

STORAGE NAME: h1577.nrep.doc
DATE: April 2, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
ANALYSIS**

BILL #: HB 1577
RELATING TO: Water Management District Fiscal Matters
SPONSOR(S): Representative(s) Machek

TIED BILL(S):

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

- (1) NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
 - (2) GENERAL GOVERNMENT APPROPRIATIONS
 - (3) COUNCIL FOR READY INFRASTRUCTURE
 - (4)
 - (5)
-

I. SUMMARY:

HB 1577 revises and reorganizes statutory provisions related to water management district (WMD) fiscal matters, including budgeting, auditing, capital improvement planning, and fiscal reporting requirements.

The bill provides that the act will take effect July 1, 2001.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

There are a number of statutory provisions related to financial accountability of the water management districts (WMDs). Section 373.536(5), F.S., authorizes the Governor to review and approve, in whole or in part, the budgets of the WMDs. A number of reports and submissions to the Governor, Legislature and others are also required. Currently, budget review requirements are found in ss. 373.079, 373.507, 373.536 and 373.589, F.S. Some statutory requirements are duplicative and unnecessary, and prescribed schedules are not entirely consistent. For example, these statutes currently require the WMDs to submit two separate five-year capital improvement plans to the Governor, Legislature, Department of Environmental Protection (Department), and others, one in August and one in November. The WMDs are required to submit a report each November concerning their past fiscal year's expenditures even though that year's expenditures have not yet been finalized and audited. (The WMD fiscal year ends on September 30.) At a later date, as required by another section, the WMDs are required to submit audited financial statements of that same fiscal year to the Legislature. Located in several places and not necessarily in sequence regarding the timing of responsibilities, these provisions can be confusing. The Executive Office of the Governor (EOG), the Department, and the WMDs have jointly worked to revise the existing requirements to eliminate duplication and house all budget review provisions in a single statute to increase efficiency. Their efforts resulted in proposed statutory changes that are reflected in HB 1577.

C. EFFECT OF PROPOSED CHANGES:

HB 1577 reorganizes s. 373.536, F.S., to contain the budget review provisions currently contained in several separate provisions, i.e., ss. 373.079(4)(b)3., 373.507, and 373.589, F.S., which are repealed. Specifically the bill:

- o Re-orders the subsections in 373.536, F.S., to be in logical sequence: notice of budget hearings and workshops; budget controls; tentative budget submission, review and approval; final budget and other annual report submission.
- o Recognizes the appropriate means by which the WMDs budget (by funds) and provides for WMD submission to the EOG of information concerning WMD budget control mechanisms.
- o Allows the WMDs to publish a notice of any budget amendment in the notice of the governing board meeting at which the amendment will be considered. Such notice will include a summary of the proposed amendment.

- Requires the South Florida WMD to include in its budget document separate sections on the costs associated with both the Everglades Construction Project and the Comprehensive Everglades Restoration Plan.
- Clarifies that the EOG will complete a report each December 15 concerning its just-concluded review of the WMD budgets for the current fiscal year.
- Eliminates the requirement that the WMDs submit a financial report in November concerning their expenditures for the fiscal year just completed on September 30. (These reports are, of necessity, unaudited, and are, therefore, not very useful. The WMDs will continue to submit audited financial statements to the Governor, Legislature, Department, Auditor General, and others within 10 days of the statements' acceptance by WMD governing boards, usually early in the calendar year.)
- Eliminates one of the five-year capital improvement plan reporting requirements, so that the districts will submit a single annual plan each year. Requires submission of the districts' five-year capital improvement plans and five-year Water Resource Development Work Plans within 45 days following adoption of a final budget.
- Changes the responsibility for completion of the review of the 5-year Water Resource Development Work Plans from the Governor's Office to the Department. (The Department has been performing the review for the past two years.)

The bill provides that the act will take effect July 1, 2001.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

N/A

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

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to expend funds, nor does it require counties or municipalities to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the authority of municipalities or counties have to raise revenues in the aggregate.

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

The bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION:

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