

1 A bill to be entitled
2 An act relating to local government accountability;
3 amending s. 11.40, F.S.; revising duties of the
4 Legislative Auditing Committee; amending s. 11.45, F.S.;
5 specifying requirements for a petition for a municipal
6 audit; revising reporting requirements of the Auditor
7 General; providing for technical advice by the Auditor
8 General; amending ss. 11.51 and 61.181, F.S.; correcting
9 cross references; amending s. 75.05, F.S.; deleting a
10 requirement for an independent special district to submit
11 a copy of a complaint to the Division of Bond Finance of
12 the State Board of Administration; amending s. 112.08,
13 F.S.; clarifying that local governments are authorized to
14 provide health insurance; amending s. 112.625, F.S.;
15 revising the definition of "governmental entity" to
16 include counties and district school boards; amending s.
17 112.63, F.S.; providing for additional information to be
18 provided to the Department of Management Services in
19 actuarial reports with regard to retirement systems and
20 plans and providing procedures therefor; providing for
21 notification of the Department of Revenue and the
22 Department of Financial Services in cases of noncompliance
23 and authorizing the withholding of certain funds;
24 requiring the Department of Management Services to notify
25 the Department of Community Affairs in the case of
26 affected special districts; correcting a cross reference;
27 amending s. 130.04, F.S.; revising provisions governing
28 notice of bids and disposition of bonds; amending s.

29 132.02, F.S.; revising provisions relating to the
30 authorization to issue refund bonds; amending s. 132.09,
31 F.S.; revising provisions relating to the notice of sale,
32 bids, and awards and private sale of bonds; amending s.
33 163.05, F.S.; revising provisions governing the Small
34 County Technical Assistance Program; amending s. 166.121,
35 F.S.; revising provisions governing the issuance of bonds
36 by a municipality; amending s. 166.241, F.S.; providing a
37 municipal budget amendment process and requirements;
38 amending s. 175.261, F.S.; correcting a cross reference;
39 amending s. 185.221, F.S.; correcting a cross reference;
40 amending s. 189.4044, F.S.; revising special procedures
41 for determination of inactive special districts; amending
42 s. 189.412, F.S.; revising duties of the Special District
43 Information Program of the Department of Community
44 Affairs; amending s. 189.418, F.S.; revising reporting
45 requirements of newly created special districts;
46 authorizing the governing body of a special district to
47 amend its budget; amending s. 189.419, F.S.; revising
48 provisions relating to the failure of special districts to
49 file required reports; amending s. 189.421, F.S.; revising
50 provisions governing the failure of special districts to
51 disclose financial reports; providing for extension of
52 time for the filing of the reports; providing remedies for
53 noncompliance; providing for attorney's fees and costs;
54 amending s. 189.428, F.S.; revising provisions governing
55 the special district oversight review process; amending s.
56 189.439, F.S.; revising provisions governing the issuance

57 of bonds by special districts; amending s. 191.005, F.S.;
58 exempting a candidate from campaign requirements under
59 specified conditions; providing for the removal of a board
60 member upon becoming unqualified; amending s. 218.075,
61 F.S.; revising provisions governing the reduction or
62 waiver of permit processing fees for certain counties;
63 amending s. 218.32, F.S., relating to annual financial
64 reports; requiring the Department of Financial Services to
65 notify the Speaker of the House of Representatives and the
66 President of the Senate of any municipality that has not
67 had financial activity for a specified period of time;
68 providing that such notice is sufficient to initiate
69 dissolution procedures; repealing s. 218.321, F.S.,
70 relating to annual financial statements of local
71 governmental entities; amending s. 218.36, F.S.; revising
72 reporting requirements for boards of county commissioners
73 relating to the failure of a county officer to comply with
74 the provisions of the section; amending s. 218.39, F.S.;
75 providing reporting requirements for certain special
76 districts; amending s. 218.369, F.S.; revising the
77 definition of "unit of local government" to include
78 district school boards; renaming pt. V of ch. 218, F.S.,
79 as "Local Governmental Entity and District School Board
80 Financial Emergencies"; amending s. 218.50, F.S.; renaming
81 ss. 218.50-218.504, F.S., as the "Local Governmental
82 Entity and District School Board Financial Emergencies
83 Act"; amending s. 218.501, F.S.; revising the stated
84 purposes of pt. V of ch. 218, F.S.; amending s. 218.502,

85 F.S.; revising the definition of "local governmental
86 entity"; amending s. 218.503, F.S.; revising provisions
87 governing the determination of a financial emergency for
88 local governments and district school boards; amending s.
89 218.504, F.S.; revising provisions relating to the
90 authority of the Governor and authorizing the Commissioner
91 of Education to terminate all state actions pursuant to
92 ss. 218.50-218.504, F.S.; repealing ch. 131, F.S.,
93 consisting of ss. 131.01, 131.02, 131.03, 131.04, 131.05,
94 and 131.06, F.S., relating to refunding bonds of counties,
95 municipalities, and special districts; repealing s.
96 132.10, F.S., relating to minimum sale price of bonds;
97 repealing s. 165.052, F.S., relating to special
98 dissolution procedures for municipalities; repealing s.
99 189.409, F.S., relating to determination of financial
100 emergencies of special districts; repealing s. 189.422,
101 F.S., relating to actions of the Department of Community
102 Affairs and special districts; repealing s. 200.0684,
103 F.S., relating to an annual compliance report of the
104 Department of Community Affairs regarding special
105 districts; repealing s. 218.37(1)(h), F.S., relating to
106 the requirement that the Division of Bond Finance use a
107 served copy of the complaint for bond validation to verify
108 compliance by special districts with the requirements in
109 s. 218.38, F.S.; amending s. 215.195, F.S., relating to
110 the Statewide Cost Allocation Plan; providing that the
111 Department of Financial Services is responsible for the
112 plan's preparation and the monitoring of agency

113 compliance; amending s. 215.97, F.S., relating to the
 114 Florida Single Audit Act; revising and providing
 115 definitions; revising the uniform state audit requirements
 116 for state financial assistance that is provided by state
 117 agencies to nonstate entities; requiring the Department of
 118 Financial Services to adopt rules and perform additional
 119 duties with respect to the provision of financial
 120 assistance to carry out state projects; specifying duties
 121 of coordinating agencies; amending s. 288.9610, F.S.;
 122 correcting a cross reference; amending s. 1010.47, F.S.;
 123 providing that school districts must sell bonds in
 124 accordance with the provisions of s. 218.385, F.S.;
 125 deleting obsolete provisions relating to the sale of bonds
 126 by a school district; transferring a position from the
 127 Executive Office of the Governor to the Department of
 128 Financial Services; providing an effective date.

