gay  
**COMPANION BILL(S):** SB 1032(i)

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) COMMUNITY AFFAIRS YEAS 6 NAYS 0
- (2) ELECTION REFORM YEAS 6 NAYS 0
- (3)

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I. FINAL ACTION STATUS:

The bill was prefiled December 8, 1997, and referred to the Committee on Community Affairs on December 17, 1997. The bill was unanimously approved as a committee substitute on January 7, 1998, and was pending the House Consent Calendar January 27, 1998. The bill was rereferred to the Committee on Election Reform on February 13, 1998. The Committee on Election Reform heard the committee substitute at its March 5, 1998, meeting and the committee approved the committee substitute unanimously.

The committee substitute was then placed on the House Consent Calendar March 17, 1998, and passed the House 118 YEAS 0 NAYS. The committee substitute was received in Senate Messages March 18, 1998, and referred to the Committees on Community Affairs, Governmental Reform and Oversight and Rules and Calendar on March 19, 1998. The committee substitute was subsequently withdrawn from those committees, substituted for Senate Bill 1032 and passed the Senate 40 YEAS 0 NAYS. The committee substitute became law without the Governor's signature on May 30, 1998, and is chapter 98-320, Laws of Florida.

II. SUMMARY:

The bill requires that for independent districts, created by counties or municipalities with ad valorem taxing powers, the same procedure required to grant independent districts taxing power (approval by electorate) must also be used to dissolve or merge the district. The bill requires candidates for governing boards of *single and multi-county* special districts to qualify by either paying a fee (minimum of \$25 or 3% of the salary or honorarium paid for the office) or by the alternative petition method requiring 3% of the district's registered electors or any lesser amount of signatures as provided by other chapters or special acts. The bill amends the provisions relating to the date and circumstance of legislative codification of special districts' charters. This bill provides that the Legislature may adopt a schedule for the codification process. This bill also removes the requirement that no substantive changes be made to a district's charter, as it exists on October 1, 1997, in the codification. The bill authorizes special districts to offer extra compensation programs including lump sum bonus payments to reward outstanding employees, as long as the bonus is not included in the employees' regular base rate of pay and is not carried forward in subsequent years. This bill has no fiscal impact on the state budget.

III. SUBSTANTIVE RESEARCH:

PRESENT SITUATION:

Chapter 189, Florida Statutes, defines a "special district" as a local unit of special purpose, as opposed to general-purpose, government within a limited boundary. Special districts are created by general law, special act, local ordinance, or by rule of the Governor and Cabinet. Special districts' services range from providing for roads, drainage and water systems to fire control, housing and urban development, health facilities, juvenile welfare, libraries, jails, ports and airports, mosquito control, and beach preservation. Section 189.403, Florida Statutes, provides the criteria for designating a special district as either dependent or independent.

**Merger and Dissolution Procedures**

Currently, section 189.4042, Florida Statutes, provides that if an independent district was created by a county or municipality, the county or municipality that created it may merge or dissolve the district. It does not provide a distinction between those districts having ad valorem taxing powers (approval by electorate) and those that do not.

**Candidate Qualification**

Section 189.405, Florida Statutes, provides the requirements for governing board elections and candidate qualification. Currently, candidates may pay a \$25 filing fee or submit a petition containing signatures of at least 3 percent of the district's registered electors. This provision applies to single county and multi-county independent special districts (not including districts conducting elections on a one-acre, one-vote basis). Elections are non-partisan except where a district's charter provides otherwise. Also, no election or party assessment is levied if the election is non-partisan.

Currently, section 99.092, Florida Statutes, provides that candidates qualifying for nomination or election to any office on a partisan basis (**does not provide for non-partisan qualifying**), except a write-in candidate and a candidate utilizing the petition process, pay a qualifying fee, election assessment and any party assessment levied. These funds are paid to the officer with whom the person qualifies. The filing fee is 3 percent of the annual salary of the office. The election assessment is 1 percent of the annual salary of the office sought. The party assessment, if applicable in cases of special districts, is 2 percent of the annual salary. (Some special district governing board positions are non-compensable positions).

Section 99.095, Florida Statutes, provides that a multi-county candidate desiring to qualify by petition for a **partisan** governing board position, must garner signatures of at least 3 percent of the total number of registered electors *of the district represented by the office* sought who are registered in the party by which the candidate seeks nomination. Also, section 582.18, Florida Statutes, currently provides that candidates for soil and water conservation districts may be nominated by petition of 25 or more qualified electors of the district. This applies to single and multi-county districts.

