

STORAGE NAME: H3823z.ca
DATE: May 12, 1998

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

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT - LOCAL LEGISLATION**

BILL #: 2ND ENG/HB 3823
RELATING TO: Cedar Key Special Water and Sewerage District
SPONSOR(S): Representative Boyd
COMPANION BILL(S): SB 2732 (s)

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

- (1) COMMUNITY AFFAIRS YEAS 7 NAYS 0
- (2)
- (3)
- (4)
- (5)

I. FINAL ACTION STATUS:

House Bill 3823 was passed by the House Committee on Community Affairs on March 10, 1998, with 1 amendment. The bill passed the House on April 1, 1998, by a vote of 114 YEAS and 0 NAYS, and was ordered engrossed. The engrossed bill was received by the Senate on April 22, 1998 and was referred to the Senate Committee on Rules and Calendar. It was withdrawn from the Senate Committee on Rules and Calendar on May 1, 1998, and placed on the Senate Local Calendar. 1ST ENG/HB 3823 was amended by the Senate on May 1, 1998, and passed as amended by a vote of 40 YEAS and 0 NAYS. The House concurred in the Senate amendments and passed 2ND ENG/HB 3823 on May 1, 1998, by a vote of 117 YEAS and 0 NAYS. The bill became chapter 98-473, Laws of Florida.

II. SUMMARY:

This bill codifies all prior special acts relating to the Cedar Key Special Water and Sewerage District in Levy County. This bill provides substantive changes to the existing charter.

The boundaries of the District are decreased and a more detailed legal description of the boundaries of the District is provided.

The bill changes the name of the District from Cedar Key Special Water and Sewerage District to Cedar Key Water and Sewer District.

This bill coordinates the District's elections with those of the City of Cedar Key, including the time period in which a candidate's petition must be filed.

In addition, a delegation of duties, formerly belonging to the Board's secretary-treasurer, is transferred to the newly created position of administrative secretary. Although a Board secretary still remains, the duties and responsibilities of the position have diminished due to the addition of a second secretary.

The notice requirement for Board meetings convened to take formal action on contracts relating to the purchase, sale, lease, or conveyance of real or personal property is reduced to once a week for two weeks in a newspaper. The notice to be posted at the courthouse of the county is reduced to 14 days prior to the meeting.

This bill amends authorized uses of collected taxes. A provision allowing taxes to be used for preliminary expenses when acquiring and operating a water supply and distribution system and sewerage system is removed.

The bill removes obsolete language.

III. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Codification & Status Statement

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.

Also, section 189.404(5), Florida Statutes, provides that after October 1, 1997, the charter of any newly created special district shall contain and, as practical, the charter of a preexisting special district shall be amended to contain, a reference to the status of the special district as dependent or independent. When necessary, the status statement shall be amended to conform with the department's determination or declaratory statement regarding the status of the district.

Current Charter Provisions

Under the current charter, the District is the Cedar Key Special Water and Sewerage District. The District's boundaries include all of the Keys and a fairly large piece of

property located onshore. The District is required by the city and county plans to provide service to the Keys and then to its mainland residents. The District is not allowed to service mainland residents if it interrupts its ability to service the residents on the islands. Presently, only a small number of mainland dwellings are currently served with potable water and no mainland properties are served with wastewater treatment. However, even though the majority are not receiving services, the District's mainland residents are required to pay ad valorem taxes. In effect, the District's mainland residents are paying taxes without receiving commensurate services. In order for the District to be able to provide services to all Cedar Key residents and District mainland residents, capacity expansion would be required.

The charter contains obsolete language regarding the District's first election, the qualifications to be an elector in the District, and citations to the 1885 Constitution of Florida. The charter provides for a five person Board of Commissioners which are elected on staggered terms of 2 years. If a vacancy is created, the remaining members have the authority to appoint a person to fulfill the vacancy. The charter also calls for the election of a chairperson and secretary-treasurer at the first meeting following the election. The secretary's duties include: custodian of the official proceedings, records and funds of the District, disbursing the funds once the disbursement has been approved by the Board, and receiving those taxes which are collected by the tax collector. In addition, the Board may use the taxes collected to pay for the cost of administration and for preliminary expenses in connection with the operation and maintenance of water supply and distribution system and sewerage system.

Except for those areas stated above, this bill is consistent and similar to the current charter.