129

130 Be It Enacted by the Legislature of the State of Florida:

131

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

134 11.40 Legislative Auditing Committee.--

135 (5) Following notification by the Auditor General, the
 136 Department of Financial Services, or the Division of Bond
 137 Finance of the State Board of Administration of the failure of a
 138 local governmental entity, district school board, charter
 139 school, or charter technical career center to comply with the
 140 applicable provisions within s. 11.45(5)-(7), s. 218.32(1), or

141 s. 218.38, the Legislative Auditing Committee may schedule a
 142 hearing. If a hearing is scheduled, the committee shall
 143 determine if the entity should be subject to further state
 144 action. If the committee determines that the entity should be
 145 subject to further state action, the committee shall:

146 (a) In the case of a local governmental entity or district
 147 school board, direct ~~request~~ the Department of Revenue and the
 148 Department of Financial Services to withhold any funds not
 149 pledged for bond debt service satisfaction which are payable to
 150 such entity until the entity complies with the law. The
 151 committee, ~~in its request~~, shall specify the date such action
 152 shall begin, and the directive ~~request~~ must be received by the
 153 Department of Revenue and the Department of Financial Services
 154 30 days before the date of the distribution mandated by law. The
 155 Department of Revenue and the Department of Financial Services
 156 may implement the provisions of this paragraph.

157 (b) In the case of a special district, notify the
 158 Department of Community Affairs that the special district has
 159 failed to comply with the law. Upon receipt of notification, the
 160 Department of Community Affairs shall proceed pursuant to the
 161 provisions specified in s. ss. 189.421 and 189.422.

162 Section 2. Paragraph (g) of subsection (2), subsections
 163 (3) and (5), paragraph (e) of subsection (7), and subsections
 164 (8) and (9) of section 11.45, Florida Statutes, are amended to
 165 read:

166 11.45 Definitions; duties; authorities; reports; rules.--

167 (2) DUTIES.--The Auditor General shall:

168 (g) At least every 2 years, conduct a performance audit of
169 the local government financial reporting system, which, for the
170 purpose of this chapter, means any statutory provisions related
171 to local government financial reporting. The purpose of such an
172 audit is to determine the accuracy, efficiency, and
173 effectiveness of the reporting system in achieving its goals and
174 to make recommendations to the local governments, the Governor,
175 and the Legislature as to how the reporting system can be
176 improved and how program costs can be reduced. The Auditor
177 General shall determine the scope of such audits. The local
178 government financial reporting system should provide for the
179 timely, accurate, uniform, and cost-effective accumulation of
180 financial and other information that can be used by the members
181 of the Legislature and other appropriate officials to accomplish
182 the following goals:

- 183 1. Enhance citizen participation in local government;
- 184 2. Improve the financial condition of local governments;
- 185 3. Provide essential government services in an efficient
186 and effective manner; and
- 187 4. Improve decisionmaking on the part of the Legislature,
188 state agencies, and local government officials on matters
189 relating to local government.

190
191 The Auditor General shall perform his or her duties
192 independently but under the general policies established by the
193 Legislative Auditing Committee. This subsection does not limit
194 the Auditor General's discretionary authority to conduct other

195 audits or engagements of governmental entities as authorized in
 196 subsection (3).

197 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.-

198 ~~(a)~~ The Auditor General may, pursuant to his or her own
 199 authority, or at the direction of the Legislative Auditing
 200 Committee, conduct audits or other engagements as determined
 201 appropriate by the Auditor General of:

202 (a)~~1~~. The accounts and records of any governmental entity
 203 created or established by law.

204 (b)~~2~~. The information technology programs, activities,
 205 functions, or systems of any governmental entity created or
 206 established by law.

207 (c)~~3~~. The accounts and records of any charter school
 208 created or established by law.

209 (d)~~4~~. The accounts and records of any direct-support
 210 organization or citizen support organization created or
 211 established by law. The Auditor General is authorized to require
 212 and receive any records from the direct-support organization or
 213 citizen support organization, or from its independent auditor.

214 (e)~~5~~. The public records associated with any appropriation
 215 made by the Legislature ~~General Appropriations Act~~ to a
 216 nongovernmental agency, corporation, or person. All records of a
 217 nongovernmental agency, corporation, or person with respect to
 218 the receipt and expenditure of such an appropriation shall be
 219 public records and shall be treated in the same manner as other
 220 public records are under general law.

221 (f)~~6~~. State financial assistance provided to any nonstate
 222 entity as defined by s. 215.97.

223 (g)7. The Tobacco Settlement Financing Corporation created
 224 pursuant to s. 215.56005.

225 ~~8. The Florida Virtual School created pursuant to s.~~
 226 ~~1002.37.~~

227 (h)9. Any purchases of federal surplus lands for use as
 228 sites for correctional facilities as described in s. 253.037.

229 (i)10. Enterprise Florida, Inc., including any of its
 230 boards, advisory committees, or similar groups created by
 231 Enterprise Florida, Inc., and programs. The audit report may
 232 not reveal the identity of any person who has anonymously made a
 233 donation to Enterprise Florida, Inc., pursuant to this paragraph
 234 ~~subparagraph~~. The identity of a donor or prospective donor to
 235 Enterprise Florida, Inc., who desires to remain anonymous and
 236 all information identifying such donor or prospective donor are
 237 confidential and exempt from the provisions of s. 119.07(1) and
 238 s. 24(a), Art. I of the State Constitution. Such anonymity shall
 239 be maintained in the auditor's report.

240 (j)11. The Florida Development Finance Corporation or the
 241 capital development board or the programs or entities created by
 242 the board. The audit or report may not reveal the identity of
 243 any person who has anonymously made a donation to the board
 244 pursuant to this paragraph ~~subparagraph~~. The identity of a donor
 245 or prospective donor to the board who desires to remain
 246 anonymous and all information identifying such donor or
 247 prospective donor are confidential and exempt from the
 248 provisions of s. 119.07(1) and s. 24(a), Art. I of the State
 249 Constitution. Such anonymity shall be maintained in the
 250 auditor's report.

251 ~~(k)12.~~ The records pertaining to the use of funds from
 252 voluntary contributions on a motor vehicle registration
 253 application or on a driver's license application authorized
 254 pursuant to ss. 320.023 and 322.081.

255 ~~(l)13.~~ The records pertaining to the use of funds from the
 256 sale of specialty license plates described in chapter 320.

