

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 1469 Lake Region Lakes Management District
SPONSOR(S): Representative Bowen
TIED BILLS: None. **IDEN./SIM. BILLS:** None.

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Affairs (Sub)</u>	<u>10 Y, 0 N</u>	<u>Morris</u>	<u>Cutchins</u>
2) <u>Local Government & Veterans' Affairs</u>	<u></u>	<u></u>	<u></u>
3) <u>Finance & Tax</u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

This bill is a codification of the Lake Region Lakes Management District (LRLMD) in Polk County, Florida. The LRLMD, locally referred to as the "Canal District," maintains, operates, constructs, and protects the boat canals, drainage canals, dams, lakes, and locks for the purpose of flood control, lake level management, and protecting, maintaining, and improving the water quality of lakes and canals within Polk County.

This bill increases the short-term borrowing guidelines of the LRLMD by authorizing the district to seek loans with a maturity of five years, rather than two years, and provides more flexibility to seek short-term loans by authorizing the district to seek loans for any reason provided in section 3 of its charter, relating to its general powers and authority.

The district will be embarking on a joint venture with the Florida Department of Transportation (DOT) to remove and construct a new bridge on Highway 17, within its territorial boundaries. The LRLMD must secure a loan for this project and the DOT will reimburse the district within several years but can not guarantee that the district would be reimbursed within the LRLMD's two year maturity cap.

According to the economic impact statement, this bill will save local taxpayers' dollars because of current low interest rates on loans and the district not needing to use its bond authority upon passage.

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

STORAGE NAME: h1469a.lgv.doc
DATE: March 17, 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:

This bill is a codification of the Lake Region Lakes Management District (LRLMD) in Polk County, Florida. The LRLMD, locally referred to as the “Canal District,” maintains, operates, constructs, and protects the boat canals, drainage canals, dams, lakes, and locks for the purpose of flood control, lake level management, and protecting, maintaining, and improving the water quality in lakes and canals within Polk County.

This bill increases the short-term borrowing guidelines of the LRLMD by authorizing the district to seek loans with a maturity of five years, rather than two years. Furthermore, the LRLMD may only seek short term loans for the purposes of paying other outstanding indebtedness, meeting extraordinary expenses, or funding temporary budget deficits. This bill provides the LRLMD more flexibility to seek short-term loans by authorizing the district to seek loans for any reason provided in section 3 of its charter, relating to its general powers and authority. This allows the LRLMD to seek short-term loans to purchase, lease, sell, exchange, acquire, or dispose of real property and rights-of-way and to construct, reconstruct, improve, extend, enlarge, relocate, equip, operate, repair, and maintain such boat canals, drainage canals, dams, locks, canal banks, lake shores, water control structures, stormwater control and treatment facilities, and other facilities necessary or proper to further the purposes of this act.

The LRLMD is seeking this change through its codification process because it will be working with the Florida Department of Transportation (DOT) in the removal and construction of a new bridge within the district’s territorial boundaries. The LRLMD must secure a loan for this project and the DOT will reimburse the district within several years. The DOT could not guarantee that the district would be reimbursed within the LRLMD’s two year maturity for an outstanding loan. Therefore, the LRLMD is seeking to extend the purpose and length of time in which it may borrow a short-term loan.

The district does have flexible bond authority but considers a short-term loan more economically feasible. According to the economic impact statement, this bill should save local taxpayers’ dollars because of current low interest rates on loans and the district will not need to use its bond authority.

C. SECTION DIRECTORY:

Section 1 refers to the requirement of codification pursuant to s. 189.429, F.S., for the LRLMD. This section notes the increase in short-term borrowing listed in section 10 of the charter from two years to five years.

Section 2 codifies, reenacts, amends, and repeals chs. 8378 (1919), 23491 (1945), 31189 (1955), 65-2134, 84-517, 90-499, 97-344, and 2000-407, L.O.F., relating to the LRLMD.

Section 3 provides the codification of the LRLMD.

Section 1 provides the purpose and territorial boundaries of the LRLMD.

Section 2 codifies the rules, requirements, and guidelines for the election of board members.

Section 3 provides the LRLMD's general powers and authority including the ability to adopt bylaws, rules, regulations, and an official seal. The district also has the authority to purchase, lease, sell, exchange, acquire, or dispose of real property and rights-of-way and to construct, reconstruct, improve, extend, enlarge, relocate, equip, operate, repair, and maintain such boat canals, drainage canals, dams, locks, canal banks, lake shores, water control structures, stormwater control and treatment facilities, and other facilities necessary or proper to further the purposes of this act.

The LRLMD has the authority to take all measure that may be conducive to the conservation of water, to the protection and improvement of water quality, and to the maintenance of navigable water levels in the lakes and canals within or adjacent to the district.

The district may borrow money, issue bonds, and issue other certificates of indebtedness. The LRLMD may sue or be sued, enter into all contracts and agreements necessary or incidental to the performance of the district. The LRLMD may contract with the U.S. government, the state of Florida, or any agency or instrumentality of either thereof, or with any municipality, district, private corporation, partnership, association, or individual providing for, relating to, or affecting the jurisdiction of this district.

The district also has the power to exercise eminent domain.

Section 4 requires an oath of office for each commissioner elected to the board and provides procedures for filling in the vacancy of a board member.

Section 5 codifies the compensation of commissioners, not to exceed \$300 per month, except that the chair of the board of commissioners may be paid an additional sum of not more than \$100 per month for his or her services. The commissioners are also entitled to receive per diem and travel expense reimbursement as provided by general law.

