

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Representative(s) Sorensen offered the following:

**Amendment (with title amendment)**

Remove everything after the enacting clause

and insert:

Section 1. Paragraphs (a) and (b) of subsection (5) of section 11.40, Florida Statutes, are amended to read:

11.40 Legislative Auditing Committee.--

(5) Following notification by the Auditor General, the Department of Banking and Finance, or the Division of Bond Finance of the State Board of Administration of the failure of a local governmental entity, district school board, charter school, or charter technical career center to comply with the applicable provisions within s. 11.45(5)-(7), s. 218.32(1), or s. 218.38, the Legislative Auditing Committee may schedule a hearing. If a hearing is scheduled, the committee shall determine if the entity should be subject to further state action. If the committee determines that the entity should be subject to further state action, the committee shall:

(a) In the case of a local governmental entity or

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1 district school board, direct ~~request~~ the Department of  
2 Revenue and the Department of Banking and Finance to withhold  
3 any funds not pledged for bond debt service satisfaction which  
4 are payable to such entity until the entity complies with the  
5 law. The committee, in its request, shall specify the date  
6 such action shall begin, and the request must be received by  
7 the Department of Revenue and the Department of Banking and  
8 Finance 30 days before the date of the distribution mandated  
9 by law. The Department of Revenue and the Department of  
10 Banking and Finance are authorized to implement the provisions  
11 of this paragraph.

12 (b) In the case of a special district, notify the  
13 Department of Community Affairs that the special district has  
14 failed to comply with the law. Upon receipt of notification,  
15 the Department of Community Affairs shall proceed pursuant to  
16 the provisions specified in s. ss. 189.421 ~~and 189.422~~.

17 Section 2. Subsection (5), paragraph (e) of subsection  
18 (7), and subsection (8) of section 11.45, Florida Statutes,  
19 are amended to read:

20 11.45 Definitions; duties; authorities; reports;  
21 rules.--

22 (5) PETITION FOR AN AUDIT BY THE AUDITOR GENERAL.--The  
23 Legislative Auditing Committee shall direct the Auditor  
24 General to make an ~~a financial~~ audit of any municipality  
25 whenever petitioned to do so by at least 20 percent of the  
26 electors of that municipality. The supervisor of elections of  
27 the county in which the municipality is located shall certify  
28 whether or not the petition contains the signatures of at  
29 least 20 percent of the electors of the municipality. After  
30 the completion of the audit, the Auditor General shall  
31 determine whether the municipality has the fiscal resources

1 necessary to pay the cost of the audit. The municipality shall  
2 pay the cost of the audit within 90 days after the Auditor  
3 General's determination that the municipality has the  
4 available resources. If the municipality fails to pay the cost  
5 of the audit, the Department of Revenue shall, upon  
6 certification of the Auditor General, withhold from that  
7 portion of the distribution pursuant to s. 212.20(6)(e)6.  
8 which is distributable to such municipality, a sum sufficient  
9 to pay the cost of the audit and shall deposit that sum into  
10 the General Revenue Fund of the state.

11 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

12 (e) The Auditor General shall notify the Governor or  
13 the Commissioner of Education, as appropriate, and the  
14 Legislative Auditing Committee of any audit report reviewed by  
15 the Auditor General pursuant to paragraph (b) that ~~which~~  
16 contains a statement that a ~~the~~ local governmental entity or  
17 district school board has met one or more of the conditions  
18 specified ~~is in a state of financial emergency as provided in~~  
19 s. 218.503. If the Auditor General requests a clarification  
20 regarding information included in an audit report to determine  
21 whether a local governmental entity or district school board  
22 has met one or more of the conditions specified in s. 218.503  
23 ~~is in a state of financial emergency,~~ the requested  
24 clarification must be provided within 45 days after the date  
25 of the request. If the local governmental entity or district  
26 school board does not comply with the Auditor General's  
27 request, the Auditor General shall notify the Legislative  
28 Auditing Committee. If, after obtaining the requested  
29 clarification, the Auditor General determines that the local  
30 governmental entity or district school board has met one or  
31 more of the conditions specified in s. 218.503 ~~is in a state~~

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1 ~~of financial emergency~~, he or she shall notify the Governor or  
2 the Commissioner of Education and the Legislative Auditing  
3 Committee.

4 (8) RULES OF THE AUDITOR GENERAL.--The Auditor  
5 General, in consultation with the Board of Accountancy, shall  
6 adopt rules for the form and conduct of all financial audits  
7 performed by independent certified public accountants pursuant  
8 to ss. 215.981, 218.39, 237.40, 240.299, and 240.331. The  
9 rules for audits of local governmental entities and district  
10 school boards must include, but are not limited to,  
11 requirements for the reporting of information necessary to  
12 carry out the purposes of the Local Governmental Entity and  
13 District School Board ~~Government~~ Financial Emergencies Act as  
14 stated in s. 218.501.

15 Section 3. Subsection (3) of section 75.05, Florida  
16 Statutes, is amended to read:

17 75.05 Order and service.--

18 (3) ~~In the case of independent special districts as~~  
19 ~~defined in s. 218.31(7), a copy of the complaint shall be~~  
20 ~~served on the Division of Bond Finance of the State Board of~~  
21 ~~Administration.~~Notwithstanding any other provision of law,  
22 whether a general law or special act, validation of bonds to  
23 be issued by a special district, other than a community  
24 development district established pursuant to chapter 190, as  
25 provided in s. 190.016(12), is not mandatory, but is at the  
26 option of the issuer. However, the validation of bonds issued  
27 by such community development districts shall not be required  
28 on refunding issues.

29 Section 4. Subsection (5) of section 112.625, Florida  
30 Statutes, is amended to read:

31 112.625 Definitions.--As used in this act:

1           (5) "Governmental entity" means the state, for the  
 2 Florida Retirement System, and the county, municipality, or  
 3 special district, or district school board which is the  
 4 employer of the member of a local retirement system or plan.

5           Section 5. Subsection (4) of section 112.63, Florida  
 6 Statutes, is amended to read:

7           112.63 Actuarial reports and statements of actuarial  
 8 impact; review.--

9           (4) Upon receipt, pursuant to subsection (2), of an  
 10 actuarial report, or upon receipt, pursuant to subsection (3),  
 11 of a statement of actuarial impact, the Department of  
 12 Management Services shall acknowledge such receipt, but shall  
 13 only review and comment on each retirement system's or plan's  
 14 actuarial valuations at least on a triennial basis. If the  
 15 department finds that the actuarial valuation is not complete,  
 16 accurate, or based on reasonable assumptions or otherwise  
 17 fails to satisfy the requirements of this part, the department  
 18 requires additional information necessary to complete its  
 19 review of the actuarial valuation of a system or plan or  
 20 information necessary to satisfy the duties of the department  
 21 pursuant to s. 112.665(1), or if the department does not  
 22 receive the actuarial report or statement of actuarial impact,  
 23 the department shall notify the administrator of the affected  
 24 retirement system or plan and the affected governmental entity  
 25 local government and request appropriate adjustment, the  
 26 additional information, or the required report or statement.  
 27 The notification shall inform the administrator of the  
 28 affected retirement system or plan and the affected  
 29 governmental entity of the consequences for failure to comply  
 30 with the requirements of this subsection. If, after a  
 31 reasonable period of time, a satisfactory adjustment is not

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1 made or the report, statement, or additional information is  
2 not provided, the department may notify the Department of  
3 Revenue and the Department of Banking and Finance of such  
4 noncompliance, in which case the Department of Revenue and the  
5 Department of Banking and Finance shall withhold any funds not  
6 pledged for bond debt service satisfaction that are payable to  
7 the affected governmental entity until the adjustment is made  
8 or the report, statement, or additional information is  
9 provided to the department. The department shall specify the  
10 date such action is to begin and notification by the  
11 department must be received by the Department of Revenue, the  
12 Department of Banking and Finance, and the affected  
13 governmental entity 30 days before the date the action is to  
14 begin.

