

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

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

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

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.

5
6 Be It Enacted by the Legislature of the State of Florida:

7
8 Section 1. Paragraphs (a) and (b) of subsection (5) of
9 section 11.40, Florida Statutes, are amended to read:

10 11.40 Legislative Auditing Committee.--

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

22 (a) In the case of a local governmental entity or
23 district school board, direct ~~request~~ the Department of
24 Revenue and the Department of Banking and Finance to withhold
25 any funds not pledged for bond debt service satisfaction which
26 are payable to such entity until the entity complies with the
27 law. The committee, in its request, shall specify the date
28 such action shall begin, and the request must be received by
29 the Department of Revenue and the Department of Banking and
30 Finance 30 days before the date of the distribution mandated
31 by law. The Department of Revenue and the Department of

1 Banking and Finance are authorized to implement the provisions
2 of this paragraph.

3 (b) In the case of a special district, notify the
4 Department of Community Affairs that the special district has
5 failed to comply with the law. Upon receipt of notification,
6 the Department of Community Affairs shall proceed pursuant to
7 the provisions specified in s. ss-189.421 and ~~189.422~~.

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

11 11.45 Definitions; duties; authorities; reports;
12 rules.--

13 (5) PETITION FOR AN AUDIT BY THE AUDITOR GENERAL.--The
14 Legislative Auditing Committee shall direct the Auditor
15 General to make an ~~a financial~~ audit of any municipality
16 whenever petitioned to do so by at least 20 percent of the
17 electors of that municipality. The supervisor of elections of
18 the county in which the municipality is located shall certify
19 whether or not the petition contains the signatures of at
20 least 20 percent of the electors of the municipality. After
21 the completion of the audit, the Auditor General shall
22 determine whether the municipality has the fiscal resources
23 necessary to pay the cost of the audit. The municipality shall
24 pay the cost of the audit within 90 days after the Auditor
25 General's determination that the municipality has the
26 available resources. If the municipality fails to pay the cost
27 of the audit, the Department of Revenue shall, upon
28 certification of the Auditor General, withhold from that
29 portion of the distribution pursuant to s. 212.20(6)(e)6.
30 which is distributable to such municipality, a sum sufficient
31

1 to pay the cost of the audit and shall deposit that sum into
 2 the General Revenue Fund of the state.

3 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.--

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

27 (8) RULES OF THE AUDITOR GENERAL.--The Auditor
 28 General, in consultation with the Board of Accountancy, shall
 29 adopt rules for the form and conduct of all financial audits
 30 performed by independent certified public accountants pursuant
 31 to ss. 215.981, 218.39, 237.40, 240.299, and 240.331. The

1 rules for audits of local governmental entities and district
2 school boards must include, but are not limited to,
3 requirements for the reporting of information necessary to
4 carry out the purposes of the Local Governmental Entity and
5 District School Board ~~Government~~ Financial Emergencies Act as
6 stated in s. 218.501.

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

9 75.05 Order and service.--

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

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

23 112.625 Definitions.--As used in this act:

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

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

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

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

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

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

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 ~~local retirement system~~ and the department
6 performs an actuarial review, prepares the statement of
7 actuarial impact, or collects the requested information, the
8 cost to the department of performing the actuarial review,
9 preparing the statement, or collecting the requested
10 information shall be paid by the Department of Management
11 Services.