B. EFFECT OF PROPOSED CHANGES:

This bill codifies all prior special acts relating to the Cedar Key Special Water and Sewerage District in Levy County. This bill provides substantive changes to the existing charter. They are:

- The boundaries of the District are reduced and there is a more detailed legal description of the boundaries of the District. This bill eliminates most of the mainland property which is within the District. The remaining onshore property consists of property held by the District, and a few neighboring houses. Currently, onshore residents are taxed but some are not receiving services. If the District boundaries remain the same some residents will continue to pay taxes and not receive District services. The reduction of district boundaries eliminates the present inequities. District mainland residents who are currently receiving services remain within the District and continue to receive services.
- The name of the District is changed from Cedar Key Special Water and Sewerage District to Cedar Key Water and Sewer District.
- The bill also coordinates the District's elections with those of the City of Cedar Key, including the time period in which a candidate's petition may be filed.
- In addition, a delegation of duties, formerly belonging to the Board's secretary-treasurer, is transferred to the newly created position of administrative secretary.

Although a Board secretary still remains, the duties of the position are reduced due to the addition of a second secretary.

- The notice requirement for Board meetings convened to take formal action on contracts relating to the purchase, sale, lease, or conveyance of real or personal property has been reduced to once a week for two weeks in a newspaper. The notice to be posted at the courthouse of the county is reduced to 14 days prior to the meeting.
- The bill amends authorized uses of collected taxes. A provision allowing taxes to be used for preliminary expenses when acquiring and operating a water supply and distribution system and sewerage system is removed.
- Obsolete language is removed.

C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

N/A

D. 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?

With the reduction of its boundaries, a possibility of a higher tax assessment, not exceeding 3 mills, may occur due to the decrease in taxable property. However, the District's attorney stated that the State is currently negotiating to purchase the land. There is a likelihood the property might be removed from the District's boundaries thereby having the same effect of decreasing ad valorem taxes collected.

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

E. SECTION-BY-SECTION RESEARCH:

Section 1: Provides for the codification of all prior special acts relating to the Cedar Key Special Water and Sewerage District; provides that the District remain an independent special district established for the purpose of providing potable water and wastewater treatment services; renames the District to the Cedar Key Water and Sewer District; and describes the District's boundaries.

Section 2: Provides for an election of a 5-member Board of Commissioners and the appointment of officers; provides duties and the appointment of an administrative secretary; and provides for vacancies.

Section 3: Grants powers and duties to the Board.

Section 4: Allows the District to maintain real and personal property; and grants the Board the power of eminent domain.

Section 5: Authorizes the Board to issue bonds and provides the duties and requirements relating to such bonds.

Section 6: Requires a referendum and elector approval prior to the issuance of bonds by the District.

Section 7: Provides that the Board must levy taxes sufficient to pay the interest of the bonds as it becomes due throughout the life of the bonds and to create a sinking fund to pay the principal; and provides for the collection of such assessment and the remittance to the administrative secretary.

Section 8: Authorizes the Board to levy and collect an annual tax (3 mills) on all taxable real and personal property in the District.

Section 9: Provides that all ad valorem taxes be entered on the assessment rolls and remitted to the administrative secretary; and requires that the taxes may be used only for authorized purposes.

Section 10: Requires the District to advertise and request bids on all work done in construction, reconstruction, improvement, or enlargement of the system in

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which the expenditure is more than \$1000, or for the purchase of chemicals or water supplies exceeding \$1500; and provides procedures relating to bids.

Section 11: Grants the Board additional powers relating to the requirement that residents use District services.

Section 12: Provides the qualification of being a resident in the District in order to be a qualified elector.

Section 13: Provides that the Legislature is not restricted in its power to enlarge the boundaries of the District or to increase the aggregate principal amount of authorized bonds.

Section 14: Exempts the District from paying taxes or assessments upon any of its properties or income as long as it is being used for a public purpose.

Section 15: Provides a severability clause.

Section 16: Repeals the following special acts: chapters 63-1569, 75-426, 76-416, 80-531, and 87-528, Laws of Florida.

Section 17: Provides an effective date of upon becoming a law.

IV. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 4 & 11, 1997

WHERE? Bronson, Florida; Levy County Journal

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

V. COMMENTS:

The current charter does not provide a detailed legal description of the District's boundaries. This bill provides a very detailed legal description of the proposed boundaries of the District.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

A title amendment was adopted by the Committee on Community Affairs on March 10, 1998. The title amendment was suggested to give better notice to the bill's readers regarding the provisions in the bill.

A technical amendment was adopted on the Senate floor on May 1, 1998. The amendment changed a reference to the *Comptroller of the State* to the *Department of Revenue*.

VII. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Legislative Research Director:

Laura L. Jacobs

Joan Highsmith-Smith

FINAL RESEARCH PREPARED BY COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Legislative Research Director:

Laura L. Jacobs

Joan Highsmith-Smith