

STORAGE NAME: h1097.go

DATE: April 18, 1999

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GOVERNMENTAL OPERATIONS
ANALYSIS - LOCAL LEGISLATION**

BILL #: HB 1097

RELATING TO: Town of Davie; Broward County

SPONSOR(S): Representative Wasserman Schultz

COMPANION BILL(S): SB 2628 (identical)

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

- (1) COMMUNITY AFFAIRS YEAS 10 NAYS 0
 - (2) GOVERNMENTAL OPERATIONS
 - (3) FINANCE & TAXATION
 - (4)
 - (5)
-

I. SUMMARY:

This bill provides that the calculation of population for the Town of Davie, beginning with FY 1998-99, include residents added as a result of annexations.

This bill provides an effective date of upon becoming a law.

This bill should have a positive fiscal impact on the Town of Davie (estimated at \$340,000), and a negative fiscal impact on Broward County. There could also be additional revenues from federal programs.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Broward County Annexations

Broward County is located on Florida's South Atlantic coast and consists of nearly 1,200 square miles and a population of approximately 1.3 million residents. Broward County currently contains 29 municipalities, the majority of which achieved their current corporate boundaries through a multitude of annexations.

In 1996, in cooperation with the Broward County Commission, the Broward County Legislative Delegation created the Ad Hoc Committee on Annexation Policy. The delegation charged the committee with the responsibility of developing and recommending policy to the Broward Legislative Delegation regarding the terms under which it would consider future annexations. The committee recommended that annexation of all the remaining unincorporated areas of Broward County should be encouraged to occur by the year 2010 and unincorporated areas remaining after 2010 will be subject to required annexation by the Florida Legislature.

The 1996 Florida Legislature adopted a special act (chapter 96-542, Laws of Florida) which exempts Broward County from one of the general law provisions in chapter 171, Florida Statutes. This provision requires a referendum of the electors of an annexing municipality where the total area annexed by a municipality during a calendar year cumulatively exceeds more than 5 percent of the total land area of the municipality, or cumulatively exceeds more than 5 percent of the municipal population.

In addition, the special act requires that any annexation of unincorporated property within Broward County proposed to be accomplished pursuant to general law first must be considered at a public hearing conducted by the Broward County Legislative Delegation, pursuant to its adopted rules. The annexation is not effective until the first day of October following adjournment sine die of the next regular legislative session following the accomplishment of all procedures necessary for annexation.

Chapters 98-509, 98-510, 98-511, and 98-513, Laws of Florida, annexed the areas known as Park City West, Rexmere, King's Manor, and Park City Estates, respectively, into the City of Davie.

Population Projections

Section 186.901, Florida Statutes, requires the Executive Office of the Governor, either through its own resources or by contract, to produce population estimates of local governmental units as of April 1 of each year, using accepted statistical practices. These estimates are compiled by the Bureau of Business and Economic Research, Warrington College of Business Administration of the University of Florida. These estimates are used in the calculation of any revenue-sharing formula with local governments under the provisions of sections 218.20-218.26, Florida Statutes. For municipal annexations occurring between April 1, and February 28, the Executive Office of the Governor must determine the population count of the annexed areas as of April 1, and include it in its certification to the Department of Revenue for the annual revenue-sharing calculation.

Revenue Sharing

Sections 218.20-218.26, Florida Statutes, are known as the Florida Revenue Sharing Act of 1972. The current structure of the revenue-sharing program consists of three revenue sources for municipalities and two revenue sources for counties. The Municipal Revenue Sharing Trust Fund includes a portion of net cigarette tax collections, the 1-cent municipal fuel tax collections, and a portion of the state alternative fuel user decal fee collections. The County Revenue Sharing Trust Fund includes portions of net cigarette tax collections and net intangible tax collections.

Population is one component in the distribution formula for these state-shared revenues. As a result, municipalities annexing property increase their share of state-shared revenues relative to other cities. Likewise, a county's share of state-shared revenues decreases, relative to other counties, when its unincorporated population decreases due to annexations.

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Section 218.26(3)(a), Florida Statutes, requires the Department of Revenue to compute the apportionment factors for state shared revenues once a year, prior to July 25. This computation must be based on information submitted and certified to the department prior to June 1 of each year.

Chapters 98-509, 98-510, and 98-513, Laws of Florida, became effective October 1, 1998. Chapter 98-511, Laws of Florida, became a law on May 23, 1998, and became effective after the Town Council adopted a resolution annexing the property. Consequently, the population of these newly annexed properties were not included in the calculation of state-shared revenues for the Town of Davie for FY 1998-99.

B. EFFECT OF PROPOSED CHANGES:

This bill provides that the calculation of population for the Town of Davie, beginning with FY 1998-99, include residents added as a result of annexations made pursuant to chapters 98-509, 98-510, 98-511, and 98-513, Laws of Florida, notwithstanding sections 186.901 and 218.26, Florida Statutes. This will result in additional distribution of state-shared revenues for FY 1998-99 to the Town of Davie. This could also result in additional revenues from other state and federal programs.

C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

This bill creates a new special act.

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?

No.

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

Unknown, but it is unlikely that the Town of Davie will conduct the count of the new population resulting from annexation.

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

No.

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?

Not directly.

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

No.

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

No.

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

No.

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

No.

3. Personal Responsibility:

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

No.

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

Unknown. It is unlikely that the Town of Davie will pay for the count of the population which resulted from annexation.

4. Individual Freedom:

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

No.

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

No.

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

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(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?

No.

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 ANALYSIS:

Section 1: Provides that the calculation of population for the Town of Davie, beginning with FY 1998-99, include residents added as a result of annexations made pursuant to chapters 98-509, 98-510, 98-511, and 98-513, Laws of Florida, notwithstanding sections 186.901 and 218.26, Florida Statutes.

Section 2: Provides an effective date of upon becoming law.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes [x] No []

IF YES, WHEN? January 31, 1999

WHERE? The Miami Herald

B. REFERENDUM(S) REQUIRED? Yes [] No [x]

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached [x] No []

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D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [x] No []

IV. COMMENTS:

The recalculation of population for the Town of Davie and Broward County will result in additional state-shared revenues for the Town of Davie (est.: \$340,000) and less state-shared revenues for Broward County.

This bill provides only an exemption from general law. As such, under House Rule 44(b) it appears the bill may be subject to introduction as a general bill.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VI. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

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AS REVISED BY THE COMMITTEE ON GOVERNMENTAL OPERATIONS:

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