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

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

21 112.63 Actuarial reports and statements of actuarial
22 impact; review.--

23 (4) Upon receipt, pursuant to subsection (2), of an
24 actuarial report, or upon receipt, pursuant to subsection (3),
25 of a statement of actuarial impact, the Department of
26 Management Services shall acknowledge such receipt, but shall
27 only review and comment on each retirement system's or plan's
28 actuarial valuations at least on a triennial basis. If the
29 department finds that the actuarial valuation is not complete,
30 accurate, or based on reasonable assumptions or otherwise
31 fails to satisfy the requirements of this part, the department

1 requires additional information necessary to complete its
2 review of the actuarial valuation of a system or plan or
3 information necessary to satisfy the duties of the department
4 pursuant to s. 112.665(1), or the department does not receive
5 the actuarial report or statement of actuarial impact, the
6 department shall notify the administrator of the affected
7 retirement system or plan and the affected governmental entity
8 and request appropriate adjustment, the additional
9 information, or the required report or statement. The
10 notification shall inform the administrator of the affected
11 retirement system or plan and the affected governmental entity
12 of the consequences for failure to comply with the
13 requirements of this subsection. If, after a reasonable period
14 of time, a satisfactory adjustment is not made or the report,
15 statement, or additional information is not provided, the
16 department may notify the Department of Revenue and the Chief
17 Financial Officer ~~Department of Banking and Finance~~ of such
18 noncompliance, in which case the Department of Revenue and the
19 Chief Financial Officer ~~Department of Banking and Finance~~
20 shall withhold any funds not pledged for bond debt service
21 satisfaction that are payable to the affected governmental
22 entity until the adjustment is made or the report, statement,
23 or additional information is provided to the department. The
24 department shall specify the date such action is to begin and
25 notification by the department must be received by the
26 Department of Revenue, the Chief Financial Officer ~~Department~~
27 ~~of Banking and Finance~~, and the affected governmental entity
28 30 days before the date the action is to begin.

29 (a) Within 21 days after receipt of the notice, the
30 affected governmental entity may petition for a hearing under
31 the provisions of ss. 120.569 and 120.57 with the Department

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

1 or collecting the requested information shall be paid by the
2 Department of Management Services.

3 (b) In the case of an affected special district, the
4 Department of Management Services shall also notify the
5 Department of Community Affairs. Upon receipt of notification,
6 the Department of Community Affairs shall proceed pursuant to
7 the provisions of s. 189.421 with regard to the special
8 district.

9 Section 7. Section 130.04, Florida Statutes, is
10 amended to read:

11 130.04 Sale ~~Notice for bids and disposition of~~
12 bonds.--In case the issuing of bonds shall be authorized by
13 the result of such election, the county commissioners shall
14 sell the bonds in the manner provided in s. 218.385. ~~cause~~
15 ~~notice to be given by publication in a newspaper published in~~
16 ~~the county, or in some newspaper published in the same~~
17 ~~judicial circuit, if there be none published in the county,~~
18 ~~that they will receive bids for the purchase of county bonds~~
19 ~~at the clerk's office, on a date not less than 10 days nor~~
20 ~~more than 60 days from the first publication of such notice.~~
21 ~~The notice shall specify the amount of bonds offered for sale,~~
22 ~~the rate of interest, and the time when principal and~~
23 ~~installments of interest shall be due and payable. Any and~~
24 ~~all bids shall be rejected if the commissioners shall deem it~~
25 ~~to the best interest for the county so to do, and they may~~
26 ~~cause a new notice to be given in like manner inviting other~~
27 ~~bids for said bonds; provided, that when the rate of interest~~
28 ~~on said bonds exceeds 5 percent per annum, said bonds shall~~
29 ~~not be sold for less than 95 cents on the dollar, but when any~~
30 ~~bonds have heretofore been provided for by election, and the~~
31 ~~rate of interest is 5 percent per annum, or less, that in such~~

1 ~~cases the county commissioners may accept less than 95 cents~~
2 ~~upon the dollar, in the sale of said bonds, or for any portion~~
3 ~~of said bonds not already sold; provided, however, no bonds~~
4 ~~shall be sold for less than 90 cents on the dollar.~~

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

7 132.02 Taxing units may refund obligations.--

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

27 Section 9. Section 132.09, Florida Statutes, is
28 amended to read:

29 132.09 Sale of bonds ~~Notice of sale; bids and award;~~
30 ~~private sale.~~--When sold, the refunding bonds (except as
31 otherwise expressly provided) shall be sold in the manner