15 (a) Within 21 days after receipt of the notice, the  
16 affected governmental entity ~~local government or the~~  
17 department may petition for a hearing under the provisions of  
18 ss. 120.569 and 120.57 with the Department of Management  
19 Services. The Department of Revenue and the Department of  
20 Banking and Finance shall not be parties to any such hearing  
21 but may request to intervene if requested by the Department of  
22 Management Services or if either the Department of Revenue or  
23 the Department of Banking and Finance determines its interests  
24 may be adversely affected by the hearing. If the  
25 administrative law judge recommends in favor of the  
26 department, the department shall perform an actuarial review,  
27 or prepare the statement of actuarial impact, or collect the  
28 requested information. The cost to the department of  
29 performing such actuarial review, or preparing such statement,  
30 or collecting the requested information shall be charged to  
31 the affected governmental entity of which the employees are

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1 covered by the retirement system or plan. If payment of such  
 2 costs is not received by the department within 60 days after  
 3 receipt by the affected governmental entity of the request for  
 4 payment, the department shall certify to the Department of  
 5 Revenue and the Department of Banking and Finance ~~Comptroller~~  
 6 the amount due, and the Department of Revenue and the  
 7 Department of Banking and Finance ~~Comptroller~~ shall pay such  
 8 amount to the Department of Management Services from any funds  
 9 not pledged for bond debt service satisfaction that are  
 10 payable to the affected governmental entity of which the  
 11 employees are covered by the retirement system or plan. If the  
 12 administrative law judge recommends in favor of the affected  
 13 governmental entity ~~local retirement system~~ and the department  
 14 performs an actuarial review, prepares the statement of  
 15 actuarial impact, or collects the requested information, the  
 16 cost to the department of performing the actuarial review,  
 17 preparing the statement, or collecting the requested  
 18 information shall be paid by the Department of Management  
 19 Services.

20 (b) In the case of an affected special district, the  
 21 Department of Management Services shall also notify the  
 22 Department of Community Affairs. Upon receipt of  
 23 notification, the Department of Community Affairs shall  
 24 proceed pursuant to the provisions of s. 189.421 with regard  
 25 to the special district.

26 Section 6. Effective January 1, 2003, subsection (4)  
 27 of section 112.63, Florida Statutes, as amended by this act,  
 28 is amended to read:

29 112.63 Actuarial reports and statements of actuarial  
 30 impact; review.--

31 (4) Upon receipt, pursuant to subsection (2), of an

1 actuarial report, or upon receipt, pursuant to subsection (3),  
2 of a statement of actuarial impact, the Department of  
3 Management Services shall acknowledge such receipt, but shall  
4 only review and comment on each retirement system's or plan's  
5 actuarial valuations at least on a triennial basis. If the  
6 department finds that the actuarial valuation is not complete,  
7 accurate, or based on reasonable assumptions or otherwise  
8 fails to satisfy the requirements of this part, the department  
9 requires additional information necessary to complete its  
10 review of the actuarial valuation of a system or plan or  
11 information necessary to satisfy the duties of the department  
12 pursuant to s. 112.665(1), or the department does not receive  
13 the actuarial report or statement of actuarial impact, the  
14 department shall notify the administrator of the affected  
15 retirement system or plan and the affected governmental entity  
16 and request appropriate adjustment, the additional  
17 information, or the required report or statement. The  
18 notification shall inform the administrator of the affected  
19 retirement system or plan and the affected governmental entity  
20 of the consequences for failure to comply with the  
21 requirements of this subsection. If, after a reasonable period  
22 of time, a satisfactory adjustment is not made or the report,  
23 statement, or additional information is not provided, the  
24 department may notify the Department of Revenue and the Chief  
25 Financial Officer ~~Department of Banking and Finance~~ of such  
26 noncompliance, in which case the Department of Revenue and the  
27 Chief Financial Officer ~~Department of Banking and Finance~~  
28 shall withhold any funds not pledged for bond debt service  
29 satisfaction that are payable to the affected governmental  
30 entity until the adjustment is made or the report, statement,  
31 or additional information is provided to the department. The



729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1 department shall specify the date such action is to begin and  
2 notification by the department must be received by the  
3 Department of Revenue, the Chief Financial Officer ~~Department~~  
4 ~~of Banking and Finance~~, and the affected governmental entity  
5 30 days before the date the action is to begin.

6 (a) Within 21 days after receipt of the notice, the  
7 affected governmental entity may petition for a hearing under  
8 the provisions of ss. 120.569 and 120.57 with the Department  
9 of Management Services. The Department of Revenue and the  
10 Chief Financial Officer ~~Department of Banking and Finance~~  
11 shall not be parties to any such hearing but may request to  
12 intervene if requested by the Department of Management  
13 Services or if ~~either~~ the Department of Revenue or the Chief  
14 Financial Officer ~~Department of Banking and Finance~~ determines  
15 the respective its interests of either may be adversely  
16 affected by the hearing. If the administrative law judge  
17 recommends in favor of the department, the department shall  
18 perform an actuarial review, prepare the statement of  
19 actuarial impact, or collect the requested information. The  
20 cost to the department of performing such actuarial review,  
21 preparing such statement, or collecting the requested  
22 information shall be charged to the affected governmental  
23 entity of which the employees are covered by the retirement  
24 system or plan. If payment of such costs is not received by  
25 the department within 60 days after receipt by the affected  
26 governmental entity of the request for payment, the department  
27 shall certify to the Department of Revenue and the Chief  
28 Financial Officer ~~Department of Banking and Finance~~ the amount  
29 due, and the Department of Revenue and the Chief Financial  
30 Officer ~~Department of Banking and Finance~~ shall pay such  
31 amount to the Department of Management Services from any funds

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1 not pledged for bond debt service satisfaction that are  
 2 payable to the affected governmental entity of which the  
 3 employees are covered by the retirement system or plan. If the  
 4 administrative law judge recommends in favor of the affected  
 5 governmental entity and the department performs an actuarial  
 6 review, prepares the statement of actuarial impact, or  
 7 collects the requested information, the cost to the department  
 8 of performing the actuarial review, preparing the statement,  
 9 or collecting the requested information shall be paid by the  
 10 Department of Management Services.

11 (b) In the case of an affected special district, the  
 12 Department of Management Services shall also notify the  
 13 Department of Community Affairs. Upon receipt of notification,  
 14 the Department of Community Affairs shall proceed pursuant to  
 15 the provisions of s. 189.421 with regard to the special  
 16 district.

17 Section 7. Section 130.04, Florida Statutes, is  
 18 amended to read:

19 130.04 Sale ~~Notice for bids and disposition~~ of  
 20 bonds.--In case the issuing of bonds shall be authorized by  
 21 the result of such election, the county commissioners shall  
 22 sell the bonds in the manner provided in s. 218.385.~~cause~~  
 23 ~~notice to be given by publication in a newspaper published in~~  
 24 ~~the county, or in some newspaper published in the same~~  
 25 ~~judicial circuit, if there be none published in the county,~~  
 26 ~~that they will receive bids for the purchase of county bonds~~  
 27 ~~at the clerk's office, on a date not less than 10 days nor~~  
 28 ~~more than 60 days from the first publication of such notice.~~  
 29 ~~The notice shall specify the amount of bonds offered for sale,~~  
 30 ~~the rate of interest, and the time when principal and~~  
 31 ~~installments of interest shall be due and payable. Any and~~

1 ~~all bids shall be rejected if the commissioners shall deem it~~  
 2 ~~to the best interest for the county so to do, and they may~~  
 3 ~~cause a new notice to be given in like manner inviting other~~  
 4 ~~bids for said bonds; provided, that when the rate of interest~~  
 5 ~~on said bonds exceeds 5 percent per annum, said bonds shall~~  
 6 ~~not be sold for less than 95 cents on the dollar, but when any~~  
 7 ~~bonds have heretofore been provided for by election, and the~~  
 8 ~~rate of interest is 5 percent per annum, or less, that in such~~  
 9 ~~cases the county commissioners may accept less than 95 cents~~  
 10 ~~upon the dollar, in the sale of said bonds, or for any portion~~  
 11 ~~of said bonds not already sold; provided, however, no bonds~~  
 12 ~~shall be sold for less than 90 cents on the dollar.~~

13 Section 8. Subsection (1) of section 132.02, Florida  
 14 Statutes, is amended to read:

15 132.02 Taxing units may refund obligations.--

16 (1) Each county, municipality, ~~city, town, special~~  
 17 ~~road and bridge district, special tax~~ school district, or ~~and~~  
 18 other taxing district ~~districts~~ in this state, herein  
 19 sometimes called a unit, may issue, pursuant to a resolution  
 20 or resolutions of the governing body thereof (meaning thereby  
 21 the board or body vested with the power of determining the  
 22 amount of tax levies required for taxing the taxable property  
 23 of such unit for the purpose of such unit) and either with or  
 24 without the approval of such bonds at an election, except as  
 25 may be required by the Constitution of the state, bonds of  
 26 such unit for the purpose of refunding any or all bonds,  
 27 coupons, or interest on any such bonds, ~~or coupons or paving~~  
 28 ~~certificates of indebtedness or interest on any such paving~~  
 29 ~~certificates of indebtedness~~, now or hereafter outstanding, or  
 30 any other funded debt, all of which are herein referred to as  
 31 bonds, whether such unit created such indebtedness or has