Individual districts' charters may provide individualized qualifying and may provide for partisan elections.

### Codification of Special Districts' Charters

The 1997 Legislature amended chapter 189, Florida Statutes, to provide for codification of special districts' charters (including fire control districts), either by December 1, 2001, or when any act relating to such district is introduced to the Legislature, whichever occurs first. In addition, section 189.429, Florida Statutes, requires that no changes be made to a district's charter as it exists on October 1, 1997, in the codifying legislation. However, in the 1997 interim, some districts expressed the need to request substantive changes to their charters, but because of the number of amendments (special acts) to their charters, they do not have time to codify.

As a result, the Chair of the Committee on Community Affairs issued a Memorandum on October 3, 1997, explaining the policy of the Committee for charter codifications for the 1998 Legislative Session. In part the Memorandum states:

1. Although two bills are preferable (one to codify and one to accomplish the substantive change), the House Committee on Community Affairs will accept one bill (containing the codification and substantive change).
2. The substantive change, if included in the codifying local bill, **must be advertised** clearly and concisely, i.e., "a substantive change to the charter is being sought affecting membership of the Board," or whatever change(s) is applicable.
3. If a substantive change is needed to a District's charter this Session, but codification is too large a task to accomplish at the same time, the Committee will hear bills for any substantive changes that a legislative delegation deems necessary.
4. The Committee will accept voluntary charter codifications from any district for the 1998 Legislative Session. A schedule for submitting the codifying charter is attached and is based on the number of special acts a district currently enjoys. The attached proposed schedule of submittals is based on an extended deadline of 2004, which must be accomplished legislatively. The Committee will have a bill to address this issue during the 1998 Legislative Session. Keep in mind, if they choose to do so, a district may submit its codification earlier than the proposed schedule indicates.

### PROPOSED SCHEDULE OF SUBMITTALS OF SPECIAL DISTRICTS' CODIFIED CHARTERS

| ENTITY  | PROPOSED DEADLINE                             |
|---|---|
| Any special district                                    | Voluntary for the 1998<br>Legislative Session |
| Special Districts with 2<br>special acts (45 districts) | 1999 Legislative Session                      |

|   |                          |
|---|--------------------------|
| Special Districts with 3 or 4 special acts (63 districts)             | 2000 Legislative Session |
| Special Fire Control Districts (47 districts)                         | 2001 Legislative Session |
| Special Districts with 5, 6 or 7 special acts (53 districts)          | 2002 Legislative Session |
| Special Districts with 8, 9, 10, 11 or 12 special acts (56 districts) | 2003 Legislative Session |
| Special Districts with 13 or more (54 districts)                      | 2004 Legislative Session |

### **Extra Compensation**

The 1992 Legislature authorized cities and counties to offer extra compensation to outstanding employees, including lump-sum bonuses. The bonuses must not be included in an employee's regular base rate of pay and may not be carried forward in subsequent years. The law currently allows the Department of Management Services (DMS) to offer extra compensation to state employees in the senior management group. Section 15, of chapter 97-256, Laws of Florida, authorizes fire control district boards to offer similar extra compensation programs to outstanding employees with the same restrictions.

#### **A. EFFECT OF PROPOSED CHANGES:**

This bill requires that candidates for governing boards of single-county and multi-county special districts (not including districts conducting elections on a one-acre, one-vote basis) to qualify by either paying a fee (minimum of \$25 or 3% of the salary or honorarium paid for the office) or by the alternative petition method requiring 3% of the district's registered electors or any lesser amount of signatures as provided by other chapters or special acts.

The bill requires that for independent districts, created by counties or municipalities with ad valorem taxing powers, the same procedure required to grant independent districts taxing power (approval by electorate) must also be used to dissolve or merge the district.

The bill also amends the provisions relating to the date and circumstance of the process of legislative codification of special districts' charters. The bill provides that the Legislature may adopt a schedule for the codification process. The bill also removes the requirement that no substantive changes be made to a district's charter as it exists on October 1, 1997, in the codification.

The effects of these changes are: (1) to allow the Legislature to manage the workload of special district charter codifications in a more efficient manner by scheduling the submission of the codifications; and (2) to allow those districts

needing substantive changes to charters to apply to the Legislature for those changes even if time constraints prohibit codification.

