

By Senator Mitchell

4-1486-02

See HB

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.; redefining the term
12 "governmental entity" to include counties and
13 district school boards; amending s. 112.63,
14 F.S.; providing for additional information to
15 be provided to the Department of Management
16 Services in actuarial reports with regard to
17 retirement systems and plans and providing
18 procedures therefor; providing for notification
19 of the Department of Revenue and the Department
20 of Banking and Finance in cases of
21 noncompliance and authorizing the withholding
22 of certain funds; requiring the Department of
23 Management Services to notify the Department of
24 Community Affairs in the case of affected
25 special districts; amending s. 130.04, F.S.;
26 revising provisions governing notice of bids
27 and disposition of bonds; amending s. 132.02,
28 F.S.; revising provisions relating to the
29 authorization to issue refund bonds; amending
30 s. 132.09, F.S.; revising provisions relating
31 to the notice of sale, bids, and awards and

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

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

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

1 districts with the requirements in s. 218.38,
2 F.S.; providing an effective date.

3
4 Be It Enacted by the Legislature of the State of Florida:

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

8 11.40 Legislative Auditing Committee.--

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

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

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

6 Section 2. Paragraph (e) of subsection (7) and
7 subsection (8) of section 11.45, Florida Statutes, are amended
8 to read:

9 11.45 Definitions; duties; authorities; reports;
10 rules.--

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~~

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

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 and
12 the Department of Banking and Finance 30 days before the date
13 the action is to begin.

14 (a) The affected governmental entity ~~local government~~
15 or the Department of Management Services may petition for a
16 hearing under the provisions of ss. 120.569 and 120.57. 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 payable to the affected governmental entity of which the
2 employees are covered by the retirement system or plan. If the
3 administrative law judge recommends in favor of the affected
4 governmental entity ~~local retirement system~~ and the department
5 performs an actuarial review, prepares the statement of
6 actuarial impact, or collects the requested information, the
7 cost to the department of performing the actuarial review,
8 preparing the statement, or collecting the requested
9 information shall be paid by the Department of Management
10 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
14 notification, the Department of Community Affairs shall
15 proceed pursuant to the provisions of s. 189.421 with regard
16 to the special district.

17 Section 6. 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 7. 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 8. 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 ~~Tallahassee, 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 9. 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 10. 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 11. 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 ~~(1) Each municipality shall report its finances~~
2 ~~annually as provided by general law.~~

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

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

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

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

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

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

6 Section 12. Section 189.4044, Florida Statutes, is
7 amended to read:

8 189.4044 Special procedures for inactive districts.--

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

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

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

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

1 government fails to respond to the department's inquiry within
2 21 days; or ~~18 or more months~~

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

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

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

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

30 (2) If any special district is declared inactive
31 pursuant to this section, the property or assets of the

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

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

31

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

5 Section 13. Subsection (1) of section 189.412, Florida
6 Statutes, is amended, and subsection (8) is added to that
7 section, to read:

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

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

27 (8) Providing assistance to local general-purpose
28 governments and certain state agencies in collecting
29 delinquent reports or information, helping special districts
30 comply with reporting requirements, declaring special
31 districts inactive when appropriate, and, when directed by the

1 Legislative Auditing Committee, initiating enforcement
2 provisions as provided in ss. 189.4044, 189.419, and 189.421.

3 Section 14. Subsections (1) and (2) of section
4 189.418, Florida Statutes, are amended, present subsection (5)
5 of that section is renumbered as subsection (6), present
6 subsection (6) of that section is renumbered as subsection (7)
7 and amended, and a new subsection (5) is added to that
8 section, to read:

9 189.418 Reports; budgets; audits.--

10 (1) When a new special district is created, the
11 district must forward to the department, within 30 days after
12 the adoption of the special act, rule, ordinance, resolution,
13 or other document that provides for the creation of the
14 district, a copy of the document and a written statement that
15 includes a reference to the status of the special district as
16 dependent or independent and the basis for such
17 classification. In addition to the document or documents that
18 create the district, the district must also submit a map of
19 the district, showing any municipal boundaries that cross the
20 district's boundaries, and any county lines if the district is
21 located in more than one county. The department must notify
22 the local government or other entity and the district within
23 30 days after receipt of the document or documents that create
24 the district as to whether the district has been determined to
25 be dependent or independent.