1 assumed, or may become liable therefor, ~~and whether~~  
2 ~~indebtedness to be refunded has matured or to thereafter~~  
3 ~~become matured.~~

4 Section 9. Section 132.09, Florida Statutes, is  
5 amended to read:

6 132.09 Sale of bonds ~~Notice of sale; bids and award;~~  
7 ~~private sale.~~--When sold, the refunding bonds (except as  
8 otherwise expressly provided) shall be sold in the manner  
9 provided in s. 218.385.~~pursuant to the terms of a notice of~~  
10 ~~sale which shall be published at least twice. The first~~  
11 ~~publication to be not less than 7 days before the date fixed~~  
12 ~~for the sale and to be published in a newspaper published in~~  
13 ~~the unit, or if no newspaper is published in the unit, then in~~  
14 ~~a newspaper published in the county, or if no newspaper is~~  
15 ~~published in the county, then in a newspaper published in~~  
16 ~~Fallahassee, and in the discretion of the governing body of~~  
17 ~~the unit may be published in a financial newspaper in the City~~  
18 ~~of New York. Such notices shall state the time and place and~~  
19 ~~when and where sealed bids will be received, shall state the~~  
20 ~~amount of bonds, their dates, maturities, denominations and~~  
21 ~~interest rate or rates (which may be a maximum rate), interest~~  
22 ~~payment dates, an outline of the terms, if any, on which they~~  
23 ~~are redeemable or become payable before maturity, the amount~~  
24 ~~which must be deposited with the bid to secure its performance~~  
25 ~~if accepted, and such other pertinent information as the~~  
26 ~~governing body of the unit may determine. The notice of sale~~  
27 ~~may require the bidders to fix the interest rate or rates that~~  
28 ~~the bonds are to bear subject to the terms of the notice and~~  
29 ~~the maximum rate permitted by this chapter. The award of the~~  
30 ~~bonds shall be made by the governing body of the unit to the~~  
31 ~~bidder making the most advantageous bid which shall be~~

1 ~~determined by the governing body in its absolute and~~  
 2 ~~uncontrolled discretion. The right to reject all bids shall~~  
 3 ~~be reserved to the governing body of the unit. If no bids are~~  
 4 ~~received at such public sale, or if all bids are rejected, the~~  
 5 ~~bonds may be sold without notice at private sale at any time~~  
 6 ~~within one year thereafter, but such bonds shall not be sold~~  
 7 ~~at private sale on terms less favorable to the unit than were~~  
 8 ~~contained in the best bid at the prior public sale.~~

9 Section 10. Paragraph (a) of subsection (2) of section  
 10 163.05, Florida Statutes, is amended to read:

11 163.05 Small County Technical Assistance Program.--

12 (2) Recognizing the findings in subsection (1), the  
 13 Legislature declares that:

14 (a) The financial difficulties ~~fiscal emergencies~~  
 15 confronting small counties require an investment that will  
 16 facilitate efforts to improve the productivity and efficiency  
 17 of small counties' structures and operating procedures.

18 Section 11. Subsection (2) of section 166.121, Florida  
 19 Statutes, is amended to read:

20 166.121 Issuance of bonds.--

21 (2) The governing body of a municipality shall  
 22 determine the terms and manner of sale and distribution or  
 23 other disposition of any and all bonds it may issue,  
 24 consistent with the provisions of s. 218.385, and shall have  
 25 any and all powers necessary or convenient to such  
 26 disposition.

27 Section 12. Section 166.241, Florida Statutes, is  
 28 amended to read:

29 166.241 Fiscal years, ~~financial reports,~~  
 30 appropriations, ~~and~~ budgets, and budget amendments.--

31 ~~(1) Each municipality shall report its finances~~

1 ~~annually as provided by general law.~~

2 (1)(2) Each municipality shall make provision for  
3 establishing a fiscal year beginning October 1 of each year  
4 and ending September 30 of the following year.

5 (2)(3) The governing body of each municipality shall  
6 adopt a budget each fiscal year. The budget must be adopted by  
7 ordinance unless otherwise specified in the respective  
8 municipality's charter, except that municipalities required to  
9 establish millage pursuant to chapter 200 shall adopt the  
10 budget by resolution or ordinance in the manner specified in  
11 s. 200.065(2). The amount available from taxation and other  
12 sources, including amounts carried over from prior fiscal  
13 years, must equal the total appropriations for expenditures  
14 and reserves. The budget must regulate expenditures of the  
15 municipality, and it is unlawful for any officer of a  
16 municipal government to expend or contract for expenditures in  
17 any fiscal year except in pursuance of budgeted  
18 appropriations.

19 (3) The governing body of each municipality at any  
20 time within a fiscal year or within up to 60 days following  
21 the end of the fiscal year may amend a budget for that year as  
22 follows:

23 (a) Appropriations for expenditures within a fund may  
24 be decreased or increased by motion recorded in the minutes,  
25 provided that the total of the appropriations of the fund is  
26 not changed.

27 (b) The governing body may establish procedures by  
28 which the designated budget officer may authorize certain  
29 budget amendments within a department, provided that the total  
30 of the appropriations of the department is not changed.

31 (c) If a budget amendment is required for a purpose

1 not specifically authorized in paragraph (a) or paragraph (b),  
2 the budget amendment must be adopted in the same manner as the  
3 original budget unless otherwise specified in the charter of  
4 the respective municipality.

5 Section 13. Section 189.4044, Florida Statutes, is  
6 amended to read:

7 189.4044 Special procedures for inactive districts.--

8 (1) The department shall declare inactive any special  
9 district in this state by documenting the following ~~filing a~~  
10 ~~report with the Speaker of the House of Representatives and~~  
11 ~~the President of the Senate which shows that such special~~  
12 ~~district is no longer active. The inactive status of the~~  
13 ~~special district must be based upon a finding:~~

14 (a) ~~That~~ The special district meets one of the  
15 following criteria:

16 1. The registered agent of the district, the chair of  
17 the governing body of the district, or the governing body of  
18 the appropriate local general-purpose government notifies the  
19 department in writing that the district has taken no action  
20 for 2 or more calendar years;

21 2. Following an inquiry from the department, the  
22 registered agent of the district, the chair of the governing  
23 body of the district, or the governing body of the appropriate  
24 local general-purpose government notifies the department in  
25 writing that the district has not had a governing board or a  
26 sufficient number of governing board members to constitute a  
27 quorum for 2 or more years or the registered agent of the  
28 district, the chair of the governing body of the district, or  
29 the governing body of the appropriate local general-purpose  
30 government fails to respond to the department's inquiry within  
31 21 days; or ~~18 or more months;~~

1           3. The department determines, pursuant to s. 189.421,  
2 that the district has failed to file ~~or make a good faith~~  
3 ~~effort to file~~ any of the reports listed in s. 189.419. ~~or~~

4           ~~4. The district has failed, for 2 consecutive fiscal~~  
5 ~~years, to pay fees assessed by the Special District~~  
6 ~~Information Program pursuant to this chapter.~~

7           (b) The department, special district, or local  
8 general-purpose government published ~~That~~ a notice of the  
9 proposed declaration of inactive status ~~has been published~~  
10 ~~once a week for 2 weeks~~ in a newspaper of general circulation  
11 in within the county or municipality in which ~~wherein~~ the  
12 territory of the special district is located and sent a copy  
13 of such notice by certified mail to the registered agent or  
14 chair of the board, if any. Such notice shall include, stating  
15 the name of said special district, the law under which it was  
16 organized and operating, a general description of the  
17 territory included in said special district, and a statement  
18 ~~stating~~ that any objections must be filed pursuant to chapter  
19 120 within 21 days after the publication date to the proposed  
20 ~~declaration or to any claims against the assets of said~~  
21 ~~special district shall be filed not later than 60 days~~  
22 ~~following the date of last publication with the department;~~  
23 and

24           (c) Twenty-one ~~That 60~~ days have elapsed from the ~~last~~  
25 publication date of the notice of proposed declaration of  
26 inactive status and no administrative appeals were sustained  
27 ~~objections have been~~ filed.