1 provided in s. 218.385.~~pursuant to the terms of a notice of~~
2 ~~sale which shall be published at least twice. The first~~
3 ~~publication to be not less than 7 days before the date fixed~~
4 ~~for the sale and to be published in a newspaper published in~~
5 ~~the unit, or if no newspaper is published in the unit, then in~~
6 ~~a newspaper published in the county, or if no newspaper is~~
7 ~~published in the county, then in a newspaper published in~~
8 ~~Tallahassee, and in the discretion of the governing body of~~
9 ~~the unit may be published in a financial newspaper in the City~~
10 ~~of New York. Such notices shall state the time and place and~~
11 ~~when and where sealed bids will be received, shall state the~~
12 ~~amount of bonds, their dates, maturities, denominations and~~
13 ~~interest rate or rates (which may be a maximum rate), interest~~
14 ~~payment dates, an outline of the terms, if any, on which they~~
15 ~~are redeemable or become payable before maturity, the amount~~
16 ~~which must be deposited with the bid to secure its performance~~
17 ~~if accepted, and such other pertinent information as the~~
18 ~~governing body of the unit may determine. The notice of sale~~
19 ~~may require the bidders to fix the interest rate or rates that~~
20 ~~the bonds are to bear subject to the terms of the notice and~~
21 ~~the maximum rate permitted by this chapter. The award of the~~
22 ~~bonds shall be made by the governing body of the unit to the~~
23 ~~bidder making the most advantageous bid which shall be~~
24 ~~determined by the governing body in its absolute and~~
25 ~~uncontrolled discretion. The right to reject all bids shall~~
26 ~~be reserved to the governing body of the unit. If no bids are~~
27 ~~received at such public sale, or if all bids are rejected, the~~
28 ~~bonds may be sold without notice at private sale at any time~~
29 ~~within one year thereafter, but such bonds shall not be sold~~
30 ~~at private sale on terms less favorable to the unit than were~~
31 ~~contained in the best bid at the prior public sale.~~

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

3 163.05 Small County Technical Assistance Program.--

4 (2) Recognizing the findings in subsection (1), the
5 Legislature declares that:

6 (a) The financial difficulties ~~fiscal emergencies~~
7 confronting small counties require an investment that will
8 facilitate efforts to improve the productivity and efficiency
9 of small counties' structures and operating procedures.

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

12 166.121 Issuance of bonds.--

13 (2) The governing body of a municipality shall
14 determine the terms and manner of sale and distribution or
15 other disposition of any and all bonds it may issue,
16 consistent with the provisions of s. 218.385, and shall have
17 any and all powers necessary or convenient to such
18 disposition.

19 Section 12. Section 166.241, Florida Statutes, is
20 amended to read:

21 166.241 Fiscal years, ~~financial reports,~~
22 appropriations, and budgets, and budget amendments.--

23 ~~(1) Each municipality shall report its finances~~
24 ~~annually as provided by general law.~~

25 (1)~~(2)~~ Each municipality shall make provision for
26 establishing a fiscal year beginning October 1 of each year
27 and ending September 30 of the following year.

28 (2)~~(3)~~ The governing body of each municipality shall
29 adopt a budget each fiscal year. The budget must be adopted by
30 ordinance unless otherwise specified in the respective
31 municipality's charter, except that municipalities required to

1 establish millage pursuant to chapter 200 shall adopt the
2 budget by resolution or ordinance in the manner specified in
3 s. 200.065(2). The amount available from taxation and other
4 sources, including amounts carried over from prior fiscal
5 years, must equal the total appropriations for expenditures
6 and reserves. The budget must regulate expenditures of the
7 municipality, and it is unlawful for any officer of a
8 municipal government to expend or contract for expenditures in
9 any fiscal year except in pursuance of budgeted
10 appropriations.