26 (2) Any amendment, modification, or update of the
27 document by which the district was created, including changes
28 in boundaries, must be filed with the department within 30
29 days after adoption. The department may initiate proceedings
30 against special districts as provided in s.~~ss.~~189.421 ~~and~~

31

1 ~~189.422~~ for failure to file the information required by this
2 subsection.

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

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

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

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

14 (c) When the local governing authority is a
15 municipality, be filed at the place designated by the
16 municipal governing body.

17 Section 15. Section 189.419, Florida Statutes, is
18 amended to read:

19 189.419 Effect of failure to file certain reports or
20 information.--

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

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

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

17 Section 16. Section 189.421, Florida Statutes, is
18 amended to read:

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

21 189.421 Failure of district to disclose financial
22 reports.--

23 (1) When notified pursuant to s. 189.419, the
24 department shall attempt to assist a special district to
25 comply with its financial reporting requirements by sending a
26 certified letter to the special district, and a copy of the
27 letter to the chair of the governing body of the local
28 general-purpose government, which includes the following: a
29 description of the required report, including statutory
30 submission deadlines, a contact telephone number for technical
31 assistance to help the special district comply, a 60-day

1 extension of time for filing the required report with the
2 appropriate entity, the address where the report must be
3 filed, and an explanation of the penalties for noncompliance.
4 The department may grant an additional 30-day extension of
5 time if requested to do so in writing by the special district.
6 The department shall notify the appropriate entity of the new
7 extension of time. In the case of a special district that did
8 not timely file the reports or information required by s.
9 218.38, the department shall send a certified technical
10 assistance letter to the special district that summarizes the
11 requirements and encourages the special district to take steps
12 to prevent the noncompliance from reoccurring.

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

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

1 writ of certiorari shall be issued unless a respondent
2 establishes that the notification of the Legislative Auditing
3 Committee was issued as a result of material error.
4 Proceedings under this subsection shall otherwise be governed
5 by the Rules of Appellate Procedure.

6 Section 17. Subsection (5) of section 189.428, Florida
7 Statutes, is amended to read:

8 189.428 Special districts; oversight review process.--

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

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

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

22 (c) The extent of municipal annexation or
23 incorporation activity occurring or likely to occur within the
24 boundaries of the special district and its impact on the
25 delivery of services by the special district.

26 (d) Whether there is a less costly alternative method
27 of delivering the service or services that would adequately
28 provide the district residents with the services provided by
29 the district.

30 (e) Whether transfer of the responsibility for
31 delivery of the service or services to an entity other than

1 the special district being reviewed could be accomplished
2 without jeopardizing the district's existing contracts, bonds,
3 or outstanding indebtedness.

4 (f) Whether the Auditor General has notified the
5 Legislative Auditing Committee that the special district's
6 audit report, reviewed pursuant to s. 11.45(7), indicates that
7 the district has met any of the conditions specified in s.
8 218.503(1) or that a deteriorating financial condition exists
9 that may cause a condition described in s. 218.503(1) to occur
10 if actions are not taken to address such condition.

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

15 (h) Whether the district is inactive according to the
16 official list of special districts, and whether the district
17 is meeting and discharging its responsibilities as required by
18 its charter, as well as projected increases or decreases in
19 district activity.

20 (i) Whether the special district has failed to comply
21 with any of the reporting requirements in this chapter,
22 including preparation of the public facilities report.

23 (j) Whether the special district has designated a
24 registered office and agent as required by s. 189.416, and has
25 complied with all open public records and meeting
26 requirements.