257 ~~(m)14.~~ The transportation corporations under contract with
 258 the Department of Transportation that are acting on behalf of
 259 the state to secure and obtain rights-of-way for urgently needed
 260 transportation systems and to assist in the planning and design
 261 of such systems pursuant to ss. 339.401-339.421.

262 ~~(n)15.~~ The acquisitions and divestitures related to the
 263 Florida Communities Trust Program created pursuant to chapter
 264 380.

265 ~~(o)16.~~ The Florida Water Pollution Control Financing
 266 Corporation created pursuant to s. 403.1837.

267 ~~(p)17.~~ The Florida Partnership for School Readiness
 268 created pursuant to s. 411.01.

269 ~~(q)18.~~ The Florida Special Disability Trust Fund Financing
 270 Corporation created pursuant to s. 440.49.

271 ~~(r)19.~~ Workforce Florida, Inc., or the programs or
 272 entities created by Workforce Florida, Inc., created pursuant to
 273 s. 445.004.

274 ~~(s)20.~~ The corporation defined in s. 455.32 that is under
 275 contract with the Department of Business and Professional
 276 Regulation to provide administrative, investigative,
 277 examination, licensing, and prosecutorial support services in

278 accordance with the provisions of s. 455.32 and the practice act
 279 of the relevant profession.

280 ~~(t)21.~~ The Florida Engineers Management Corporation
 281 created pursuant to chapter 471.

282 ~~(u)22.~~ The Investment Fraud Restoration Financing
 283 Corporation created pursuant to chapter 517.

284 ~~(v)23.~~ The books and records of any permitholder that
 285 conducts race meetings or jai alai exhibitions under chapter
 286 550.

287 ~~(w)24.~~ The corporation defined in part II of chapter 946,
 288 known as the Prison Rehabilitative Industries and Diversified
 289 Enterprises, Inc., or PRIDE Enterprises.

290 (x) The Florida Virtual School pursuant to s. 1002.37.

291 ~~(b) The Auditor General is also authorized to:~~

292 ~~1. Promote the building of competent and efficient~~
 293 ~~accounting and internal audit organizations in the offices~~
 294 ~~administered by governmental entities.~~

295 ~~2. Provide consultation services to governmental entities~~
 296 ~~on their financial and accounting systems, procedures, and~~
 297 ~~related matters.~~

298 (5) PETITION FOR AN AUDIT BY THE AUDITOR GENERAL. -

299 (a) The Legislative Auditing Committee shall direct the
 300 Auditor General to make an ~~a financial~~ audit of any municipality
 301 whenever petitioned to do so by at least 20 percent of the
 302 registered electors in the last general election of that
 303 municipality pursuant to this subsection. The supervisor of
 304 elections of the county in which the municipality is located
 305 shall certify whether or not the petition contains the

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306 signatures of at least 20 percent of the registered electors of
307 the municipality. After the completion of the audit, the Auditor
308 General shall determine whether the municipality has the fiscal
309 resources necessary to pay the cost of the audit. The
310 municipality shall pay the cost of the audit within 90 days
311 after the Auditor General's determination that the municipality
312 has the available resources. If the municipality fails to pay
313 the cost of the audit, the Department of Revenue shall, upon
314 certification of the Auditor General, withhold from that portion
315 of the distribution pursuant to s. 212.20(6)(d)6. which is
316 distributable to such municipality, a sum sufficient to pay the
317 cost of the audit and shall deposit that sum into the General
318 Revenue Fund of the state.

319 (b) At least one registered elector in the most recent
320 general election must file a letter of intent with the municipal
321 clerk prior to any petition of the electors of that municipality
322 for the purpose of an audit. Each petition must be submitted to
323 the supervisor of elections and contain, at a minimum:

- 324 1. The elector's printed name.
325 2. The elector's signature.
326 3. The elector's residence address.
327 4. The elector's date of birth.
328 5. The date signed.

329
330 All petitions must be submitted for verification within 1
331 calendar year after the audit petition origination by the
332 municipal electors.

333 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.-

334 (e) The Auditor General shall notify the Governor or the
 335 Commissioner of Education, as appropriate, and the Legislative
 336 Auditing Committee of any audit report reviewed by the Auditor
 337 General pursuant to paragraph (b) which contains a statement
 338 that a the local governmental entity or district school board
 339 has met one or more of the conditions specified ~~is in a state of~~
 340 ~~financial emergency as provided~~ in s. 218.503. If the Auditor
 341 General requests a clarification regarding information included
 342 in an audit report to determine whether a local governmental
 343 entity or district school board has met one or more of the
 344 conditions specified in s. 218.503 ~~is in a state of financial~~
 345 ~~emergency,~~ the requested clarification must be provided within
 346 45 days after the date of the request. If the local governmental
 347 entity or district school board does not comply with the Auditor
 348 General's request, the Auditor General shall notify the
 349 Legislative Auditing Committee. If, after obtaining the
 350 requested clarification, the Auditor General determines that the
 351 local governmental entity or district school board has met one
 352 or more of the conditions specified in s. 218.503 ~~is in a state~~
 353 ~~of financial emergency,~~ he or she shall notify the Governor or
 354 the Commissioner of Education, as appropriate, and the
 355 Legislative Auditing Committee.

356 (8) RULES OF THE AUDITOR GENERAL.-The Auditor General, in
 357 consultation with the Board of Accountancy, shall adopt rules
 358 for the form and conduct of all financial audits performed by
 359 independent certified public accountants pursuant to ss.
 360 215.981, 218.39, 1001.453, 1004.28, and 1004.70. The rules for
 361 audits of local governmental entities and district school boards

362 must include, but are not limited to, requirements for the
 363 reporting of information necessary to carry out the purposes of
 364 the Local Governmental Entity and District School Board
 365 ~~Government~~ Financial Emergencies Act as stated in s. 218.501.

366 (9) TECHNICAL ADVICE ~~OTHER GUIDANCE~~ PROVIDED BY THE
 367 AUDITOR GENERAL.-The Auditor General may provide technical
 368 advice to: ~~in consultation with~~

369 (a) The Department of Education in the development of
 370 ~~shall develop~~ a compliance supplement for the financial audit of
 371 a district school board conducted by an independent certified
 372 public accountant.

373 (b) Governmental entities on their financial and
 374 accounting systems, procedures, and related matters.

375 (c) Governmental entities on promoting the building of
 376 competent and efficient accounting and internal audit
 377 organizations in their offices.