28           (2) If any special district is declared inactive  
29 pursuant to this section, the property or assets of the  
30 special district are subject to legal process for payment of  
31 any debts of the district. After the payment of all the debts



1 of said inactive special district, the remainder of its  
2 property or assets shall escheat to the county or municipality  
3 wherein located. If, however, it shall be necessary, in order  
4 to pay any such debt, to levy any tax or taxes on the property  
5 in the territory or limits of the inactive special district,  
6 the same may be assessed and levied by order of the local  
7 general-purpose government wherein the same is situated and  
8 shall be assessed by the county property appraiser and  
9 collected by the county tax collector.

10 (3) In the case of a district created by special act  
11 of the Legislature, the department shall send a notice of  
12 declaration of inactive status to ~~notify~~ the Speaker of the  
13 House of Representatives and the President of the Senate. The  
14 notice of declaration of inactive status shall reference of  
15 each known special act creating or amending the charter of any  
16 special district declared to be inactive under this section.  
17 The declaration of inactive status shall be sufficient notice  
18 as required by s. 10, Art. III of the State Constitution to  
19 authorize the Legislature to repeal any special laws so  
20 reported. In the case of a district created by one or more  
21 local general-purpose governments, the department shall send a  
22 notice of declaration of inactive status to the chair of the  
23 governing body of each local general-purpose government that  
24 created the district. In the case of a district created by  
25 interlocal agreement, the department shall send a notice of  
26 declaration of inactive status to the chair of the governing  
27 body of each local general-purpose government that entered  
28 into the interlocal agreement.

29 (4) The entity that created a special district  
30 declared inactive under this section must dissolve the special  
31 district ~~be dissolved by~~ repealing ~~repeal of~~ its enabling laws

1 or by other appropriate means.

2 Section 14. Subsection (1) of section 189.412, Florida  
3 Statutes, is amended, and subsection (8) is added to said  
4 section, to read:

5 189.412 Special District Information Program; duties  
6 and responsibilities.--The Special District Information  
7 Program of the Department of Community Affairs is created and  
8 has the following special duties:

9 (1) The collection and maintenance of special district  
10 noncompliance compliance status reports from the Department of  
11 Management Services Auditor General, the Department of Banking  
12 and Finance, the Division of Bond Finance of the State Board  
13 of Administration, and the Auditor General the Department of  
14 Management Services, the Department of Revenue, and the  
15 Commission on Ethics for the reporting required in ss.  
16 ~~112.3144, 112.3145, 112.3148, 112.3149, 112.63, 200.068,~~  
17 ~~218.32, 218.34, 218.38, and 218.39, and 280.17 and chapter 121~~  
18 ~~and from state agencies administering programs that distribute~~  
19 ~~money to special districts. The noncompliance special district~~  
20 ~~compliance status reports must list those consist of a list of~~  
21 ~~special districts used in that state agency and a list of~~  
22 ~~which special districts that did not comply with the statutory~~  
23 ~~reporting requirements statutorily required by that agency.~~

24 (8) Providing assistance to local general-purpose  
25 governments and certain state agencies in collecting  
26 delinquent reports or information, helping special districts  
27 comply with reporting requirements, declaring special  
28 districts inactive when appropriate, and, when directed by the  
29 Legislative Auditing Committee, initiating enforcement  
30 provisions as provided in ss. 189.4044, 189.419, and 189.421.

31 Section 15. Subsections (1) and (2) of section

1 189.418, Florida Statutes, are amended, subsection (5) is  
2 renumbered as subsection (6), present subsection (6) is  
3 renumbered as subsection (7) and amended, and a new subsection  
4 (5) is added to said section, to read:

5 189.418 Reports; budgets; audits.--

6 (1) When a new special district is created, the  
7 district must forward to the department, within 30 days after  
8 the adoption of the special act, rule, ordinance, resolution,  
9 or other document that provides for the creation of the  
10 district, a copy of the document and a written statement that  
11 includes a reference to the status of the special district as  
12 dependent or independent and the basis for such  
13 classification. In addition to the document or documents that  
14 create the district, the district must also submit a map of  
15 the district, showing any municipal boundaries that cross the  
16 district's boundaries, and any county lines if the district is  
17 located in more than one county. The department must notify  
18 the local government or other entity and the district within  
19 30 days after receipt of the document or documents that create  
20 the district as to whether the district has been determined to  
21 be dependent or independent.

22 (2) Any amendment, modification, or update of the  
23 document by which the district was created, including changes  
24 in boundaries, must be filed with the department within 30  
25 days after adoption. The department may initiate proceedings  
26 against special districts as provided in s.ss.189.421 and  
27 ~~189.422~~ for failure to file the information required by this  
28 subsection.

29 (5) The governing body of each special district at any  
30 time within a fiscal year or within up to 60 days following  
31 the end of the fiscal year may amend a budget for that year.

1 The budget amendment must be adopted by resolution.

2 ~~(7)(6)~~ All reports or information required to be filed  
3 with a local governing authority under ss. 189.415, 189.416,  
4 and 189.417, ~~218.32, and 218.39~~ and this section shall:

5 (a) When the local governing authority is a county, be  
6 filed with the clerk of the board of county commissioners.

7 (b) When the district is a multicounty district, be  
8 filed with the clerk of the county commission in each county.

9 (c) When the local governing authority is a  
10 municipality, be filed at the place designated by the  
11 municipal governing body.

12 Section 16. Section 189.419, Florida Statutes, is  
13 amended to read:

14 189.419 Effect of failure to file certain reports or  
15 information.--

16 (1) If a special district fails to file the reports or  
17 information required under s. 189.415, s. 189.416, or s.  
18 189.417, ~~s. 189.418, s. 218.32, or s. 218.39~~ and a description  
19 ~~of all new bonds as provided in s. 218.38(1)~~ with the local  
20 governing authority, the person authorized to receive and read  
21 the reports or information shall notify the district's  
22 registered agent and the appropriate local governing authority  
23 or authorities. If requested by the district ~~At any time~~, the  
24 governing authority shall ~~may~~ grant an extension of time of up  
25 to 30 days for filing the required reports or information,  
26 ~~except that an extension may not exceed 30 days.~~

27 (2) If at any time the local governing authority or  
28 authorities or the board of county commissioners determines  
29 that there has been an unjustified failure to file the reports  
30 or information described in subsection (1), it may notify  
31 ~~petition~~ the department and the department may proceed

1 ~~pursuant to initiate proceedings against the special district~~  
2 ~~in the manner provided in s. 189.421.~~

3 (3) If a special district fails to file the reports or  
4 information required under s. 112.63, s. 218.32, s. 218.38, or  
5 s. 218.39 with the appropriate state agency, the agency shall  
6 notify the department, and the department shall proceed  
7 pursuant to s. 189.421 ~~may initiate proceedings against the~~  
8 ~~special district in the manner provided in s. 189.421 or~~  
9 ~~assess fines of not more than \$25, with an aggregate total not~~  
10 ~~to exceed \$50, when formal inquiries do not resolve the~~  
11 ~~noncompliance.~~

12 Section 17. Section 189.421, Florida Statutes, is  
13 amended to read:

14 (Substantial rewording of section. See  
15 s. 189.421, F.S., for present text.)

16 189.421 Failure of district to disclose financial  
17 reports.--

18 (1) When notified pursuant to s. 189.419, the  
19 department shall attempt to assist a special district to  
20 comply with its financial reporting requirements by sending a  
21 certified letter to the special district, and a copy of the  
22 letter to the chair of the governing body of the local  
23 general-purpose government, which includes the following: a  
24 description of the required report, including statutory  
25 submission deadlines, a contact telephone number for technical  
26 assistance to help the special district comply, a 60-day  
27 extension of time for filing the required report with the  
28 appropriate entity, the address where the report must be  
29 filed, and an explanation of the penalties for noncompliance.  
30 The department may grant an additional 30-day extension of  
31 time if requested to do so in writing by the special district.

1 The department shall notify the appropriate entity of the new  
 2 extension of time. In the case of a special district that did  
 3 not timely file the reports or information required by s.  
 4 218.38, the department shall send a certified technical  
 5 assistance letter to the special district that summarizes the  
 6 requirements and encourages the special district to take steps  
 7 to prevent the noncompliance from reoccurring.