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

15 (a) Appropriations for expenditures within a fund may
16 be decreased or increased by motion recorded in the minutes,
17 provided that the total of the appropriations of the fund is
18 not changed.

19 (b) The governing body may establish procedures by
20 which the designated budget officer may authorize certain
21 budget amendments within a department, provided that the total
22 of the appropriations of the department is not changed.

23 (c) If a budget amendment is required for a purpose
24 not specifically authorized in paragraph (a) or paragraph (b),
25 the budget amendment must be adopted in the same manner as the
26 original budget unless otherwise specified in the charter of
27 the respective municipality.

28 Section 13. Section 189.4044, Florida Statutes, is
29 amended to read:

30 189.4044 Special procedures for inactive districts.--
31

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

7 (a) ~~That~~ The special district meets one of the
8 following criteria:

9 1. The registered agent of the district, the chair of
10 the governing body of the district, or the governing body of
11 the appropriate local general-purpose government notifies the
12 department in writing that the district has taken no action
13 for 2 or more calendar years;

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

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

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

31

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

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

22 (2) If any special district is declared inactive
 23 pursuant to this section, the property or assets of the
 24 special district are subject to legal process for payment of
 25 any debts of the district. After the payment of all the debts
 26 of said inactive special district, the remainder of its
 27 property or assets shall escheat to the county or municipality
 28 wherein located. If, however, it shall be necessary, in order
 29 to pay any such debt, to levy any tax or taxes on the property
 30 in the territory or limits of the inactive special district,
 31 the same may be assessed and levied by order of the local

1 general-purpose government wherein the same is situated and
 2 shall be assessed by the county property appraiser and
 3 collected by the county tax collector.

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

23 (4) The entity that created a special district
 24 declared inactive under this section must dissolve the special
 25 district ~~be dissolved~~ by repealing ~~repeal~~ of its enabling laws
 26 or by other appropriate means.

27 Section 14. Subsection (1) of section 189.412, Florida
 28 Statutes, is amended, and subsection (8) is added to said
 29 section, to read:

30 189.412 Special District Information Program; duties
 31 and responsibilities.--The Special District Information

1 Program of the Department of Community Affairs is created and
2 has the following special duties:

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

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

25 Section 15. Subsections (1) and (2) of section
26 189.418, Florida Statutes, are amended, subsection (5) is
27 renumbered as subsection (6), present subsection (6) is
28 renumbered as subsection (7) and amended, and a new subsection
29 (5) is added to said section, to read:

30 189.418 Reports; budgets; audits.--

31

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

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

24 (5) The governing body of each special district at any
 25 time within a fiscal year or within up to 60 days following
 26 the end of the fiscal year may amend a budget for that year.
 27 The budget amendment must be adopted by resolution.

28 (7)(6) All reports or information required to be filed
 29 with a local governing authority under ss. 189.415, 189.416,
 30 and 189.417, 218.32, and 218.39 and this section shall:
 31

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

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

5 (c) When the local governing authority is a
6 municipality, be filed at the place designated by the
7 municipal governing body.

8 Section 16. Section 189.419, Florida Statutes, is
9 amended to read:

10 189.419 Effect of failure to file certain reports or
11 information.--

12 (1) If a special district fails to file the reports or
13 information required under s. 189.415, s. 189.416, or s.
14 189.417, ~~s. 189.418, s. 218.32, or s. 218.39~~ and a description
15 ~~of all new bonds as provided in s. 218.38(1)~~ with the local
16 governing authority, the person authorized to receive and read
17 the reports or information shall notify the district's
18 registered agent and the appropriate local governing authority
19 or authorities. If requested by the district ~~At any time~~, the
20 governing authority shall ~~may~~ grant an extension of time of up
21 to 30 days for filing the required reports or information,
22 ~~except that an extension may not exceed 30 days.~~

23 (2) If at any time the local governing authority or
24 authorities or the board of county commissioners determines
25 that there has been an unjustified failure to file the reports
26 or information described in subsection (1), it may notify
27 ~~petition~~ the department and the department may proceed
28 pursuant to initiate proceedings against the special district
29 ~~in the manner provided in s. 189.421.~~