378 Section 3. Subsection (4) of section 11.51, Florida
 379 Statutes, is amended to read:

380 11.51 Office of Program Policy Analysis and Government
 381 Accountability.--

382 (4) The Office of Program Policy Analysis and Government
 383 Accountability is authorized to examine all entities and records
 384 listed in s. 11.45(3)~~(a)~~.

385 Section 4. Subsection (10) of section 61.181, Florida
 386 Statutes, is amended to read:

387 61.181 Depository for alimony transactions, support,
 388 maintenance, and support payments; fees.--

389 (10) Compliance with the requirements of this section
 390 shall be included as part of the annual county audit required
 391 pursuant to s. 218.39 ~~11.45~~.

392 Section 5. Subsection (3) of section 75.05, Florida
 393 Statutes, is amended to read:

394 75.05 Order and service.--

395 (3) ~~In the case of independent special districts as~~
 396 ~~defined in s. 218.31(7), a copy of the complaint shall be served~~
 397 ~~on the Division of Bond Finance of the State Board of~~
 398 ~~Administration.~~ Notwithstanding any other provision of law,
 399 whether a general law or special act, validation of bonds to be
 400 issued by a special district, other than a community development
 401 district established pursuant to chapter 190, as provided in s.
 402 190.016(12), is not mandatory, but is at the option of the
 403 issuer. However, the validation of bonds issued by such
 404 community development districts shall not be required on
 405 refunding issues.

406 Section 6. Paragraph (a) of subsection (2) of section
 407 112.08, Florida Statutes, is amended to read:

408 112.08 Group insurance for public officers, employees, and
 409 certain volunteers; physical examinations.--

410 (2)(a) Notwithstanding any general law or special act to
 411 the contrary, every local governmental unit is authorized to
 412 provide and pay out of its available funds for all or part of
 413 the premium for life, health, accident, hospitalization, legal
 414 expense, or annuity insurance, or all or any kinds of such
 415 insurance, for the officers and employees of the local
 416 governmental unit and for health, accident, hospitalization, and

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417 | legal expense insurance for the dependents of such officers and
418 | employees upon a group insurance plan and, to that end, to enter
419 | into contracts with insurance companies or professional
420 | administrators to provide such insurance. Before entering any
421 | contract for insurance, the local governmental unit shall
422 | advertise for competitive bids; and such contract shall be let
423 | upon the basis of such bids. If a contracting health insurance
424 | provider becomes financially impaired as determined by the
425 | Office of Insurance Regulation of the Financial Services
426 | Commission or otherwise fails or refuses to provide the
427 | contracted-for coverage or coverages, the local government may
428 | purchase insurance, enter into risk management programs, or
429 | contract with third-party administrators and may make such
430 | acquisitions by advertising for competitive bids or by direct
431 | negotiations and contract. The local governmental unit may
432 | undertake simultaneous negotiations with those companies which
433 | have submitted reasonable and timely bids and are found by the
434 | local governmental unit to be fully qualified and capable of
435 | meeting all servicing requirements. Each local governmental unit
436 | may self-insure any plan for health, accident, and
437 | hospitalization coverage or enter into a risk management
438 | consortium to provide such coverage, subject to approval based
439 | on actuarial soundness by the Office of Insurance Regulation;
440 | and each shall contract with an insurance company or
441 | professional administrator qualified and approved by the office
442 | to administer such a plan.

443 | Section 7. Subsection (5) of section 112.625, Florida
444 | Statutes, is amended to read:

445 112.625 Definitions.--As used in this act:

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

450 Section 8. Subsections (2) and (4) of section 112.63,
 451 Florida Statutes, are amended to read:

452 112.63 Actuarial reports and statements of actuarial
 453 impact; review.--

454 (2) The frequency of actuarial reports must be at least
 455 every 3 years commencing from the last actuarial report of the
 456 plan or system or October 1, 1980, if no actuarial report has
 457 been issued within the 3-year period prior to October 1, 1979.
 458 The results of each actuarial report shall be filed with the
 459 plan administrator within 60 days of certification. Thereafter,
 460 the results of each actuarial report shall be made available for
 461 inspection upon request. Additionally, each retirement system or
 462 plan covered by this act which is not administered directly by
 463 the Department of Management Services shall furnish a copy of
 464 each actuarial report to the Department of Management Services
 465 within 60 days after receipt from the actuary. The requirements
 466 of this section are supplemental to actuarial valuations
 467 necessary to comply with the requirements of s. ss. 218.321 and
 468 218.39.

469 (4) Upon receipt, pursuant to subsection (2), of an
 470 actuarial report, or upon receipt, pursuant to subsection (3),
 471 of a statement of actuarial impact, the Department of Management
 472 Services shall acknowledge such receipt, but shall only review

473 and comment on each retirement system's or plan's actuarial
 474 valuations at least on a triennial basis. If the department
 475 finds that the actuarial valuation is not complete, accurate, or
 476 based on reasonable assumptions or otherwise fails to satisfy
 477 the requirements of this part, if the department requires
 478 additional information necessary to complete its review of the
 479 actuarial valuation of a system or plan or information necessary
 480 to satisfy the duties of the department pursuant to s.
 481 112.665(1), or if the department does not receive the actuarial
 482 report or statement of actuarial impact, the department shall
 483 notify the administrator of the affected retirement system or
 484 plan and the affected governmental entity ~~local government~~ and
 485 request appropriate adjustment, the additional information, the
 486 required report, or the statement. The notification must inform
 487 the administrator of the affected retirement system or plan and
 488 the affected governmental entity of the consequences for failure
 489 to comply with the requirements of this subsection. If, after a
 490 reasonable period of time, a satisfactory adjustment is not
 491 made, or the additional information, the report, or the
 492 statement is not provided, the department may notify the
 493 Department of Revenue and the Department of Financial Services
 494 of such noncompliance, in which case the Department of Revenue
 495 and the Department of Financial Services shall withhold any
 496 funds not pledged for satisfaction of bond debt service which
 497 are payable to the affected governmental entity until the
 498 adjustment is made or the additional information, the report, or
 499 the statement is provided to the department. The department
 500 shall specify the date such action is to begin, and notification

501 by the department must be received by the Department of Revenue,
 502 the Department of Financial Services, and the affected
 503 governmental entity 30 days before the date the action begins.