27 Section 18. Paragraph (a) of subsection (1) of section
28 189.439, Florida Statutes, is amended to read:

29 189.439 Bonds.--

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

31

1 (a) The authority may issue and sell bonds for any
2 purpose for which the authority has the power to expend money,
3 including, without limitation, the power to obtain working
4 capital loans to finance the costs of any project and to
5 refund any bonds or other indebtedness at the time outstanding
6 at or before maturity. Bonds may be sold in the manner
7 provided in s. 218.385 and ~~by public or negotiated sale after~~
8 ~~advertisement, if any, as the board considers advisable.~~
9 Bonds may be authorized by resolution of the board.

10 Section 19. Section 215.981, Florida Statutes, is
11 amended to read:

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

1 from the organization or from the independent auditor any
2 records relative to the operation of the organization.

3 Section 20. Subsection (3) of section 218.075, Florida
4 Statutes, is amended to read:

5 218.075 Reduction or waiver of permit processing
6 fees.--Notwithstanding any other provision of law, the
7 Department of Environmental Protection and the water
8 management districts shall reduce or waive permit processing
9 fees for counties with a population of 50,000 or less on April
10 1, 1994, until such counties exceed a population of 75,000 and
11 municipalities with a population of 25,000 or less, or any
12 county or municipality not included within a metropolitan
13 statistical area. Fee reductions or waivers shall be approved
14 on the basis of fiscal hardship or environmental need for a
15 particular project or activity. The governing body must
16 certify that the cost of the permit processing fee is a fiscal
17 hardship due to one of the following factors:

18 (3) Any condition specified in s. 218.503(1), that
19 results in the county or municipality being declared to be in
20 ~~determines~~ a state of financial emergency;

21
22 The permit applicant must be the governing body of a county or
23 municipality or a third party under contract with a county or
24 municipality and the project for which the fee reduction or
25 waiver is sought must serve a public purpose. If a permit
26 processing fee is reduced, the total fee shall not exceed
27 \$100.

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

30 218.32 Annual financial reports; local governmental
31 entities.--

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

8 Section 22. Subsection (3) of section 218.36, Florida
9 Statutes, is amended to read:

10 218.36 County officers; record and report of fees and
11 disposition of same.--

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

19 Section 23. Section 218.369, Florida Statutes, is
20 amended to read:

21 218.369 Definitions applicable to ss.
22 218.37-218.386.--As used in this section and in ss. 218.37,
23 218.38, 218.385, and 218.386, the term "unit of local
24 government," except where exception is made, means a county,
25 municipality, special district, district school board, local
26 agency, authority, or consolidated city-county government or
27 any other local governmental body or public body corporate and
28 politic authorized or created by general or special law and
29 granted the power to issue general obligation or revenue
30 bonds; and the words "general obligation or revenue bonds"
31 shall be interpreted to include within their scope general

1 obligation bonds, revenue bonds, special assessment bonds,
2 limited revenue bonds, special obligation bonds, debentures,
3 and other similar instruments, but not bond anticipation
4 notes.

5 Section 24. Part V of chapter 218, Florida Statutes,
6 entitled "Financial Emergencies" is renamed "Local
7 Governmental Entity and District School Board Financial
8 Emergencies."

9 Section 25. Section 218.50, Florida Statutes, is
10 amended to read:

11 218.50 Short title.--Sections 218.50-218.504 shall be
12 known as the "Local Governmental Entity and District School
13 Board ~~Government~~ Financial Emergencies Act."

14 Section 26. Section 218.501, Florida Statutes, is
15 amended to read:

16 218.501 Purposes.--The purposes of ss. 218.50-218.504
17 are:

18 (1) To promote ~~preserve and protect~~ the fiscal
19 responsibility ~~solvency~~ of local governmental entities and
20 district school boards.

21 (2) To assist local governmental entities and district
22 school boards in providing essential services without
23 interruption and in meeting their financial obligations.

24 (3) To assist local governmental entities and district
25 school boards through the improvement of local financial
26 management procedures.

27 Section 27. Section 218.502, Florida Statutes, is
28 amended to read:

29 218.502 Definition.--As used in ss. 218.50-218.504,
30 the term "local governmental entity" means a county,
31 municipality, or special district, ~~or district school board~~.