30 (3) If a special district fails to file the reports or
31 information required under s. 112.63, s. 218.32, s. 218.38, or

1 s. 218.39 with the appropriate state agency, the agency shall
2 notify the department, and the department shall proceed
3 pursuant to s. 189.421 ~~may initiate proceedings against the~~
4 ~~special district in the manner provided in s. 189.421 or~~
5 ~~assess fines of not more than \$25, with an aggregate total not~~
6 ~~to exceed \$50, when formal inquiries do not resolve the~~
7 ~~noncompliance.~~

8 Section 17. Section 189.421, Florida Statutes, is
9 amended to read:

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

12 189.421 Failure of district to disclose financial
13 reports.--

14 (1) When notified pursuant to s. 189.419, the
15 department shall attempt to assist a special district to
16 comply with its financial reporting requirements by sending a
17 certified letter to the special district, and a copy of the
18 letter to the chair of the governing body of the local
19 general-purpose government, which includes the following: a
20 description of the required report, including statutory
21 submission deadlines, a contact telephone number for technical
22 assistance to help the special district comply, a 60-day
23 extension of time for filing the required report with the
24 appropriate entity, the address where the report must be
25 filed, and an explanation of the penalties for noncompliance.
26 The department may grant an additional 30-day extension of
27 time if requested to do so in writing by the special district.
28 The department shall notify the appropriate entity of the new
29 extension of time. In the case of a special district that did
30 not timely file the reports or information required by s.
31 218.38, the department shall send a certified technical

1 assistance letter to the special district that summarizes the
2 requirements and encourages the special district to take steps
3 to prevent the noncompliance from reoccurring.

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

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

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

30 189.428 Special districts; oversight review process.--
31

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

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

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

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

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

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

27 (f) Whether the Auditor General has notified the
28 Legislative Auditing Committee that the special district's
29 audit report, reviewed pursuant to s. 11.45(7), indicates that
30 the district has met any of the conditions specified in s.
31 218.503(1) or that a deteriorating financial condition exists

1 that may cause a condition described in s. 218.503(1) to occur
2 if actions are not taken to address such condition.

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

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

12 (h)~~(i)~~ Whether the special district has failed to
13 comply with any of the reporting requirements in this chapter,
14 including preparation of the public facilities report.

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

19 Section 19. Paragraph (a) of subsection (1) of section
20 189.439, Florida Statutes, is amended to read:

21 189.439 Bonds.--

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

23 (a) The authority may issue and sell bonds for any
24 purpose for which the authority has the power to expend money,
25 including, without limitation, the power to obtain working
26 capital loans to finance the costs of any project and to
27 refund any bonds or other indebtedness at the time outstanding
28 at or before maturity. Bonds may be sold in the manner
29 provided in s. 218.385 and ~~by public or negotiated sale after~~
30 ~~advertisement, if any, as the board considers advisable.~~
31 ~~Bonds~~ may be authorized by resolution of the board.

1 Section 20. Section 215.981, Florida Statutes, is
2 amended to read:

3 215.981 Audits of state agency direct-support
4 organizations and citizen support organizations.--Each
5 direct-support organization and each citizen support
6 organization, created or authorized pursuant to law, and
7 created, approved, or administered by a state agency, other
8 than a university, district board of trustees of a community
9 college, or district school board, shall provide for an annual
10 financial audit of its accounts and records to be conducted by
11 an independent certified public accountant in accordance with
12 rules adopted by the Auditor General pursuant to s. 11.45(8)
13 and the state agency that created, approved, or administers
14 the direct-support organization or citizen support
15 organization, whenever the organization's expenditures and
16 expenses exceed \$100,000. The audit report shall be submitted
17 within 9 months after the end of the fiscal year to the
18 Auditor General and to the state agency responsible for
19 creation, administration, or approval of the direct-support
20 organization or citizen support organization. Such state
21 agency, the Auditor General, and the Office of Program Policy
22 Analysis and Government Accountability shall have the
23 authority to require and receive from the organization or from
24 the independent auditor any records relative to the operation
25 of the organization.