Section 6 furnishes the organization of the board, the duties of the secretary/treasurer, and his or her requirement to execute a surety bond in an amount to be determined by the board.

Section 7 stipulates the duties of the board. This section requires the board to keep a complete record of all its acts and district affairs, employ a district manager and other necessary employees, approve an annual budget, coordinate and cooperate with all other public agencies having jurisdiction over the lakes located within the district, cooperate and provide information to Polk County, the City of Winter Haven, and other appropriate governmental agencies to assist with long-range comprehensive planning, manage the affairs of the district, and adhere to the Code of Ethics for Public Officers and Employees, part III of ch. 112, F.S., as amended from time to time.

Section 8 authorizes the board to levy upon all of the real and personal taxable property in said district not to exceed 1 mill. The district is required to pay the interest becoming due and payable annually upon any general obligation bonds issued or money borrowed.

The levy of said tax shall not be made later than the first day of September of each year by resolution of said board or a majority thereof. The value of the property of railroads, telegraphs, and telephone companies shall, as assessed for state and county purposes, be the basis upon which said levy shall be made. Said levy shall be certified in the name of said board, its chair, the secretary/treasurer, and under its corporate seal.

This section requires the county property appraiser to assess against the property within the district and attach the levy to the assessment roll of taxes for Polk County each year.

Section 9 provides guidelines for the tax collector when levied taxes are delinquent.

Section 10 increases the short-term borrowing guidelines of the LRLMD's authorizing the district to seek loans with a maturity of five years, rather than two years. Also, this section provides addition provisions for which the district may seek short term loans.

Section 11 authorizes the district to issue revenue bonds, general obligation bonds, notes, or certificates of indebtedness for the cost of construction, reconstruction, improvement, extension, repair, and relocation of canals, locks, stormwater control and treatment facilities, and other improvements deemed necessary or desirable by the district.

Bonds issued pursuant to this section must be approved by referendum prescribed by general law. The bonds shall mature no later than 40 years from their respective dates.

The district is authorized to enter into any deeds of trust, indentures, or other agreements with any bank or trust company within or without the state.

Section 12 authorizes refunding bonds, without the need of a referendum, for the purpose of refunding outstanding bonds.

Section 13 requires the board, prior to the passage of the tax levy resolution referred to in section 8, to review the long-range lakes management plan of the district. Not less than 90 days prior to the passage of the tax levy, the board shall hold a public hearing for the purpose of examining, updating and/or revising the long-range lakes management plan.

Section 14 instructs the board to comply with all applicable disclosure, notice, and reporting procedures required by general law.

Section 15 authorizes the board to secure liability insurance covering vehicles, properties, premises, and legal liabilities.

Section 16 requires the board to pay the interest and principal on bonds as they fall due. The district funds may also be deposited in any bank or trust company organized under the laws of the United States or the State of Florida. District funds may only be disbursed upon the warrant or order of the board, signed by the secretary/treasurer, and countersigned by the chair of the board.

Section 17 states that all work done under the provisions of this act shall be under the supervision of the district manager, whom may be employed pursuant to an employment agreement or serve at the pleasure of the board. The district manager is also responsible for the preparation of the annual budget, the hiring and firing of regular employees of the district, reporting to the board at their regular and special meetings, and for implementing and enforcing policies established by the board.

Section 18 authorizes the district to make all such proper rules and regulations for the care, protection, and use of the boat canals and drainage canals, water control structures, berms, locks, docks, and other facilities and property of the district.

Section 19 states that anyone who willfully damages the quality of water, damages plant life or causes damage, fills or obstructs the flow of water or the passage of boats, removes any stone

or earth or other material without consent of the board is guilty of a misdemeanor of the second degree, punishable as provided in sections 775.082 and 775.083, F.S.

Section 20 provides description of qualified electors.

Section 21 provides the invalidation and severability clause.

Section 22 provides procedures for dissolution of the district and amendment of charter.

Section 23 prohibits a capital improvement from being constructed by the district outside the territorial boundaries without formal concurrence of the affected jurisdiction.

Section 23 provides the district, its agents, and employees with immunity from liability.

Section 4 repeals chapters 8378 (1919), 23491 (1945), 31189 (1955), 65-2134, 84-517, 90-499, 97-344, and 2000-407, L.O.F. This repeal does not affect the prosecution of any cause of action that accrued before the effective date of the repeal and does not affect the rules, policies, actions, decisions, contracts, agreements, obligations, or properties of the district existing prior to the effective date of this act.

Section 5 provides that this act shall take effect upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN?

December 5, 2003.

WHERE?

The News Chief, Winter Haven, Polk County, Florida.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

According to the economic impact statement, this bill should save local taxpayers' dollars because of current low interest rates on loans and the district will not need to use its bond authority.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

There are outdated references to the Comptroller of the state and taxing telegraph property. Telegraphs are no longer on Polk County's tax roles and the Comptroller is now recognized as the Chief Financial Officer of the state.

IV. AMENDMENT/COMMITTEE SUBSTITUTE CHANGES

The Subcommittee on Local Affairs favorably recommended one amendment. The amendment removes everything after the enacting clause to address technical changes.

- References to the Comptroller were changed to Chief Financial Officer.
- References to taxing telegraph property were removed because they are no longer on Polk County's tax roles.
- There was also an outdated provision relating to the election of board members that no longer applies.