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

4 218.503 Determination of financial emergency.--

5 (1) ~~A~~ Local governmental entities and district school
6 boards shall be subject to review and oversight by the
7 Governor or the Commissioner of Education ~~entity is in a state~~
8 ~~of financial emergency~~ when any one of the following
9 conditions occurs:

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

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

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

- 19 1. Taxes withheld on the income of employees; or
20 2. Employer and employee contributions for:
21 a. Federal social security; or
22 b. Any pension, retirement, or benefit plan of an
23 employee.

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

- 26 1. Wages and salaries owed to employees; or
27 2. Retirement benefits owed to former employees.

28 ~~(e)~~(d) An unreserved or total fund balance or retained
29 earnings deficit, or unrestricted or total net assets deficit,
30 as reported on the balance sheet or statement of net assets on
31 the general purpose or fund financial statements, for which

1 sufficient resources of the local governmental entity, as
2 reported on the balance sheet or statement of net assets on
3 the general purpose or fund financial statements, are not
4 available to cover the deficit ~~for 2 successive years.~~
5 Resources available to cover reported deficits include net
6 assets that are not otherwise restricted by federal, state, or
7 local laws, bond covenants, contractual agreements, or other
8 legal constraints. Fixed or capital assets, the disposal of
9 which would impair the ability of a local governmental entity
10 to carry out its functions, are not considered resources
11 available to cover reported deficits.

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

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

31

1 (3) Upon notification that one or more of the
2 conditions in subsection (1) exist, the Governor or his or her
3 designee shall contact the local governmental entity or the
4 Commissioner of Education or his or her designee shall contact
5 the district school board to determine what actions have been
6 taken by the local governmental entity or the district school
7 board to resolve the condition ~~financial emergency~~. The
8 Governor or the Commissioner of Education, as appropriate,
9 shall determine whether the local governmental entity or the
10 district school board needs state assistance to resolve the
11 condition. If state assistance is needed, the local
12 governmental entity or district school board is considered to
13 be in a state of financial emergency. The Governor or the
14 Commissioner of Education, as appropriate, has the authority
15 to implement measures as set forth in ss. 218.50-218.504 to
16 assist the local governmental entity or district school board
17 in resolving ~~resolve~~ the financial emergency. Such measures
18 may include, but are not limited to:

19 (a) Requiring approval of the local governmental
20 entity's budget by the Governor or approval of the district
21 school board's budget by the Commissioner of Education.

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

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

28 (d) Making such inspections and reviews of records,
29 information, reports, and assets of the local governmental
30 entity or district school board. The appropriate local
31

1 officials shall cooperate in such, in which inspections and
2 reviews ~~the appropriate local officials shall cooperate.~~

3 (e) Consulting with ~~the~~ officials and auditors of the
4 local governmental entity or the district school board and the
5 appropriate state officials ~~agency~~ regarding any steps
6 necessary to bring the books of account, accounting systems,
7 financial procedures, and reports into compliance with state
8 requirements.

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

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

23 a. Make such reviews of records, reports, and assets
24 of the local governmental entity or the district school board
25 as are needed.

26 b. Consult with ~~the~~ officials and auditors of the
27 local governmental entity or the district school board and the
28 appropriate state officials regarding any steps necessary to
29 bring the books of account, accounting systems, financial
30 procedures, and reports of the local governmental entity or
31

1 the district school board into compliance with state
2 requirements.

3 c. Review the operations, management, efficiency,
4 productivity, and financing of functions and operations of the
5 local governmental entity or district school board.

6 2. The recommendations and reports made by the
7 financial emergency board must be submitted to the Governor
8 for local governmental entities or to the Commissioner of
9 Education and the State Board of Education for district school
10 boards for appropriate action.

11 (h) Requiring and approving a plan, to be prepared by
12 officials of the appropriate state agency in conjunction with
13 the local governmental entity or the district school board in
14 consultation with the appropriate state officials, prescribing
15 actions that will cause the local governmental entity or
16 district school board to no longer be subject to this section.
17 The plan must include, but need not be limited to:

18 1. Provision for payment in full of obligations
19 outlined in subsection (1), designated as priority items, that
20 are currently all payments due or will to come due on debt
21 obligations, pension payments, and all payments and charges
22 imposed or mandated by federal or state law and for all
23 judgments and past due accounts, as priority items of
24 expenditures.