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

28 218.075 Reduction or waiver of permit processing
29 fees.--Notwithstanding any other provision of law, the
30 Department of Environmental Protection and the water
31 management districts shall reduce or waive permit processing

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

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

13
14 The permit applicant must be the governing body of a county or
15 municipality or a third party under contract with a county or
16 municipality and the project for which the fee reduction or
17 waiver is sought must serve a public purpose. If a permit
18 processing fee is reduced, the total fee shall not exceed
19 \$100.

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

22 218.32 Annual financial reports; local governmental
23 entities.--

24 (3) The department shall notify the President of the
25 Senate and the Speaker of the House of Representatives of any
26 municipality that has not had financial activity for the last
27 4 fiscal years. Such notice shall be sufficient to initiate
28 dissolution procedures described in s. 165.051(1)(a). Any
29 special law authorizing the incorporation or creation of said
30 municipality shall be included within the notification.

31

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

3 218.36 County officers; record and report of fees and
4 disposition of same.--

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

12 Section 24. Section 218.369, Florida Statutes, is
13 amended to read:

14 218.369 Definitions applicable to ss.
15 218.37-218.386.--As used in this section and in ss. 218.37,
16 218.38, 218.385, and 218.386, the term "unit of local
17 government," except where exception is made, means a county,
18 municipality, special district, district school board, local
19 agency, authority, or consolidated city-county government or
20 any other local governmental body or public body corporate and
21 politic authorized or created by general or special law and
22 granted the power to issue general obligation or revenue
23 bonds; and the words "general obligation or revenue bonds"
24 shall be interpreted to include within their scope general
25 obligation bonds, revenue bonds, special assessment bonds,
26 limited revenue bonds, special obligation bonds, debentures,
27 and other similar instruments, but not bond anticipation
28 notes.

29 Section 25. Part V of chapter 218, Florida Statutes,
30 entitled "Financial Emergencies" is renamed "Local
31

1 Governmental Entity and District School Board Financial
2 Emergencies."

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

5 218.50 Short title.--Sections 218.50-218.504 shall be
6 known as the "Local Governmental Entity and District School
7 Board ~~Government~~ Financial Emergencies Act."

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

10 218.501 Purposes.--The purposes of ss. 218.50-218.504
11 are:

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

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

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

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

23 218.502 Definition.--As used in ss. 218.50-218.504,
24 the term "local governmental entity" means a county,
25 municipality, or special district, ~~or district school board~~.

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

29 218.503 Determination of financial emergency.--

30 (1) ~~A~~ Local governmental entities and district school
31 boards shall be subject to review and oversight by the

1 Governor or the Commissioner of Education ~~entity is in a state~~
2 ~~of financial emergency~~ when any one of the following
3 conditions occurs:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 until the Governor or the Commissioner of Education, as
2 appropriate, has determined that:

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

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

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

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

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

13 236.43 Receiving bids and sale of bonds.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 maintained in the auditor's report. All records of the
2 organization, other than the auditor's report, any information
3 necessary for the auditor's report, any information related to
4 the expenditure of funds, and any supplemental data requested
5 by the board of trustees, the Auditor General, and the Office
6 of Program Policy Analysis and Government Accountability,
7 shall be confidential and exempt from the provisions of s.
8 119.07(1).

9 Section 35. Chapter 131, Florida Statutes, consisting
10 of sections 131.01, 131.02, 131.03, 131.04, 131.05, and
11 131.06, Florida Statutes, is repealed.

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

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

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

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

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

22 Section 41. Paragraph (h) of subsection (1) of section
23 218.37, Florida Statutes, is repealed.

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

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