8 (2) Failure of a special district to comply with the  
 9 financial reporting requirements after the procedures of  
 10 subsection (1) are exhausted shall be deemed final action of  
 11 the special district. The financial reporting requirements  
 12 are hereby declared to be essential requirements of law.  
 13 Remedy for noncompliance shall be by writ of certiorari as set  
 14 forth in subsection (3).

15 (3) Pursuant to s. 11.40(5)(b), the Legislative  
 16 Auditing Committee shall notify the department of those  
 17 districts that failed to file the required report. Within 30  
 18 days after receiving this notice or within 30 days after the  
 19 extension date provided in subsection (1), whichever occurs  
 20 later, the department shall proceed as follows:  
 21 notwithstanding the provisions of chapter 120, the department  
 22 shall file a petition for writ of certiorari with the circuit  
 23 court. Venue for all actions pursuant to this subsection  
 24 shall be in Leon County. The court shall award the prevailing  
 25 party attorney's fees and costs in all cases filed pursuant to  
 26 this section unless affirmatively waived by all parties. A  
 27 writ of certiorari shall be issued unless a respondent  
 28 establishes that the notification of the Legislative Auditing  
 29 Committee was issued as a result of material error.  
 30 Proceedings under this subsection shall otherwise be governed  
 31 by the Rules of Appellate Procedure.

1           Section 18. Subsection (5) of section 189.428, Florida  
2 Statutes, is amended to read:

3           189.428 Special districts; oversight review process.--

4           (5) Those conducting the oversight review process  
5 shall, at a minimum, consider the listed criteria for  
6 evaluating the special district, but may also consider any  
7 additional factors relating to the district and its  
8 performance. If any of the listed criteria does ~~do~~ not apply  
9 to the special district being reviewed, it ~~they~~ need not be  
10 considered. The criteria to be considered by the reviewer  
11 include:

12           (a) The degree to which the service or services  
13 offered by the special district are essential or contribute to  
14 the well-being of the community.

15           (b) The extent of continuing need for the service or  
16 services currently provided by the special district.

17           (c) The extent of municipal annexation or  
18 incorporation activity occurring or likely to occur within the  
19 boundaries of the special district and its impact on the  
20 delivery of services by the special district.

21           (d) Whether there is a less costly alternative method  
22 of delivering the service or services that would adequately  
23 provide the district residents with the services provided by  
24 the district.

25           (e) Whether transfer of the responsibility for  
26 delivery of the service or services to an entity other than  
27 the special district being reviewed could be accomplished  
28 without jeopardizing the district's existing contracts, bonds,  
29 or outstanding indebtedness.

30           (f) Whether the Auditor General has notified the  
31 Legislative Auditing Committee that the special district's

1 audit report, reviewed pursuant to s. 11.45(7), indicates that  
 2 the district has met any of the conditions specified in s.  
 3 218.503(1) or that a deteriorating financial condition exists  
 4 that may cause a condition described in s. 218.503(1) to occur  
 5 if actions are not taken to address such condition.

6 ~~(g) Whether the Auditor General has determined that~~  
 7 ~~the special district is in a state of financial emergency as~~  
 8 ~~provided in s. 218.503(1), and has notified the Governor and~~  
 9 ~~the Legislative Auditing Committee.~~

10 (g)(h) Whether the district is inactive according to  
 11 the official list of special districts, and whether the  
 12 district is meeting and discharging its responsibilities as  
 13 required by its charter, as well as projected increases or  
 14 decreases in district activity.

15 (h)(i) Whether the special district has failed to  
 16 comply with any of the reporting requirements in this chapter,  
 17 including preparation of the public facilities report.

18 (i)(j) Whether the special district has designated a  
 19 registered office and agent as required by s. 189.416, and has  
 20 complied with all open public records and meeting  
 21 requirements.

22 Section 19. Paragraph (a) of subsection (1) of section  
 23 189.439, Florida Statutes, is amended to read:

24 189.439 Bonds.--

25 (1) AUTHORIZATION AND FORM OF BONDS.--

26 (a) The authority may issue and sell bonds for any  
 27 purpose for which the authority has the power to expend money,  
 28 including, without limitation, the power to obtain working  
 29 capital loans to finance the costs of any project and to  
 30 refund any bonds or other indebtedness at the time outstanding  
 31 at or before maturity. Bonds may be sold in the manner



1 ~~provided in s. 218.385 and by public or negotiated sale after~~  
2 ~~advertisement, if any, as the board considers advisable.~~

3 ~~Bonds~~ may be authorized by resolution of the board.

4 Section 20. Section 215.981, Florida Statutes, is  
5 amended to read:

6 215.981 Audits of state agency direct-support  
7 organizations and citizen support organizations.--Each  
8 direct-support organization and each citizen support  
9 organization, created or authorized pursuant to law, and  
10 created, approved, or administered by a state agency, other  
11 than a university, district board of trustees of a community  
12 college, or district school board, shall provide for an annual  
13 financial audit of its accounts and records to be conducted by  
14 an independent certified public accountant in accordance with  
15 rules adopted by the Auditor General pursuant to s. 11.45(8)  
16 and the state agency that created, approved, or administers  
17 the direct-support organization or citizen support  
18 organization, whenever the organization's expenditures and  
19 expenses exceed \$100,000. The audit report shall be submitted  
20 within 9 months after the end of the fiscal year to the  
21 Auditor General and to the state agency responsible for  
22 creation, administration, or approval of the direct-support  
23 organization or citizen support organization. Such state  
24 agency, the Auditor General, and the Office of Program Policy  
25 Analysis and Government Accountability shall have the  
26 authority to require and receive from the organization or from  
27 the independent auditor any records relative to the operation  
28 of the organization.

29 Section 21. Subsection (3) of section 218.075, Florida  
30 Statutes, is amended to read:

31 218.075 Reduction or waiver of permit processing

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1 fees.--Notwithstanding any other provision of law, the  
2 Department of Environmental Protection and the water  
3 management districts shall reduce or waive permit processing  
4 fees for counties with a population of 50,000 or less on April  
5 1, 1994, until such counties exceed a population of 75,000 and  
6 municipalities with a population of 25,000 or less, or any  
7 county or municipality not included within a metropolitan  
8 statistical area. Fee reductions or waivers shall be approved  
9 on the basis of fiscal hardship or environmental need for a  
10 particular project or activity. The governing body must  
11 certify that the cost of the permit processing fee is a fiscal  
12 hardship due to one of the following factors:

13 (3) Any condition specified in s. 218.503(1), that  
14 results in the county or municipality being in ~~determines~~ a  
15 state of financial emergency;

16  
17 The permit applicant must be the governing body of a county or  
18 municipality or a third party under contract with a county or  
19 municipality and the project for which the fee reduction or  
20 waiver is sought must serve a public purpose. If a permit  
21 processing fee is reduced, the total fee shall not exceed  
22 \$100.

23 Section 22. Subsection (3) is added to section 218.32,  
24 Florida Statutes, to read:

25 218.32 Annual financial reports; local governmental  
26 entities.--

27 (3) The department shall notify the President of the  
28 Senate and the Speaker of the House of Representatives of any  
29 municipality that has not had financial activity for the last  
30 4 fiscal years. Such notice shall be sufficient to initiate  
31 dissolution procedures described in s. 165.051(1)(a). Any

1 special law authorizing the incorporation or creation of said  
2 municipality shall be included within the notification.

3 Section 23. Subsection (3) of section 218.36, Florida  
4 Statutes, is amended to read:

5 218.36 County officers; record and report of fees and  
6 disposition of same.--

7 (3) The board of county commissioners may ~~shall, on~~  
8 ~~the 32nd day following the close of the fiscal year,~~ notify  
9 the Governor of the failure of any county officer to comply  
10 with the provisions of this section. Such notification shall  
11 specify the name of the officer and the office held by him or  
12 her at the time of such failure and shall subject said officer  
13 to suspension from office at the Governor's discretion.

14 Section 24. Section 218.369, Florida Statutes, is  
15 amended to read:

16 218.369 Definitions applicable to ss.  
17 218.37-218.386.--As used in this section and in ss. 218.37,  
18 218.38, 218.385, and 218.386, the term "unit of local  
19 government," except where exception is made, means a county,  
20 municipality, special district, district school board, local  
21 agency, authority, or consolidated city-county government or  
22 any other local governmental body or public body corporate and  
23 politic authorized or created by general or special law and  
24 granted the power to issue general obligation or revenue  
25 bonds; and the words "general obligation or revenue bonds"  
26 shall be interpreted to include within their scope general  
27 obligation bonds, revenue bonds, special assessment bonds,  
28 limited revenue bonds, special obligation bonds, debentures,  
29 and other similar instruments, but not bond anticipation  
30 notes.

