

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 1141                      Rural Counties  
**SPONSOR(S):** Rep. Spratt  
**TIED BILLS:** None    **IDEN./SIM. BILLS:** SB 2312

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Agriculture		Kaiser	Reese
2) Appropriations			
3)			
4)			
5)			

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**SUMMARY ANALYSIS**

HB 1141 transfers the oversight of the Small County Technical Assistance Program from the Department of Agriculture and Consumer Services (DACS) to the Department of Community Affairs (DCA). The purpose of the program, as stated in s. 163.05(5), F.S., "...is to provide technical assistance to small counties to enable them to implement workable solutions to financial and administrative problems."

In addition, the proposed legislation establishes a grant program for fiscally constrained counties. The grants may be used by the counties to help with government services, infrastructure development or as seed funding for long-term projects. The bill proposes for the DCA to work with the Rural Economic Development Initiative (REDI) to establish a grant application process. In addition, REDI is instructed to take measures to inform fiscally constrained counties of the grant program and the availability of funds.

Additionally, the bill requires, at least annually and/or upon completion of grant-funded activities, for a fiscally constrained county receiving a grant to provide a written report to the DCA describing the status of the grant-funded activities, the nature and amount of local or other financial support used for those activities, and the progress made toward ending the county's status as fiscally constrained.

Currently, twenty-seven counties qualify for this funding: Baker, Bradford, Calhoun, Columbia, DeSoto, Dixie, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Holmes, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Okeechobee, Putnam, Suwanee, Taylor, Union, and Washington.

This legislation has no fiscal impact on local governments. For the fiscal impact on state government, please see "D. Fiscal Comments," on page 3 of this analysis.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h1141.ag.doc  
**DATE:** March 5, 2004

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |                             |   |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

#### B. EFFECT OF PROPOSED CHANGES:

##### **Small County Technical Assistance Program**

The Small County Technical Assistance Program was initiated in 1993 through a \$250,000 appropriation from the legislature. At its inception, the program served 31 counties with populations less than 50,000. Subsequently, the program has expanded to \$350,000 and serves 32 counties with populations less than 75,000.

The Office of the Comptroller provided oversight for the program from its inception until July 1, 2002. At that time, the program was transferred to the Department of Agriculture and Consumer Services (DACS).

HB 1141 transfers the oversight of the program from the DACS to the Department of Community Affairs (DCA). This transfer is recommended by the Governor's Office and is one piece of the Governor's Rural Initiative. The Governor's Office feels because the activities of the program are closely aligned with the DCA's mission of assisting and investing in communities, the program will be enhanced through utilization of the community resources and staff expertise within the DCA.

##### **Fiscally Constrained County Grants**

In addition, HB 1141 creates a grant program for fiscally constrained counties in the state. The purpose of the program is to provide grant money to fiscally constrained counties to assist with government services, infrastructure development, or for use as seed funding for long-term projects.

The bill authorizes the DCA, in consultation with the Rural Economic Development Initiative (REDI) to:

- Establish a grant application process.
- Provide technical or administrative assistance to applicants.
- Actively inform qualifying counties of the program.
- Establish criteria for reviewing grant applications.
- Review grant applications and approve grant award amounts.

At least annually and/or upon completion of grant-funded activities, fiscally constrained counties receiving grants must provide the DCA with a written report. The report must describe the:

- Status of the grant-funded activities;
- Cumulative benefit to the county of the activities;
- Nature and amount of local or other financial support; and,
- Progress made toward ending the county's status as "fiscally constrained."

The DCA is given authority to adopt rules pursuant to the implementation of this program.

C. SECTION DIRECTORY:

**Section 1:** Providing for the Small County Technical Assistance Program to be transferred by a type-two transfer from the Department of Agriculture and Consumer Services to the Department of Community Affairs.

**Section 2:** Amending s. 163.05, F.S.; changing references from the DACS to the DCA.

**Section 3:** Amending s. 288.0656, F.S.; amending membership of the Rural Economic Development Initiative (REDI); and, providing a definition.

**Section 4:** Creating s. 288.06571, F.S.; providing definitions; authorizing the DCA to administer funds for a grant program for fiscally constrained counties; authorizing the establishment of a grant application process; providing for advertisement of grant program by REDI; providing for establishment of criteria for reviewing grant applications; providing for review and approval of grant award amounts; providing for an annual report regarding status of grant-funded activities; and, authorizing the DCA to adopt rules to implement the grant program.

**Section 5:** Providing an effective date of July 1, 2004.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

The Small County Technical Assistance Program was transferred to the Department of Agriculture and Consumer Services for FY 2002/03 from the comptroller's office. HB 3-E appropriated \$500,000 for this program and no FTEs. In FY 2003/04, due to requested General Revenue cuts, this program was reduced to the current appropriation of \$350,000.

In support of the fiscally constrained grant program, the Governor's Recommended Budget includes \$5 million of General Revenue to the Department of Community Affairs. This amount is subject to legislative appropriation.

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

##### **1. Applicability of Municipality/County Mandates Provision:**

The bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenues in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

##### **2. Other:**

None

#### **B. RULE-MAKING AUTHORITY:**

The bill gives the Department of Community Affairs rule-making authority regarding the fiscally constrained county grant program.

#### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

Carol Bracy, with the Florida Association of Counties (association), expressed concerns regarding the transfer of the Small County Technical Assistance Program from the Department of Agriculture and Consumer Services (DACs) to the Department of Community Affairs. She stated, while the association does not oppose the bill, they were pleased with the way the program was handled by DACs.

### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

N/A