504 (a) Within 21 days after receipt of the notice, the
 505 affected governmental entity ~~local government or the department~~
 506 ~~may petition for a hearing under the provisions of ss. 120.569~~
 507 ~~and 120.57~~ with the Department of Management Services. The
 508 Department of Revenue and the Department of Financial Services
 509 may not be parties to any such hearing, but may request to
 510 intervene if requested by the Department of Management Services
 511 or if the Department of Revenue or the Department of Financial
 512 Services determines its interests may be adversely affected by
 513 the hearing. If the administrative law judge recommends in favor
 514 of the department, the department shall perform an actuarial
 515 review, ~~or~~ prepare the statement of actuarial impact, or collect
 516 the requested information. The cost to the department of
 517 performing such actuarial review, ~~or~~ preparing the such
 518 statement, or collecting the requested information shall be
 519 charged to the affected governmental entity of which the
 520 employees are covered by the retirement system or plan. If
 521 payment of such costs is not received by the department within
 522 60 days after receipt by the affected governmental entity of the
 523 request for payment, the department shall certify to the
 524 Department of Revenue and the Department of Financial Services
 525 ~~Chief Financial Officer~~ the amount due, and the Department of
 526 Revenue and the Department of Financial Services ~~Chief Financial~~
 527 ~~Officer~~ shall pay such amount to the Department of Management
 528 Services from any funds not pledged for satisfaction of bond

529 debt service that are payable to the affected governmental
 530 entity of which the employees are covered by the retirement
 531 system or plan. If the administrative law judge recommends in
 532 favor of the affected governmental entity ~~local retirement~~
 533 ~~system~~ and the department performs an actuarial review, prepares
 534 the statement of actuarial impact, or collects the requested
 535 information, the cost to the department of performing the
 536 actuarial review, preparing the statement, or collecting the
 537 requested information shall be paid by the Department of
 538 Management Services.

539 (b) In the case of an affected special district, the
 540 Department of Management Services shall also notify the
 541 Department of Community Affairs. Upon receipt of notification,
 542 the Department of Community Affairs shall proceed pursuant to
 543 the provisions of s. 189.421 with regard to the special
 544 district.

545 Section 9. Section 130.04, Florida Statutes, is amended to
 546 read:

547 130.04 ~~Sale Notice for bids and disposition~~ of bonds.--In
 548 case the issuing of bonds shall be authorized by the result of
 549 such election, the county commissioners shall sell the bonds in
 550 the manner provided in s. 218.385 ~~cause notice to be given by~~
 551 ~~publication in a newspaper published in the county, or in some~~
 552 ~~newspaper published in the same judicial circuit, if there be~~
 553 ~~none published in the county, that they will receive bids for~~
 554 ~~the purchase of county bonds at the clerk's office, on a date~~
 555 ~~not less than 10 days nor more than 60 days from the first~~
 556 ~~publication of such notice. The notice shall specify the amount~~

557 ~~of bonds offered for sale, the rate of interest, and the time~~
 558 ~~when principal and installments of interest shall be due and~~
 559 ~~payable. Any and all bids shall be rejected if the commissioners~~
 560 ~~shall deem it to the best interest for the county so to do, and~~
 561 ~~they may cause a new notice to be given in like manner inviting~~
 562 ~~other bids for said bonds; provided, that when the rate of~~
 563 ~~interest on said bonds exceeds 5 percent per annum, said bonds~~
 564 ~~shall not be sold for less than 95 cents on the dollar, but when~~
 565 ~~any bonds have heretofore been provided for by election, and the~~
 566 ~~rate of interest is 5 percent per annum, or less, that in such~~
 567 ~~eases the county commissioners may accept less than 95 cents~~
 568 ~~upon the dollar, in the sale of said bonds, or for any portion~~
 569 ~~of said bonds not already sold; provided, however, no bonds~~
 570 ~~shall be sold for less than 90 cents on the dollar.~~

571 Section 10. Subsection (1) of section 132.02, Florida
 572 Statutes, is amended to read:

573 132.02 Taxing units may refund obligations.--

574 (1) Each county, municipality, ~~city, town, special road~~
 575 ~~and bridge district, special tax school district, or~~ and other
 576 taxing district ~~districts~~ in this state, herein sometimes called
 577 a unit, may issue, pursuant to a resolution or resolutions of
 578 the governing body thereof (meaning thereby the board or body
 579 vested with the power of determining the amount of tax levies
 580 required for taxing the taxable property of such unit for the
 581 purpose of such unit) and either with or without the approval of
 582 such bonds at an election, except as may be required by the
 583 Constitution of the state, bonds of such unit for the purpose of
 584 refunding any or all bonds, coupons, or interest on any such

585 ~~bonds, or coupons or paving certificates of indebtedness or~~
 586 ~~interest on any such paving certificates of indebtedness, now or~~
 587 ~~hereafter outstanding, or any other funded debt, all of which~~
 588 ~~are herein referred to as bonds, whether such unit created such~~
 589 ~~indebtedness or has assumed, or may become liable therefor, and~~
 590 ~~whether indebtedness to be refunded has matured or to thereafter~~
 591 ~~become matured.~~

592 Section 11. Section 132.09, Florida Statutes, is amended
 593 to read:

594 132.09 Sale of bonds ~~Notice of sale; bids and award;~~
 595 ~~private sale.~~--When sold, the refunding bonds (except as
 596 otherwise expressly provided) shall be sold in the manner
 597 provided in s. 218.385 ~~pursuant to the terms of a notice of sale~~
 598 ~~which shall be published at least twice. The first publication~~
 599 ~~to be not less than 7 days before the date fixed for the sale~~
 600 ~~and to be published in a newspaper published in the unit, or if~~
 601 ~~no newspaper is published in the unit, then in a newspaper~~
 602 ~~published in the county, or if no newspaper is published in the~~
 603 ~~county, then in a newspaper published in Tallahassee, and in the~~
 604 ~~discretion of the governing body of the unit may be published in~~
 605 ~~a financial newspaper in the City of New York. Such notices~~
 606 ~~shall state the time and place and when and where sealed bids~~
 607 ~~will be received, shall state the amount of bonds, their dates,~~
 608 ~~maturities, denominations and interest rate or rates (which may~~
 609 ~~be a maximum rate), interest payment dates, an outline of the~~
 610 ~~terms, if any, on which they are redeemable or become payable~~
 611 ~~before maturity, the amount which must be deposited with the bid~~
 612 ~~to secure its performance if accepted, and such other pertinent~~