25 2. Establishment of ~~a basis of~~ priority budgeting or
26 zero-based budgeting in order, ~~so as~~ to eliminate ~~low-priority~~
27 items that are not affordable.

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

30 (4) A ~~During the financial emergency period~~, the local
31 governmental entity or district school board may not seek

1 application of laws under the bankruptcy provisions of the
2 United States Constitution except with the prior approval of
3 the Governor for local governmental entities or the
4 Commissioner of Education for district school boards.

5 (5)(a) The governing authority of any municipality
6 having a resident population of 300,000 or more on or after
7 April 1, 1999, which has been declared in a state of financial
8 emergency pursuant to this section may impose a discretionary
9 per-vehicle surcharge of up to 20 percent on the gross
10 revenues of the sale, lease, or rental of space at parking
11 facilities within the municipality which are open for use to
12 the general public.

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

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

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

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

2 Section 29. Section 218.504, Florida Statutes, is
3 amended to read:

4 218.504 Cessation of state action.--The Governor or
5 the Commissioner of Education, as appropriate, has the
6 authority to terminate all state actions pursuant to ss.
7 218.50-218.504. Cessation of state action must not occur
8 until the Governor or the Commissioner of Education, as
9 appropriate, has determined that:

10 (1) The local governmental entity or district school
11 board:

12 (a) Has established and is operating an effective
13 financial accounting and reporting system.

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

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

18 Section 30. Section 236.43, Florida Statutes, is
19 amended to read:

20 236.43 Receiving bids and sale of bonds.--

21 (1) In case the issuance of bonds shall be authorized
22 at said election, or in case any bonds outstanding against the
23 district are being refunded, the school board shall sell the
24 bonds in the manner provided in s. 218.385. ~~cause notice to be~~
25 ~~given by publication in some newspaper published in the~~
26 ~~district that said board will receive bids for the purchase of~~
27 ~~the bonds at the office of the superintendent of said~~
28 ~~district. The notice shall be published twice and the first~~
29 ~~publication shall be given not less than 30 days prior to the~~
30 ~~date set for receiving the bids. Said notice shall specify~~
31 ~~the amount of the bonds offered for sale and shall state~~

1 ~~whether the bids shall be sealed bids or whether the bonds are~~
2 ~~to be sold at auction, shall give the schedule of maturities~~
3 ~~of the proposed bonds and such other pertinent information as~~
4 ~~may be prescribed by regulations of the state board. Bidders~~
5 ~~may be invited to name the rate of interest which the bonds~~
6 ~~are to bear or the school board may name rates of interest and~~
7 ~~invite bids thereon. In addition to publication of notice of~~
8 ~~the proposed sale as set forth above, the school board shall~~
9 ~~also notify in writing at least three recognized bond dealers~~
10 ~~in the state and shall also at the same time notify the~~
11 ~~Department of Education concerning the proposed sale,~~
12 ~~enclosing a copy of the advertisement.~~

13 (2) ~~All bonds and refunding bonds issued as provided~~
14 ~~by law shall be sold to the highest and best bidder at such~~
15 ~~public sale unless sold at a better price or yield basis~~
16 ~~within 30 days after failure to receive an acceptable bid at a~~
17 ~~duly advertised public sale; provided, that at no time shall~~
18 ~~bonds or refunding bonds be sold or exchanged at less than par~~
19 ~~value except as specifically authorized by the department; and~~
20 ~~provided, further, that the school board shall have the right~~
21 ~~to reject all bids and cause a new notice to be given in like~~
22 ~~manner inviting other bids for such bonds, or to sell all or~~
23 ~~any part of such bonds to the state board at a price and yield~~
24 ~~basis which shall not be less advantageous to the school board~~
25 ~~than that represented by the highest and best bid received.~~
26 ~~In the marketing of said bonds the school board shall be~~
27 ~~entitled to have such assistance as can be rendered by the~~
28 ~~Governor, the State Treasurer, the Commissioner of Education,~~
29 ~~or any other public state officer or agency. In determining~~
30 ~~the highest and best bidder for bonds offered for sale by~~
31 ~~competitive bid, the true net interest cost to the school~~

1 ~~board as shown in standard bond tables~~ shall govern,†
2 provided,‡that the determination of the school board as to the
3 highest and best bidder shall be final.