31 Section 25. Part V of chapter 218, Florida Statutes,

1 entitled "Financial Emergencies" is renamed "Local  
2 Governmental Entity and District School Board Financial  
3 Emergencies."

4 Section 26. Section 218.50, Florida Statutes, is  
5 amended to read:

6 218.50 Short title.--Sections 218.50-218.504 shall be  
7 known as the "Local Governmental Entity and District School  
8 Board ~~Government~~ Financial Emergencies Act."

9 Section 27. Section 218.501, Florida Statutes, is  
10 amended to read:

11 218.501 Purposes.--The purposes of ss. 218.50-218.504  
12 are:

13 (1) To promote ~~preserve and protect~~ the fiscal  
14 responsibility solvency of local governmental entities and  
15 district school boards.

16 (2) To assist local governmental entities and district  
17 school boards in providing essential services without  
18 interruption and in meeting their financial obligations.

19 (3) To assist local governmental entities and district  
20 school boards through the improvement of local financial  
21 management procedures.

22 Section 28. Section 218.502, Florida Statutes, is  
23 amended to read:

24 218.502 Definition.--As used in ss. 218.50-218.504,  
25 the term "local governmental entity" means a county,  
26 municipality, or special district, ~~or district school board.~~

27 Section 29. Section 218.503, Florida Statutes, as  
28 amended by chapter 2001-354, Laws of Florida, is amended to  
29 read:

30 218.503 Determination of financial emergency.--

31 (1) ~~A~~ Local governmental entities and district school

1 boards shall be subject to review and oversight by the  
 2 Governor or the Commissioner of Education ~~entity is in a state~~  
 3 ~~of financial emergency~~ when any one of the following  
 4 conditions occurs:

5 (a) Failure within the same fiscal year in which due  
 6 to pay short-term loans from banks or failure to make bond  
 7 debt service or other long-term debt payments when due, as a  
 8 result of a lack of funds.

9 (b) Failure to pay uncontested claims from creditors  
 10 within 90 days after the claim is presented, as a result of a  
 11 lack of funds.

12 (c)~~(b)~~ Failure to transfer at the appropriate time,  
 13 due to lack of funds:

- 14 1. Taxes withheld on the income of employees; or
- 15 2. Employer and employee contributions for:
  - 16 a. Federal social security; or
  - 17 b. Any pension, retirement, or benefit plan of an
  - 18 employee.

19 (d)~~(c)~~ Failure for one pay period to pay, due to lack  
 20 of funds:

- 21 1. Wages and salaries owed to employees; or
- 22 2. Retirement benefits owed to former employees.

23 (e)~~(d)~~ An unreserved or total fund balance or retained  
 24 earnings deficit, or unrestricted or total net assets deficit,  
 25 as reported on the balance sheet or statement of net assets on  
 26 the general purpose or fund financial statements, for which  
 27 sufficient resources of the local governmental entity, as  
 28 reported on the balance sheet or statement of net assets on  
 29 the general purpose or fund financial statements, are not  
 30 available to cover the deficit for 2 successive years.

31 Resources available to cover reported deficits include net

1 assets that are not otherwise restricted by federal, state, or  
 2 local laws, bond covenants, contractual agreements, or other  
 3 legal constraints. Fixed or capital assets, the disposal of  
 4 which would impair the ability of a local governmental entity  
 5 to carry out its functions, are not considered resources  
 6 available to cover reported deficits.

7 ~~(e) Noncompliance of the local government retirement~~  
 8 ~~system with actuarial conditions provided by law.~~

9 (2) A local governmental entity shall notify the  
 10 Governor and the Legislative Auditing Committee, and a  
 11 district school board shall notify the Commissioner of  
 12 Education and the Legislative Auditing Committee, when one or  
 13 more of the conditions specified in subsection (1) have  
 14 occurred or will occur if action is not taken to assist the  
 15 local governmental entity or district school board. In  
 16 addition, any state agency must, within 30 days after a  
 17 determination that one or more of the conditions specified in  
 18 subsection (1) have occurred or will occur if action is not  
 19 taken to assist the local governmental entity or district  
 20 school board ~~the identification of the financial emergency,~~  
 21 notify the Governor or the Commissioner of Education, as  
 22 appropriate, and the Legislative Auditing Committee ~~when one~~  
 23 ~~or more of the conditions specified in subsection (1) have~~  
 24 ~~occurred or will occur if action is not taken to assist a~~  
 25 ~~local governmental entity.~~

26 (3) Upon notification that one or more of the  
 27 conditions in subsection (1) exist, the Governor or his or her  
 28 designee shall contact the local governmental entity or the  
 29 Commissioner of Education or his or her designee shall contact  
 30 the district school board to determine what actions have been  
 31 taken by the local governmental entity or the district school

1 board to resolve the condition ~~financial emergency~~. The  
 2 Governor or the Commissioner of Education, as appropriate,  
 3 shall determine whether the local governmental entity or the  
 4 district school board needs state assistance to resolve the  
 5 condition. If state assistance is needed, the local  
 6 governmental entity or district school board is considered to  
 7 be in a state of financial emergency. The Governor or the  
 8 Commissioner of Education, as appropriate, has the authority  
 9 to implement measures as set forth in ss. 218.50-218.504 to  
 10 assist the local governmental entity or district school board  
 11 in resolving ~~resolve~~ the financial emergency. Such measures  
 12 may include, but are not limited to:

13 (a) Requiring approval of the local governmental  
 14 entity's budget by the Governor or approval of the district  
 15 school board's budget by the Commissioner of Education.

16 (b) Authorizing a state loan to a ~~the~~ local  
 17 governmental entity and providing for repayment of same.

18 (c) Prohibiting a local governmental entity or  
 19 district school board from issuing bonds, notes, certificates  
 20 of indebtedness, or any other form of debt until such time as  
 21 it is no longer subject to this section.

22 (d) Making such inspections and reviews of records,  
 23 information, reports, and assets of the local governmental  
 24 entity or district school board. The appropriate local  
 25 officials shall cooperate in such, ~~in which~~ inspections and  
 26 reviews ~~the appropriate local officials shall cooperate.~~

27 (e) Consulting with ~~the~~ officials and auditors of the  
 28 local governmental entity or the district school board and the  
 29 appropriate state officials ~~agency~~ regarding any steps  
 30 necessary to bring the books of account, accounting systems,  
 31 financial procedures, and reports into compliance with state

1 requirements.

2 (f) Providing technical assistance to the local  
3 governmental entity or the district school board.

4 (g)1. Establishing a financial emergency ~~emergencies~~  
5 board to oversee the activities of the local governmental  
6 entity or the district school board. If a financial emergency  
7 ~~The board, if is established for a local governmental entity,~~  
8 ~~shall be appointed by the Governor shall appoint board members~~  
9 and select a chair. If a financial emergency board is  
10 established for a district school board, the State Board of  
11 Education shall appoint board members and select a chair.~~The~~  
12 ~~Governor shall select a chair and such other officers as are~~  
13 ~~necessary.~~The financial emergency board shall adopt such  
14 rules as are necessary for conducting board business. The  
15 board may:

16 a. Make such reviews of records, reports, and assets  
17 of the local governmental entity or the district school board  
18 as are needed.

19 b. Consult with ~~the~~ officials and auditors of the  
20 local governmental entity or the district school board and the  
21 appropriate state officials regarding any steps necessary to  
22 bring the books of account, accounting systems, financial  
23 procedures, and reports of the local governmental entity or  
24 the district school board into compliance with state  
25 requirements.

26 c. Review the operations, management, efficiency,  
27 productivity, and financing of functions and operations of the  
28 local governmental entity or district school board.

29 2. The recommendations and reports made by the  
30 financial emergency board must be submitted to the Governor  
31 for local governmental entities or to the Commissioner of



1 Education and the State Board of Education for district school  
2 boards for appropriate action.

3 (h) Requiring and approving a plan, to be prepared by  
4 officials of the appropriate state agency in conjunction with  
5 the local governmental entity or the district school board in  
6 consultation with the appropriate state officials, prescribing  
7 actions that will cause the local governmental entity or  
8 district school board to no longer be subject to this section.  
9 The plan must include, but need not be limited to:

10 1. Provision for payment in full of obligations  
11 outlined in subsection (1), designated as priority items, that  
12 are currently all payments due or will to come due on debt  
13 obligations, pension payments, and all payments and charges  
14 imposed or mandated by federal or state law and for all  
15 judgments and past due accounts, as priority items of  
16 expenditures.

