

By Senator Mitchell

4-1487A-02

1 A bill to be entitled
2 An act relating to local infrastructure
3 funding; amending s. 218.25, F.S.; authorizing
4 the use of revenue-sharing moneys received in
5 excess of the guaranteed entitlement for
6 municipalities and the second guaranteed
7 entitlement for counties as a pledge for local
8 indebtedness related to infrastructure;
9 amending s. 403.1838, F.S.; permitting small
10 disadvantaged counties to participate in the
11 small communities sewer construction grants
12 program, contingent upon identification of an
13 additional funding source; directing
14 development of additional criteria for
15 prioritizing grant applicants; directing the
16 Department of Environmental Protection and the
17 Department of Transportation, in conjunction
18 with the Department of Community Affairs and
19 local government representatives, to recommend
20 guidelines for prioritizing the distribution of
21 state revenues for local water and
22 transportation infrastructure projects;
23 providing an effective date.

24
25 Be It Enacted by the Legislature of the State of Florida:

26
27 Section 1. Subsection (1) of section 218.25, Florida
28 Statutes, is amended, and subsection (4) is added to that
29 section, to read:

30
31

1 218.25 Limitation of shared funds; holders of bonds
2 protected; limitation on use of second guaranteed entitlement
3 for counties.--

4 (1) Except as provided in subsections ~~subsection~~ (2)
5 ~~and (4) with respect to the second guaranteed entitlement for~~
6 ~~counties~~, local governments may ~~shall~~ not use any portion of
7 the moneys received in excess of the guaranteed entitlement
8 from the revenue sharing trust funds created by this part to
9 assign, pledge, or set aside as a trust for the payment of
10 principal or interest on bonds, tax anticipation certificates,
11 or any other form of indebtedness, and, except as provided in
12 this section, there shall be no other use restriction on
13 revenues shared pursuant to this part. The state does hereby
14 covenant with holders of bonds or other instruments of
15 indebtedness issued by local governments prior to July 1,
16 1972, that it is not the intent of this part to affect
17 adversely the rights of said holders or to relieve local
18 governments of the duty to meet their obligations as a result
19 of previous pledges or assignments or trusts entered into
20 which obligated funds received from revenue sources which by
21 terms of this part shall henceforth be distributed out of the
22 revenue sharing trust funds.

23 (4) Municipalities may use up to 50 percent of the
24 moneys received in excess of the guaranteed entitlement, and
25 counties may use up to 50 percent of the moneys received in
26 excess of the second guaranteed entitlement, from the revenue
27 sharing trust funds created by this part to assign, pledge, or
28 set aside as a trust for the payment of principal or interest
29 on bonds, tax anticipation certificates, or any other form of
30 indebtedness for infrastructure.

31

1 (a) As used this subsection, the term "infrastructure"
2 means any fixed-capital-outlay expenditure or fixed capital
3 cost associated with the construction, reconstruction, or
4 improvement of public facilities that have a life expectancy
5 of 5 or more years and with any land acquisition, improvement,
6 design, or engineering costs related thereto.

7 (b) As an additional assurance to holders of bonds
8 issued after July 1, 2002, which are secured by moneys
9 received in excess of the guaranteed entitlement or second
10 guaranteed entitlement for counties, or refunding bonds that
11 mature no later than the bonds refunded and that result in a
12 reduction of debt service payable in each fiscal year, it is
13 the intent of the Legislature that, to the extent that the
14 elimination of tax sources dedicated to funding the moneys
15 received in excess of the guaranteed entitlement or the second
16 guaranteed entitlement for counties or a reduction in the rate
17 of assessment of such taxes results in an inability of a local
18 government to pay debt service on such bonds, the Legislature
19 will provide alternative funding sources in an amount
20 sufficient to pay any deficit in the amount required for such
21 debt service. This commitment of the Legislature is contingent
22 upon the local government first using any funds available
23 under this part for the payment of such debt service.

24 Section 2. Section 403.1838, Florida Statutes, is
25 amended to read:

26 403.1838 Small Community Sewer Construction Assistance
27 Act.--

28 (1) This section may be cited as the "Small Community
29 Sewer Construction Assistance Act."

30 (2) The department shall use funds specifically
31 appropriated to award grants under this section to assist

1 financially disadvantaged small communities with their needs
2 for adequate sewer facilities. For purposes of this section,
3 the term "financially disadvantaged small community" means a
4 municipality having ~~with~~ a population of 7,500 or less or a
5 county having a population of 75,000 or less, according to the
6 latest decennial census and a per capita annual income less
7 than the state per capita annual income as determined by the
8 United States Department of Commerce.

9 (3) The department shall prepare additional criteria
10 for the relative prioritization of grant applications which
11 considers factors, including the level of self-taxation and
12 existing revenue-generating capacity of applicant local
13 governments and other factors, to better direct limited state
14 funds among grant applications. Such additional criteria shall
15 be presented to the Governor and the Legislature by January
16 31, 2003.

17 (4) The award of a county grant application is
18 contingent upon the creation or designation of a revenue
19 stream to augment the revenues made available under s.
20 403.1835(4).

21 (5)(3)(a) In accordance with rules adopted by the
22 Environmental Regulation Commission under this section, the
23 department may provide grants, from funds specifically
24 appropriated for this purpose, to financially disadvantaged
25 small communities for up to 100 percent of the costs of
26 planning, designing, constructing, upgrading, or replacing
27 wastewater collection, transmission, treatment, disposal, and
28 reuse facilities, including necessary legal and administrative
29 expenses.

30 (b) The rules of the Environmental Regulation
31 Commission must:

1 1. Require that projects to plan, design, construct,
2 upgrade, or replace wastewater collection, transmission,
3 treatment, disposal, and reuse facilities be cost-effective,
4 environmentally sound, permittable, and implementable.

5 2. Require appropriate user charges, connection fees,
6 and other charges sufficient to ensure the long-term
7 operation, maintenance, and replacement of the facilities
8 constructed under each grant.

9 3. Require grant applications to be submitted on
10 appropriate forms with appropriate supporting documentation,
11 and require records to be maintained.

12 4. Establish a system to determine eligibility of
13 grant applications.

14 5. Establish a system to determine the relative
15 priority of grant applications. The system must consider
16 public health protection and water pollution abatement.

17 6. Establish requirements for competitive procurement
18 of engineering and construction services, materials, and
19 equipment.

20 7. Provide for termination of grants when program
21 requirements are not met.

22 (c) The department must perform adequate overview of
23 each grant, including technical review, regular inspections,
24 disbursement approvals, and auditing, to successfully
25 implement this section.

26 (d) The department may use up to 2 percent of the
27 grant funds made available each year for the costs of program
28 administration.

29 (e) Any grant awarded before July 1, 1994, under this
30 section, remains subject to the applicable department rules in
31

