

STORAGE NAME: h1047.lgva.doc

DATE: February 11, 2002

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
LOCAL GOVERNMENT & VETERANS AFFAIRS
ANALYSIS – LOCAL LEGISLATION**

BILL #: HB 1047

RELATING TO: Municipal Service Dist / Ponte Vedra

SPONSOR(S): Representative Davis

TIED BILL(S):

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

- (1) LOCAL GOVERNMENT & VETERANS AFFAIRS (SGC)
 - (2) COUNCIL FOR SMARTER GOVERNMENT
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

THIS DOCUMENT IS NOT INTENDED TO BE USED FOR THE PURPOSE OF CONSTRUING STATUTES, OR TO BE CONSTRUED AS AFFECTING, DEFINING, LIMITING, CONTROLLING, SPECIFYING, CLARIFYING, OR MODIFYING ANY LEGISLATION OR STATUTE.

The bill amends certain provisions of the District's charter.

The bill requires District Trustees who voluntarily resign to notify the Chairman of the Board and the Governor. The Board must publicize the vacancy no later than 2 weeks after receiving the resignation notice. The Governor may not appoint a successor until at least thirty days after the publication of the vacancy.

The bill allows for the creation of subdistricts by either the Board or by petition from proposed subdistrict residents. The bill permits the assessment of ad-valorem taxes to residents of the proposed subdistricts as long as the subdistrict rate combined with the general District rate does not exceed the current allowed maximum rate which is 3 mills. The bill provides that the District electorate must approve any ad valorem tax rate higher than 1 mill. The current millage rate is .37 mills.

The bill requires that any capital project expenditure over \$150,000 requires voter approval. States that the Board may not spend more the \$50,000 from the contingency reserves for any unbudgeted capital project.

The bill directs that if the contingency reserves fund exceeds \$200,000, that amount must be used to reduce the ad valorem tax rate the following fiscal year.

The bill directs the Board to hold public hearings every 10 years from the date of the enactment of this act to review and consider proposed amendments to this act.

The bill's effectiveness is contingent upon voter approval. If the voters fail to approve the changes, current special act(s) remain in effect.

According to the Economic Impact Statement, this bill does not impact state or local budgets.

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:

The Municipal Service District of Ponte Vedra Beach (District) was created in 1982 by chapter 82-373, Laws of Florida and has been subsequently amended by special acts. The purpose of the District is to provide services to the residents of the District that are independent of as well as supplemental to those services provided by St. Johns County and in cooperation with the function of the county. It is an independent special district.

Current law provides that the Board is comprised of 7 members who are residents of the District and registered voters of the State of Florida. In the event of a vacancy of the Board, the Governor appoints the replacement. Current law does not specify any timetable for when the Governor needs to make an announcement of the replacement.

The Board may create subdistricts if they determine that certain areas within the District do not receive equal benefit for taxes levied. Currently there is no provision for the creation of subdistricts by residents' petition.

Current law provides that the District may acquire, construct, operate, maintain, equip, improve, extend, enlarge, or improve capital projects within or without the District. There is no limit on the amount the District may spend on capital projects.

Current law does not provide for contingency funds nor does it require the Board to hold public hearings to review and propose amendments to this act.

C. EFFECT OF PROPOSED CHANGES:

The bill amends certain provisions of the District charter.

The bill requires District Trustees who voluntarily resign to notify the Chairman of the Board and the Governor. The Board must publicize the vacancy no later than 2 weeks after receiving the resignation notice. The Governor may not appoint a successor until at least thirty days after the publication of the vacancy.

The bill allows for the creation of subdistricts by either the Board or by petition from proposed subdistrict residents. The bill permits the assessment of ad-valorem taxes to residents of the proposed subdistricts as long as the subdistrict rate combined with the general District rate does not

exceed the current allowed maximum rate which is 3 mills. The bill provides that the District electorate must approve any ad valorem tax rate higher than 1 mill. The current millage rate is .37 mills.

The bill requires that any capital project expenditure over \$150,000 requires voter approval. States that the Board may not spend more the \$50,000 from the contingency reserves for any unbudgeted capital project.

The bill defines contingency reserves and directs that if the contingency reserves fund exceeds \$200,000, that amount must be used to reduce the ad valorem tax rate the following fiscal year.

The bill directs the Board to hold public hearings every 10 years from the date of the enactment of this act to review and consider proposed amendments to this act.

D. SECTION-BY-SECTION ANALYSIS:

- Section 1:** Amends section 2 of chapter 82-375, Laws of Florida, as amended by chapter 90-463, Laws of Florida to read as follows:
- Section 1: Defines the purpose of the District.
- Section 2: Provides the guidelines for the governing body, Board of Trustees (Board), of the District.
- Section 3: Directs the Board to elect Chairman, Vice Chairman and Treasurer and to appoint a Secretary; provides for Board meetings; defines quorum requirements for the Board; provides for paid expenses; directs the County Tax Collector to collect taxes for the District; allows the Board to appoint other officers; allows for the creation of subdistricts.
- Section 4: Defines the District's powers.
- Section 5: Provides for reduction in ad valorem tax rate if contingency reserve exceeds \$200,000.
- Section 6: Does not affect County obligations and responsibilities to the District..
- Section 7: Provides that amending the District's charter or dissolving the District allowed only by law.
- Section 8: Provides that the District solely owns the District debt.
- Section 9: States that the District may not rescind or modify any contracts, franchises, or ordinances of the County.
- Section 10: Provides no power of review for the County regarding to fees, charges, and rules enacted by the District.
- Section 11: Requires District to bond any person authorized to handle District funds.
- Section 12: Provides for an annual audit.
- Section 13: Defines fiscal year.

Section 14: Provides that the District budget is not subject to County approval.

Section 15: Directs the Board to conduct public hearing to review and consider proposed amendments to this act every ten years.

Section 2: Section 2 of the bill takes effect upon becoming a law. Section 1 of the act takes effect on October 1, 2002, if approved by the District electorate. If the voters do not approve, Chapter 90-463, Laws of Florida, remains in effect.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN?

November 12, 2001

WHERE? St. Augustine Record, St. Augustine, Florida

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

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

NONE

VI. SIGNATURES:

COMMITTEE ON LOCAL GOVERNMENT & VETERANS AFFAIRS:

Prepared by:

Staff Director:

Kevin Doyle

Joan Highsmith-Smith