The bill authorizes special districts to offer extra compensation programs including lump sum bonus payments to reward outstanding employees, as long as the bonus is not included in the employees' regular base rate of pay and is not carried forward in subsequent years.

**B. APPLICATION OF PRINCIPLES:**

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

N/A

- b. Does the bill require or authorize an increase in any fees?

N/A

- c. Does the bill reduce total taxes, both rates and revenues?

N/A

- d. Does the bill reduce total fees, both rates and revenues?

N/A

- e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

**C. STATUTE(S) AFFECTED:**

Sections 189.4042, 189.405, 189.429, 191.006, 215.425, Florida Statutes, and Section 15 of chapter 97-256, Laws of Florida.

**D. SECTION-BY-SECTION RESEARCH:**

**Section 1** -- Amends subsection (2) of section 189.4042, Florida Statutes, providing that independent special districts created by counties or municipalities having ad valorem taxing powers, be merged or dissolved pursuant to the same procedure used to create the district (referendum).

**Section 2** -- Amends paragraph (c) of subsection (2) and paragraph (b) of subsection (3) of section 189.405, Florida Statutes, requiring that candidates qualify by paying either \$25 or 3 percent of the salary or honorarium paid for the office, whichever is more. In the alternative, candidates may qualify by submitting a petition containing the signatures of at least 3 percent of the district's registered electors or any lesser amount as directed by either chapter 99-582, Florida Statutes, or other general or special law. This change is effective January 1 of the year following the year this bill becomes law.

**Section 3** -- Amends section 189.429, Florida Statutes, altering the date and circumstance of legislative codification of special districts' charters; providing that the Legislature may adopt a schedule for the codification process; removing the requirement that no substantive changes be made to a district's charter as it exists on October 1, 1997, in the codification.

**Section 4** -- Amends section 15 of chapter 97-256, Laws of Florida, altering the date and circumstance of the completion of legislative codification of fire control districts' charters; provides that the Legislature may adopt a schedule for the codification process.

**Section 5** -- Amends section 215.425, Florida Statutes, providing that special districts may offer extra compensation programs including lump sum bonus payments to reward outstanding employees, as long as the bonus is not included in the employees' regular base rate of pay and is not carried forward in subsequent years.

**Section 6** -- Amends subsection (2) of section 191.006, Florida Statutes, conforming this section with the changes initiated by amending section 215.425, Florida Statutes.

**Section 7** -- Provides for an effective date of upon becoming a law, unless otherwise provided.

**IV. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:**



A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

N/A

V. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require cities or counties to spend money or take action that requires expenditure of money.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the revenue raising authority of counties or municipalities.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the total aggregate city or county percentage share of a state tax below February 1, 1989, levels.

VI. COMMENTS:

None.

VII. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Community Affairs met on January 7, 1998, considered the bill with four amendments and subsequently adopted a committee substitute. The Committee substitute differs from the introduced bill as follows:

**Amendment #1** makes grammatical clarification by removing the words "such" and "that" in the section providing for dissolutions and mergers of independent districts having ad valorem taxing powers.

**Amendment #2** amends section 215.425, Florida Statutes, to authorize special districts to offer extra compensation programs including lump sum bonus payments to reward outstanding employees, under certain conditions. In the bill as introduced, the authority was provided in section 191.006, Florida Statutes, only.

**Amendments # 3 and #4** amends section 1 of the bill as introduced, to require candidates for governing boards of *single and multi-county* special districts to qualify as candidates for Board positions by either paying a fee (minimum of \$25 or 3% of the salary or honorarium paid for the office) or by the alternative petition method requiring 3% of the district's registered electors or any lesser amount of signatures as provided by other general laws or special acts. In the bill as introduced, the bill required candidates for governing boards of single-county and multi-county special districts to qualify pursuant to chapter 99, Florida Statutes.

**STORAGE NAME:** h3269s1z.ca

**DATE:** August 17, 1998

**PAGE 11**

VIII. SIGNATURES:

**COMMITTEE ON COMMUNITY AFFAIRS:**

Prepared by:

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Joan E. Highsmith-Smith

Joan E. Highsmith-Smith

**AS REVISED BY THE COMMITTEE ON ELECTION REFORM:**

Prepared by:

Legislative Research Director:

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**FINAL RESEARCH PREPARED BY COMMITTEE ON COMMUNITY AFFAIRS:**

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