4 Section 31. Subsection (4) of section 237.40, Florida
5 Statutes, is amended to read:

6 237.40 Direct-support organization; use of property;
7 board of directors; audit.--

8 (4) ANNUAL AUDIT.--Each direct-support organization
9 with more than \$100,000 in expenses shall provide for an
10 annual financial audit of its accounts and records, to be
11 conducted by an independent certified public accountant in
12 accordance with rules adopted by the Auditor General pursuant
13 to s. 11.45(8) and the Commissioner of Education. The annual
14 audit report shall be submitted within 9 months after the
15 fiscal year's end to the district school board and the Auditor
16 General. The Commissioner of Education, the Auditor General,
17 and the Office of Program Policy Analysis and Government
18 Accountability have the authority to require and receive from
19 the organization or the district auditor any records relative
20 to the operation of the organization. The identity of donors
21 and all information identifying donors and prospective donors
22 are confidential and exempt from the provisions of s.
23 119.07(1), and that anonymity shall be maintained in the
24 auditor's report. All other records and information shall be
25 considered public records for the purposes of chapter 119.

26 Section 32. Subsection (5) of section 240.299, Florida
27 Statutes, is amended to read:

28 240.299 Direct-support organizations; use of property;
29 board of directors; activities; audit; facilities.--

30 (5) ANNUAL AUDIT.--Each direct-support organization
31 with more than \$100,000 in expenses shall provide for an

1 annual financial audit of its accounts and records to be
2 conducted by an independent certified public accountant in
3 accordance with rules adopted by the Auditor General pursuant
4 to s. 11.45(8) and by the Board of Regents. The annual audit
5 report shall be submitted, within 9 months after the end of
6 the fiscal year, to the Auditor General and the Board of
7 Regents for review. The Board of Regents, the Auditor
8 General, and the Office of Program Policy Analysis and
9 Government Accountability shall have the authority to require
10 and receive from the organization or from its independent
11 auditor any records relative to the operation of the
12 organization. The identity of donors who desire to remain
13 anonymous shall be protected, and that anonymity shall be
14 maintained in the auditor's report. All records of the
15 organization other than the auditor's report, management
16 letter, and any supplemental data requested by the Board of
17 Regents, the Auditor General, and the Office of Program Policy
18 Analysis and Government Accountability shall be confidential
19 and exempt from the provisions of s. 119.07(1).

20 Section 33. Subsection (6) of section 240.331, Florida
21 Statutes, is amended to read:

22 240.331 Community college direct-support
23 organizations.--

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

1 Auditor General, and the Office of Program Policy Analysis and
2 Government Accountability may require and receive from the
3 organization or from its independent auditor any detail or
4 supplemental data 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, any information
9 necessary for the auditor's report, any information related to
10 the expenditure of funds, and any supplemental data requested
11 by the board of trustees, the Auditor General, and the Office
12 of Program Policy Analysis and Government Accountability,
13 shall be confidential and exempt from the provisions of s.
14 119.07(1).

15 Section 34. Chapter 131, Florida Statutes, consisting
16 of sections 131.01, 131.02, 131.03, 131.04, 131.05, and
17 131.06, Florida Statutes, is repealed.