17 2. Establishment of a basis of priority budgeting or  
18 zero-based budgeting in order, so as to eliminate low-priority  
19 items that are not affordable.

20 3. The prohibition of a level of operations which can  
21 be sustained only with nonrecurring revenues.

22 (4) A ~~During the financial emergency period, the local~~  
23 governmental entity or district school board may not seek  
24 application of laws under the bankruptcy provisions of the  
25 United States Constitution except with the prior approval of  
26 the Governor for local governmental entities or the  
27 Commissioner of Education for district school boards.

28 (5)(a) The governing authority of any municipality  
29 having a resident population of 300,000 or more on or after  
30 April 1, 1999, which has been declared in a state of financial  
31 emergency pursuant to this section may impose a discretionary

1 per-vehicle surcharge of up to 20 percent on the gross  
2 revenues of the sale, lease, or rental of space at parking  
3 facilities within the municipality which are open for use to  
4 the general public.

5 (b) A municipal governing authority that imposes the  
6 surcharge authorized by this subsection may use the proceeds  
7 of such surcharge for the following purposes only:

8 1. No less than 60 percent and no more than 80 percent  
9 of the surcharge proceeds shall be used by the governing  
10 authority to reduce its ad valorem tax millage rate or to  
11 reduce or eliminate non-ad valorem assessments.

12 2. A portion of the balance of the surcharge proceeds  
13 shall be used by the governing authority to increase its  
14 budget reserves; however, the governing authority shall not  
15 reduce the amount it allocates for budget reserves from other  
16 sources below the amount allocated for reserves in the fiscal  
17 year prior to the year in which the surcharge is initially  
18 imposed. When a 15-percent budget reserve is achieved, based  
19 on the average gross revenue for the most recent 3 prior  
20 fiscal years, the remaining proceeds from this subparagraph  
21 shall be used for the payment of annual debt service related  
22 to outstanding obligations backed or secured by a covenant to  
23 budget and appropriate from non-ad valorem revenues.

24 (c) This subsection expires June 30, 2006.

25 Section 30. Section 218.504, Florida Statutes, is  
26 amended to read:

27 218.504 Cessation of state action.--The Governor or  
28 the Commissioner of Education, as appropriate, has the  
29 authority to terminate all state actions pursuant to ss.  
30 218.50-218.504. Cessation of state action must not occur  
31 until the Governor or the Commissioner of Education, as

1 appropriate,has determined that:

2 (1) The local governmental entity or district school  
3 board:

4 (a) Has established and is operating an effective  
5 financial accounting and reporting system.

6 (b) Has resolved ~~corrected or eliminated~~ the ~~fiscal~~  
7 ~~emergency~~ conditions outlined in s. 218.503(1).

8 (2) None of the ~~No new fiscal emergency~~ conditions  
9 outlined in s. 218.593(1)exist.

10 Section 31. Section 236.43, Florida Statutes, is  
11 amended to read:

12 236.43 Receiving bids and sale of bonds.--

13 (1) In case the issuance of bonds shall be authorized  
14 at said election, or in case any bonds outstanding against the  
15 district are being refunded, the school board shall sell the  
16 bonds in the manner provided in s. 218.385.~~cause notice to be~~  
17 ~~given by publication in some newspaper published in the~~  
18 ~~district that said board will receive bids for the purchase of~~  
19 ~~the bonds at the office of the superintendent of said~~  
20 ~~district. The notice shall be published twice and the first~~  
21 ~~publication shall be given not less than 30 days prior to the~~  
22 ~~date set for receiving the bids. Said notice shall specify~~  
23 ~~the amount of the bonds offered for sale and shall state~~  
24 ~~whether the bids shall be sealed bids or whether the bonds are~~  
25 ~~to be sold at auction, shall give the schedule of maturities~~  
26 ~~of the proposed bonds and such other pertinent information as~~  
27 ~~may be prescribed by regulations of the state board. Bidders~~  
28 ~~may be invited to name the rate of interest which the bonds~~  
29 ~~are to bear or the school board may name rates of interest and~~  
30 ~~invite bids thereon. In addition to publication of notice of~~  
31 ~~the proposed sale as set forth above, the school board shall~~

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1 ~~also notify in writing at least three recognized bond dealers~~  
2 ~~in the state and shall also at the same time notify the~~  
3 ~~Department of Education concerning the proposed sale,~~  
4 ~~enclosing a copy of the advertisement.~~

5 (2) ~~All bonds and refunding bonds issued as provided~~  
6 ~~by law shall be sold to the highest and best bidder at such~~  
7 ~~public sale unless sold at a better price or yield basis~~  
8 ~~within 30 days after failure to receive an acceptable bid at a~~  
9 ~~duly advertised public sale; provided, that at no time shall~~  
10 ~~bonds or refunding bonds be sold or exchanged at less than par~~  
11 ~~value except as specifically authorized by the department; and~~  
12 ~~provided, further, that the school board shall have the right~~  
13 ~~to reject all bids and cause a new notice to be given in like~~  
14 ~~manner inviting other bids for such bonds, or to sell all or~~  
15 ~~any part of such bonds to the state board at a price and yield~~  
16 ~~basis which shall not be less advantageous to the school board~~  
17 ~~than that represented by the highest and best bid received.~~

18 In the marketing of said bonds the school board shall be  
19 entitled to have such assistance as can be rendered by the  
20 Governor, the State Treasurer, the Commissioner of Education,  
21 or any other public state officer or agency. In determining  
22 the highest and best bidder for bonds offered for sale by  
23 competitive bid, the true net interest cost to the school  
24 board ~~as shown in standard bond tables~~ shall govern,  
25 provided, that the determination of the school board as to the  
26 highest and best bidder shall be final.

27 Section 32. Subsection (4) of section 237.40, Florida  
28 Statutes, is amended to read:

29 237.40 Direct-support organization; use of property;  
30 board of directors; audit.--

31 (4) ANNUAL AUDIT.--Each direct-support organization

1 with more than \$100,000 in expenditures and expenses shall  
 2 provide for an annual financial audit of its accounts and  
 3 records, to be conducted by an independent certified public  
 4 accountant in accordance with rules adopted by the Auditor  
 5 General pursuant to s. 11.45(8) and the Commissioner of  
 6 Education. The annual audit report shall be submitted within 9  
 7 months after the fiscal year's end to the district school  
 8 board and the Auditor General. The Commissioner of Education,  
 9 the Auditor General, and the Office of Program Policy Analysis  
 10 and Government Accountability have the authority to require  
 11 and receive from the organization or the district auditor any  
 12 records relative to the operation of the organization. The  
 13 identity of donors and all information identifying donors and  
 14 prospective donors are confidential and exempt from the  
 15 provisions of s. 119.07(1), and that anonymity shall be  
 16 maintained in the auditor's report. All other records and  
 17 information shall be considered public records for the  
 18 purposes of chapter 119.

19 Section 33. Subsection (5) of section 240.299, Florida  
 20 Statutes, is amended to read:

21 240.299 Direct-support organizations; use of property;  
 22 board of directors; activities; audit; facilities.--

23 (5) ANNUAL AUDIT.--Each direct-support organization  
 24 with more than \$100,000 in expenditures and expenses shall  
 25 provide for an annual financial audit of its accounts and  
 26 records to be conducted by an independent certified public  
 27 accountant in accordance with rules adopted by the Auditor  
 28 General pursuant to s. 11.45(8) and by the Board of Regents.  
 29 The annual audit report shall be submitted, within 9 months  
 30 after the end of the fiscal year, to the Auditor General and  
 31 the Board of Regents for review. The Board of Regents, the

1 Auditor General, and the Office of Program Policy Analysis and  
 2 Government Accountability shall have the authority to require  
 3 and receive from the organization or from its independent  
 4 auditor any records relative to the operation of the  
 5 organization. The identity of donors who desire to remain  
 6 anonymous shall be protected, and that anonymity shall be  
 7 maintained in the auditor's report. All records of the  
 8 organization other than the auditor's report, management  
 9 letter, and any supplemental data requested by the Board of  
 10 Regents, the Auditor General, and the Office of Program Policy  
 11 Analysis and Government Accountability shall be confidential  
 12 and exempt from the provisions of s. 119.07(1).