613 ~~information as the governing body of the unit may determine.~~
 614 ~~The notice of sale may require the bidders to fix the interest~~
 615 ~~rate or rates that the bonds are to bear subject to the terms of~~
 616 ~~the notice and the maximum rate permitted by this chapter. The~~
 617 ~~award of the bonds shall be made by the governing body of the~~
 618 ~~unit to the bidder making the most advantageous bid which shall~~
 619 ~~be determined by the governing body in its absolute and~~
 620 ~~uncontrolled discretion. The right to reject all bids shall be~~
 621 ~~reserved to the governing body of the unit. If no bids are~~
 622 ~~received at such public sale, or if all bids are rejected, the~~
 623 ~~bonds may be sold without notice at private sale at any time~~
 624 ~~within one year thereafter, but such bonds shall not be sold at~~
 625 ~~private sale on terms less favorable to the unit than were~~
 626 ~~contained in the best bid at the prior public sale.~~

627 Section 12. Paragraph (a) of subsection (2) of section
 628 163.05, Florida Statutes, is amended to read:

629 163.05 Small County Technical Assistance Program.--

630 (2) Recognizing the findings in subsection (1), the
 631 Legislature declares that:

632 (a) The financial difficulties ~~fiscal emergencies~~
 633 confronting small counties require an investment that will
 634 facilitate efforts to improve the productivity and efficiency of
 635 small counties' structures and operating procedures.

636 Section 13. Subsection (2) of section 166.121, Florida
 637 Statutes, is amended to read:

638 166.121 Issuance of bonds.--

639 (2) The governing body of a municipality shall determine
 640 the terms and manner of sale and distribution or other

641 disposition of any and all bonds it may issue, consistent with
 642 the provisions of s. 218.385, and shall have any and all powers
 643 necessary or convenient to such disposition.

644 Section 14. Section 166.241, Florida Statutes, is amended
 645 to read:

646 166.241 Fiscal years, ~~financial reports~~, appropriations,
 647 ~~and budgets~~, and budget amendments.--

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

650 (1)(2) Each municipality shall make provision for
 651 establishing a fiscal year beginning October 1 of each year and
 652 ending September 30 of the following year.

653 (2)(3) The governing body of each municipality shall adopt
 654 a budget each fiscal year. The budget must be adopted by
 655 ordinance or resolution unless otherwise specified in the
 656 respective municipality's charter. The amount available from
 657 taxation and other sources, including amounts carried over from
 658 prior fiscal years, must equal the total appropriations for
 659 expenditures and reserves. The budget must regulate expenditures
 660 of the municipality, and it is unlawful for any officer of a
 661 municipal government to expend or contract for expenditures in
 662 any fiscal year except in pursuance of budgeted appropriations.

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

666 (a) Appropriations for expenditures within a fund may be
 667 decreased or increased by motion recorded in the minutes,

668 provided that the total of the appropriations of the fund is not
 669 changed.

670 (b) The governing body may establish procedures by which
 671 the designated budget officer may authorize certain budget
 672 amendments within a department, provided that the total of the
 673 appropriations of the department is not changed.

674 (c) If a budget amendment is required for a purpose not
 675 specifically authorized in paragraph (a) or paragraph (b), the
 676 budget amendment must be adopted in the same manner as the
 677 original budget unless otherwise specified in the charter of the
 678 respective municipality.

679 Section 15. Paragraph (b) of subsection (1) of section
 680 175.261, Florida Statutes, is amended to read:

681 175.261 Annual report to Division of Retirement; actuarial
 682 valuations.--For any municipality, special fire control
 683 district, chapter plan, local law municipality, local law
 684 special fire control district, or local law plan under this
 685 chapter, the board of trustees for every chapter plan and local
 686 law plan shall submit the following reports to the division:

687 (1) With respect to chapter plans:

688 (b) In addition to annual reports provided under paragraph
 689 (a), by February 1 of each triennial year, an actuarial
 690 valuation of the chapter plan must be made by the division at
 691 least once every 3 years, as provided in s. 112.63, commencing 3
 692 years from the last actuarial valuation of the plan or system
 693 for existing plans, or commencing 3 years from issuance of the
 694 initial actuarial impact statement submitted under s. 112.63 for
 695 newly created plans. To that end, the chair of the board of

696 trustees for each firefighters' pension trust fund operating
 697 under a chapter plan shall report to the division such data as
 698 it needs to complete an actuarial valuation of each fund. The
 699 forms for each municipality and special fire control district
 700 shall be supplied by the division. The expense of this actuarial
 701 valuation shall be borne by the firefighters' pension trust fund
 702 established by ss. 175.041 and 175.121. The requirements of this
 703 section are supplemental to the actuarial valuations necessary
 704 to comply with s. ss. 218.321 and 218.39.

705 Section 16. Paragraph (b) of subsection (1) of section
 706 185.221, Florida Statutes, is amended to read:

707 185.221 Annual report to Division of Retirement; actuarial
 708 valuations.--For any municipality, chapter plan, local law
 709 municipality, or local law plan under this chapter, the board of
 710 trustees for every chapter plan and local law plan shall submit
 711 the following reports to the division:

712 (1) With respect to chapter plans:

713 (b) In addition to annual reports provided under paragraph
 714 (a), by February 1 of each triennial year, an actuarial
 715 valuation of the chapter plan must be made by the division at
 716 least once every 3 years, as provided in s. 112.63, commencing 3
 717 years from the last actuarial valuation of the plan or system
 718 for existing plans, or commencing 3 years from the issuance of
 719 the initial actuarial impact statement submitted under s. 112.63
 720 for newly created plans. To that end, the chair of the board of
 721 trustees for each municipal police officers' retirement trust
 722 fund operating under a chapter plan shall report to the division
 723 such data as the division needs to complete an actuarial

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724 valuation of each fund. The forms for each municipality shall be
 725 supplied by the division. The expense of the actuarial valuation
 726 shall be borne by the municipal police officers' retirement
 727 trust fund established by s. 185.10. The requirements of this
 728 section are supplemental to the actuarial valuations necessary
 729 to comply with s. ss. 218.321 and 218.39.