18 Section 35. Section 132.10, Florida Statutes, is
19 repealed.

20 Section 36. Section 165.052, Florida Statutes, is
21 repealed.

22 Section 37. Section 189.409, Florida Statutes, is
23 repealed.

24 Section 38. Section 189.422, Florida Statutes, is
25 repealed.

26 Section 39. Section 200.0684, Florida Statutes, is
27 repealed.

28 Section 40. Paragraph (h) of subsection (1) of section
29 218.37, Florida Statutes, is repealed.

30 Section 41. This act shall take effect upon becoming a
31 law.

LEGISLATIVE SUMMARY

Revises provisions relating to local government accountability. Revises duties of the Legislative Auditing Committee. Revises reporting requirements of the Auditor General. Deletes a requirement for an independent special district to submit a copy of a complaint to the Division of Bond Finance of the State Board of Administration. Revises the definition of "governmental entity" to include counties and district school boards. Provides for additional information to be provided to the Department of Management Services in actuarial reports with regard to retirement systems and plans and provides procedures therefor. Provides for notification of the Department of Revenue and the Department of Banking and Finance in cases of noncompliance and authorizes the withholding of certain funds. Requires the Department of Management Services to notify the Department of Community Affairs in the case of affected special districts. Revises provisions governing notice of bids and disposition of bonds, authorization to issue refund bonds, notice of sale, bids, and awards, and private sale of bonds.

Revises provisions governing the Small County Technical Assistance Program. Revises provisions governing the issuance of bonds by a municipality. Provides a municipal budget amendment process and requirements. Revises special procedures for determination of inactive special districts. Revises duties of the Special District Information Program of the Department of Community Affairs. Revises reporting requirements of newly created special districts. Authorizes the governing body of a special district to amend its budget. Revises provisions relating to the failure of special districts to file required reports. Revises provisions governing the failure of special districts to disclose financial reports, provides for extension of time for the filing of said reports, and provides remedies for noncompliance. Provides for attorney's fees and costs. Revises provisions governing the special district oversight review process. Revises provisions governing the issuance of bonds by special districts.

Exempts state agency direct-support organizations and citizen support organizations meeting specified expense levels from audit requirements. Revises provisions governing the reduction or waiver of permit processing fees for certain counties. Requires the Department of Banking and Finance to notify the Speaker of the House of Representatives and the President of the Senate of any municipality that has not had financial activity for a specified period of time and provides that such notice is sufficient to initiate dissolution procedures. Revises reporting requirements for boards of county commissioners relating to the failure of a county officer to comply with the provisions of s. 218.36, F.S. Revises the

1 definition of "unit of local government" to include
2 district school boards.

3 Renames pt. V of ch. 218, F.S., as "Local Governmental
4 Entity and District School Board Financial Emergencies"
5 and renames ss. 218.50-218.504, F.S., as the "Local
6 Governmental Entity and District School Board Act."
7 Revises the stated purposes of pt. V of ch. 218, F.S.
8 Revises the definition of "local governmental entity."
9 Revises provisions governing the determination of
10 financial emergency for local governments and district
11 school boards. Revises provisions relating to the
12 authority of the Governor and authorizes the Commissioner
13 of Education to terminate all state actions pursuant to
14 ss. 218.50-218.504, F.S. Revises provisions governing
15 receipt of bids and sale of bonds. Exempts district
16 school board direct-support organizations and citizen
17 support organizations meeting specified expense levels
18 from audit requirements.

19 Repeals ch. 131, F.S., consisting of ss. 131.01, 131.02,
20 131.03, 131.04, 131.05, and 131.06, F.S., relating to
21 refunding bonds of counties, municipalities, and special
22 districts. Repeals s. 132.10, F.S., relating to minimum
23 sale price of bonds. Repeals s. 165.052, F.S., relating
24 to special dissolution procedures for municipalities.
25 Repeals s. 189.409, F.S., relating to determination of
26 financial emergencies of special districts. Repeals s.
27 189.422, F.S., relating to actions of the Department of
28 Community Affairs and special districts. Repeals s.
29 200.0684, F.S., relating to an annual compliance report
30 of the Department of Community Affairs regarding special
31 districts. Repeals s. 218.37(1)(h), F.S., relating to the
requirement that the Division of Bond Finance use a
served copy of the complaint for bond validation to
verify compliance by special districts with the
requirements in s. 218.38, F.S.