13 Section 34. Subsection (6) of section 240.331, Florida  
 14 Statutes, is amended to read:

15 240.331 Community college direct-support  
 16 organizations.--

17 (6) ANNUAL AUDIT.--Each direct-support organization  
 18 with more than \$100,000 in expenditures and expenses shall  
 19 provide for an annual financial audit of its accounts and  
 20 records in accordance with rules adopted by the Auditor  
 21 General pursuant to s. 11.45(8). The annual audit report must  
 22 be submitted, within 9 months after the end of the fiscal  
 23 year, to the Auditor General, the State Board of Community  
 24 Colleges, and the board of trustees for review. The board of  
 25 trustees, the Auditor General, and the Office of Program  
 26 Policy Analysis and Government Accountability may require and  
 27 receive from the organization or from its independent auditor  
 28 any detail or supplemental data relative to the operation of  
 29 the organization. The identity of donors who desire to remain  
 30 anonymous shall be protected, and that anonymity shall be  
 31 maintained in the auditor's report. All records of the

1 organization, other than the auditor's report, any information  
 2 necessary for the auditor's report, any information related to  
 3 the expenditure of funds, and any supplemental data requested  
 4 by the board of trustees, the Auditor General, and the Office  
 5 of Program Policy Analysis and Government Accountability,  
 6 shall be confidential and exempt from the provisions of s.  
 7 119.07(1).

8           Section 35. Chapter 131, Florida Statutes, consisting  
 9 of sections 131.01, 131.02, 131.03, 131.04, 131.05, and  
 10 131.06, Florida Statutes, is repealed.

11           Section 36. Section 132.10, Florida Statutes, is  
 12 repealed.

13           Section 37. Section 165.052, Florida Statutes, is  
 14 repealed.

15           Section 38. Section 189.409, Florida Statutes, is  
 16 repealed.

17           Section 39. Section 189.422, Florida Statutes, is  
 18 repealed.

19           Section 40. Section 200.0684, Florida Statutes, is  
 20 repealed.

21           Section 41. Paragraph (h) of subsection (1) of section  
 22 218.37, Florida Statutes, is repealed.

23           Section 42. Except as otherwise provided herein, this  
 24 act shall take effect upon becoming a law.

25  
 26

27 ===== T I T L E   A M E N D M E N T =====

28 And the title is amended as follows:

29 remove: the entire title

30

31 and insert:

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1                                   A bill to be entitled  
2                   An act relating to local government  
3                   accountability; amending s. 11.40, F.S.;  
4                   revising duties of the Legislative Auditing  
5                   Committee; amending s. 11.45, F.S.; revising  
6                   reporting requirements of the Auditor General;  
7                   amending s. 75.05, F.S.; deleting a requirement  
8                   for an independent special district to submit a  
9                   copy of a complaint to the Division of Bond  
10                  Finance of the State Board of Administration;  
11                  amending s. 112.625, F.S.; revising the  
12                  definition of "governmental entity" to include  
13                  counties and district school boards; amending  
14                  s. 112.63, F.S.; providing for additional  
15                  information to be provided to the Department of  
16                  Management Services in actuarial reports with  
17                  regard to retirement systems and plans and  
18                  providing procedures therefor; providing for  
19                  notification of the Department of Revenue and  
20                  the Department of Banking and Finance, or the  
21                  Chief Financial Officer on or after January 1,  
22                  2003, in cases of noncompliance and authorizing  
23                  the withholding of certain funds; requiring the  
24                  Department of Management Services to notify the  
25                  Department of Community Affairs in the case of  
26                  affected special districts; amending s. 130.04,  
27                  F.S.; revising provisions governing notice of  
28                  bids and disposition of bonds; amending s.  
29                  132.02, F.S.; revising provisions relating to  
30                  the authorization to issue refund bonds;  
31                  amending s. 132.09, F.S.; revising provisions



729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1 relating to the notice of sale, bids, and  
2 awards and private sale of bonds; amending s.  
3 163.05, F.S.; revising provisions governing the  
4 Small County Technical Assistance Program;  
5 amending s. 166.121, F.S.; revising provisions  
6 governing the issuance of bonds by a  
7 municipality; amending s. 166.241, F.S.;  
8 providing a municipal budget amendment process  
9 and requirements; amending s. 189.4044, F.S.;  
10 revising special procedures for determination  
11 of inactive special districts; amending s.  
12 189.412, F.S.; revising duties of the Special  
13 District Information Program of the Department  
14 of Community Affairs; amending s. 189.418,  
15 F.S.; revising reporting requirements of newly  
16 created special districts; authorizing the  
17 governing body of a special district to amend  
18 its budget; amending s. 189.419, F.S.; revising  
19 provisions relating to the failure of special  
20 districts to file required reports; amending s.  
21 189.421, F.S.; revising provisions governing  
22 the failure of special districts to disclose  
23 financial reports; providing for extension of  
24 time for the filing of said reports; providing  
25 remedies for noncompliance; providing for  
26 attorney's fees and costs; amending s. 189.428,  
27 F.S.; revising provisions governing the special  
28 district oversight review process; amending s.  
29 189.439, F.S.; revising provisions governing  
30 the issuance of bonds by special districts;  
31 amending s. 215.981, F.S.; exempting state

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1 agency direct-support organizations and citizen  
2 support organizations meeting specified expense  
3 levels from audit requirements; amending s.  
4 218.075, F.S.; revising provisions governing  
5 the reduction or waiver of permit processing  
6 fees for certain counties; amending s. 218.32,  
7 F.S., relating to annual financial reports;  
8 requiring the Department of Banking and Finance  
9 to notify the Speaker of the House of  
10 Representatives and the President of the Senate  
11 of any municipality that has not had financial  
12 activity for a specified period of time;  
13 providing that such notice is sufficient to  
14 initiate dissolution procedures; amending s.  
15 218.36, F.S.; revising reporting requirements  
16 for boards of county commissioners relating to  
17 the failure of a county officer to comply with  
18 the provisions of the section; amending s.  
19 218.369, F.S.; revising the definition of "unit  
20 of local government" to include district school  
21 boards; renaming pt. V of ch. 218, F.S., as  
22 "Local Governmental Entity and District School  
23 Board Financial Emergencies"; amending s.  
24 218.50, F.S.; renaming ss. 218.50-218.504,  
25 F.S., as the "Local Governmental Entity and  
26 District School Board Act"; amending s.  
27 218.501, F.S.; revising the stated purposes of  
28 pt. V of ch. 218, F.S.; amending s. 218.502,  
29 F.S.; revising the definition of "local  
30 governmental entity"; amending s. 218.503,  
31 F.S.; revising provisions governing the

1 determination of financial emergency for local  
2 governments and district school boards;  
3 amending s. 218.504, F.S.; revising provisions  
4 relating to the authority of the Governor and  
5 authorizing the Commissioner of Education to  
6 terminate all state actions pursuant to ss.  
7 218.50-218.504, F.S.; amending s. 236.43, F.S.;  
8 revising provisions governing receipt of bids  
9 and sale of bonds; amending ss. 237.40,  
10 240.299, and 240.331, F.S.; exempting district  
11 school board direct-support organizations and  
12 citizen support organizations meeting specified  
13 expense levels from audit requirements;  
14 repealing ch. 131, F.S., consisting of ss.  
15 131.01, 131.02, 131.03, 131.04, 131.05, and  
16 131.06, F.S., relating to refunding bonds of  
17 counties, municipalities, and special  
18 districts; repealing s. 132.10, F.S., relating  
19 to minimum sale price of bonds; repealing s.  
20 165.052, F.S., relating to special dissolution  
21 procedures for municipalities; repealing s.  
22 189.409, F.S., relating to determination of  
23 financial emergencies of special districts;  
24 repealing s. 189.422, F.S., relating to actions  
25 of the Department of Community Affairs and  
26 special districts; repealing s. 200.0684, F.S.,  
27 relating to an annual compliance report of the  
28 Department of Community Affairs regarding  
29 special districts; repealing s. 218.37(1)(h),  
30 F.S., relating to the requirement that the  
31 Division of Bond Finance use a served copy of

729-146AX-22

Bill No. HB 1979

Amendment No. \_\_\_\_ (for drafter's use only)

1           the complaint for bond validation to verify  
2           compliance by special districts with the  
3           requirements in s. 218.38, F.S.; providing  
4           effective dates.  
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