730 Section 17. Section 189.4044, Florida Statutes, is amended
 731 to read:

732 189.4044 Special procedures for inactive districts.--

733 (1) The department shall declare inactive any special
 734 district in this state by documenting that ~~filing a report with~~
 735 ~~the Speaker of the House of Representatives and the President of~~
 736 ~~the Senate which shows that such special district is no longer~~
 737 ~~active. The inactive status of the special district must be~~
 738 ~~based upon a finding:~~

739 (a) ~~That~~ The special district meets one of the following
 740 criteria:

741 1. The registered agent of the district, the chair of the
 742 governing body of the district, or the governing body of the
 743 appropriate local general-purpose government notifies the
 744 department in writing that the district has taken no action for
 745 2 or more calendar years;

746 2. Following an inquiry from the department, the
 747 registered agent of the district, the chair of the governing
 748 body of the district, or the governing body of the appropriate
 749 local general-purpose government notifies the department in
 750 writing that the district has not had a governing board or a
 751 sufficient number of governing board members to constitute a

752 quorum for 2 or more years or the registered agent of the
753 district, the chair of the governing body of the district, or
754 the governing body of the appropriate local general-purpose
755 government fails to respond to the department's inquiry within
756 21 days; or 18 or more months;

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

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

763 (b) The department, special district, or local general-
764 purpose government published ~~That~~ a notice of the proposed
765 declaration of inactive status ~~has been published once a week~~
766 ~~for 2 weeks~~ in a newspaper of general circulation in ~~within~~ the
767 county or municipality in which ~~wherein~~ the territory of the
768 special district is located and sent a copy of such notice by
769 certified mail to the registered agent or chair of the board, if
770 any. Such notice must include, stating the name of the said
771 special district, the law under which it was organized and
772 operating, a general description of the territory included in
773 the said special district, and a statement ~~stating~~ that any
774 objections must be filed pursuant to chapter 120 within 21 days
775 after the publication date. ~~to the proposed declaration or to~~
776 ~~any claims against the assets of said special district shall be~~
777 ~~filed not later than 60 days following the date of last~~
778 ~~publication with the department; and~~

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

783 (2) If any special district is declared inactive pursuant
 784 to this section, the property or assets of the special district
 785 are subject to legal process for payment of any debts of the
 786 district. After the payment of all the debts of said inactive
 787 special district, the remainder of its property or assets shall
 788 escheat to the county or municipality wherein located. If,
 789 however, it shall be necessary, in order to pay any such debt,
 790 to levy any tax or taxes on the property in the territory or
 791 limits of the inactive special district, the same may be
 792 assessed and levied by order of the local general-purpose
 793 government wherein the same is situated and shall be assessed by
 794 the county property appraiser and collected by the county tax
 795 collector.

796 (3) In the case of a district created by special act of
 797 the Legislature, the department shall send a notice of
 798 declaration of inactive status to notify the Speaker of the
 799 House of Representatives and the President of the Senate. The
 800 notice of declaration of inactive status shall reference ~~of~~ each
 801 known special act creating or amending the charter of any
 802 special district declared to be inactive under this section.
 803 The declaration of inactive status shall be sufficient notice as
 804 required by s. 10, Art. III of the State Constitution to
 805 authorize the Legislature to repeal any special laws so
 806 reported. In the case of a district created by one or more local

807 general-purpose governments, the department shall send a notice
 808 of declaration of inactive status to the chair of the governing
 809 body of each local general-purpose government that created the
 810 district. In the case of a district created by interlocal
 811 agreement, the department shall send a notice of declaration of
 812 inactive status to the chair of the governing body of each local
 813 general-purpose government which entered into the interlocal
 814 agreement.

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

819 Section 18. Subsection (1) of section 189.412, Florida
 820 Statutes, is amended, and subsection (8) is added to said
 821 section, to read:

822 189.412 Special District Information Program; duties and
 823 responsibilities.--The Special District Information Program of
 824 the Department of Community Affairs is created and has the
 825 following special duties:

826 (1) The collection and maintenance of special district
 827 noncompliance compliance status reports from the Department of
 828 Management Services Auditor General, the Department of Financial
 829 Services, the Division of Bond Finance of the State Board of
 830 Administration, and the Auditor General ~~the Department of~~
 831 ~~Management Services, the Department of Revenue, and the~~
 832 ~~Commission on Ethics~~ for the reporting required in ss. ~~112.3144,~~
 833 ~~112.3145, 112.3148, 112.3149,~~ 112.63, ~~200.068,~~ 218.32, 218.38,
 834 and 218.39, ~~and 280.17 and chapter 121 and from state agencies~~

835 ~~administering programs that distribute money to special~~
836 ~~districts. The noncompliance special district compliance status~~
837 ~~reports must list those consist of a list of special districts~~
838 ~~used in that state agency and a list of which special districts~~
839 ~~that did not comply with the statutory reporting requirements~~
840 ~~statutorily required by that agency.~~

841 (8) The provision of assistance to local general-purpose
842 governments and certain state agencies in collecting delinquent
843 reports or information, helping special districts comply with
844 reporting requirements, declaring special districts inactive
845 when appropriate, and, when directed by the Legislative Auditing
846 Committee, initiating enforcement provisions as provided in ss.
847 189.4044, 189.419, and 189.421.

848 Section 19. Subsections (1) and (2) of section 189.418,
849 Florida Statutes, are amended, subsection (5) is renumbered as
850 subsection (6), present subsection (6) is renumbered as
851 subsection (7) and amended, and a new subsection (5) is added to
852 said section, to read:

853 189.418 Reports; budgets; audits.--

854 (1) When a new special district is created, the district
855 must forward to the department, within 30 days after the
856 adoption of the special act, rule, ordinance, resolution, or
857 other document that provides for the creation of the district, a
858 copy of the document and a written statement that includes a
859 reference to the status of the special district as dependent or
860 independent and the basis for such classification. In addition
861 to the document or documents that create the district, the
862 district must also submit a map of the district, showing any

863 municipal boundaries that cross the district's boundaries, and
 864 any county lines if the district is located in more than one
 865 county. The department must notify the local government or other
 866 entity and the district within 30 days after receipt of the
 867 document or documents that create the district as to whether the
 868 district has been determined to be dependent or independent.

869 (2) Any amendment, modification, or update of the document
 870 by which the district was created, including changes in
 871 boundaries, must be filed with the department within 30 days
 872 after adoption. The department may initiate proceedings against
 873 special districts as provided in s. ss. 189.421 and 189.422 for
 874 failure to file the information required by this subsection.

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

879 (7)(6) All reports or information required to be filed
 880 with a local governing authority under ss. 189.415, 189.416, and
 881 189.417, ~~218.32, and 218.39~~ and this section shall:

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

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

886 (c) When the local governing authority is a municipality,
 887 be filed at the place designated by the municipal governing
 888 body.

889 Section 20. Section 189.419, Florida Statutes, is amended
 890 to read:

891 189.419 Effect of failure to file certain reports or
892 information.--

893 (1) If a special district fails to file the reports or
894 information required under s. 189.415, s. 189.416, or s.
895 189.417, ~~s. 189.418, s. 218.32, or s. 218.39~~ and a description
896 ~~of all new bonds as provided in s. 218.38(1)~~ with the local
897 governing authority, the person authorized to receive and read
898 the reports or information shall notify the district's
899 registered agent and the appropriate local governing authority
900 or authorities. If requested by the district ~~At any time~~, the
901 governing authority shall ~~may~~ grant an extension of time of up
902 to 30 days for filing the required reports or information,
903 ~~except that an extension may not exceed 30 days.~~

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

911 (3) If a special district fails to file the reports or
912 information required under s. 112.63, s. 218.32, s. 218.38, or
913 s. 218.39 with the appropriate state agency, the agency shall
914 notify the department, and the department shall proceed pursuant
915 to s. 189.421 ~~may initiate proceedings against the special~~
916 ~~district in the manner provided in s. 189.421 or assess fines of~~
917 ~~not more than \$25, with an aggregate total not to exceed \$50,~~
918 ~~when formal inquiries do not resolve the noncompliance.~~

919 Section 21. Section 189.421, Florida Statutes, is amended
 920 to read:

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

923 189.421 Failure of district to disclose financial
 924 reports.--

925 (1) When notified pursuant to s. 189.419, the department
 926 shall attempt to assist a special district to comply with its
 927 financial reporting requirements by sending a certified letter
 928 to the special district, and a copy of the letter to the chair
 929 of the governing body of the local general-purpose government,
 930 which includes the following: a description of the required
 931 report, including statutory submission deadlines, a contact
 932 telephone number for technical assistance to help the special
 933 district comply, a 60-day extension of time for filing the
 934 required report with the appropriate entity, the address where
 935 the report must be filed, and an explanation of the penalties
 936 for noncompliance. The department may grant an additional 30-day
 937 extension of time if requested to do so in writing by the
 938 special district. The department shall notify the appropriate
 939 entity of the new extension of time. In the case of a special
 940 district that did not timely file the reports or information
 941 required by s. 218.38, the department shall send a certified
 942 technical assistance letter to the special district that
 943 summarizes the requirements and encourages the special district
 944 to take steps to prevent the noncompliance from reoccurring.

945 (2) Failure of a special district to comply with the
 946 financial reporting requirements after the procedures of

947 subsection (1) are exhausted shall be deemed final action of the
 948 special district. The financial reporting requirements are
 949 declared to be essential requirements of law. Remedy for
 950 noncompliance shall be by writ of certiorari as set forth in
 951 subsection (3).

952 (3) Pursuant to s. 11.40(5)(b), the Legislative Auditing
 953 Committee shall notify the department of those districts that
 954 failed to file the required report. Within 30 days after
 955 receiving this notice or within 30 days after the extension date
 956 provided in subsection (1), whichever occurs later, the
 957 department shall proceed as follows: notwithstanding the
 958 provisions of chapter 120, the department shall file a petition
 959 for writ of certiorari with the circuit court. Venue for all
 960 actions pursuant to this subsection shall be in Leon County. The
 961 court shall award the prevailing party attorney's fees and costs
 962 in all cases filed pursuant to this section unless affirmatively
 963 waived by all parties. A writ of certiorari shall be issued
 964 unless a respondent establishes that the notification of the
 965 Legislative Auditing Committee was issued as a result of
 966 material error. Proceedings under this subsection shall
 967 otherwise be governed by the Rules of Appellate Procedure.

968 Section 22. Subsection (5) of section 189.428, Florida
 969 Statutes, is amended to read:

970 189.428 Special districts; oversight review process.--

971 (5) Those conducting the oversight review process shall,
 972 at a minimum, consider the listed criteria for evaluating the
 973 special district, but may also consider any additional factors
 974 relating to the district and its performance. If any of the

975 listed criteria does ~~de~~ not apply to the special district being
 976 reviewed, it ~~they~~ need not be considered. The criteria to be
 977 considered by the reviewer include:

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

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

983 (c) The extent of municipal annexation or incorporation
 984 activity occurring or likely to occur within the boundaries of
 985 the special district and its impact on the delivery of services
 986 by the special district.

987 (d) Whether there is a less costly alternative method of
 988 delivering the service or services that would adequately provide
 989 the district residents with the services provided by the
 990 district.

991 (e) Whether transfer of the responsibility for delivery of
 992 the service or services to an entity other than the special
 993 district being reviewed could be accomplished without
 994 jeopardizing the district's existing contracts, bonds, or
 995 outstanding indebtedness.

996 (f) Whether the Auditor General has notified the
 997 Legislative Auditing Committee that the special district's audit
 998 report, reviewed pursuant to s. 11.45(7), indicates that the
 999 district has met any of the conditions specified in s.
 1000 218.503(1) or that a deteriorating financial condition exists
 1001 that may cause a condition described in s. 218.503(1) to occur
 1002 if actions are not taken to address such condition.

1003 ~~(g) Whether the Auditor General has determined that the~~
 1004 ~~special district is in a state of financial emergency as~~
 1005 ~~provided in s. 218.503(1), and has notified the Governor and the~~
 1006 ~~Legislative Auditing Committee.~~

1007 (g)(h) Whether the district is inactive according to the
 1008 official list of special districts, and whether the district is
 1009 meeting and discharging its responsibilities as required by its
 1010 charter, as well as projected increases or decreases in district
 1011 activity.

1012 (h)(i) Whether the special district has failed to comply
 1013 with any of the reporting requirements in this chapter,
 1014 including preparation of the public facilities report.

1015 (i)(j) Whether the special district has designated a
 1016 registered office and agent as required by s. 189.416, and has
 1017 complied with all open public records and meeting requirements.

1018 Section 23. Paragraph (a) of subsection (1) of section
 1019 189.439, Florida Statutes, is amended to read:

1020 189.439 Bonds.--

1021 (1) AUTHORIZATION AND FORM OF BONDS.-

1022 (a) The authority may issue and sell bonds for any purpose
 1023 for which the authority has the power to expend money,
 1024 including, without limitation, the power to obtain working
 1025 capital loans to finance the costs of any project and to refund
 1026 any bonds or other indebtedness at the time outstanding at or
 1027 before maturity. Bonds may be sold in the manner provided in s.
 1028 218.385 and by public or negotiated sale after advertisement, if
 1029 ~~any, as the board considers advisable.~~ Bonds may be authorized
 1030 by resolution of the board.

1031 Section 24. Subsections (1) and (2) of section 191.005,
 1032 Florida Statutes, are amended to read:
 1033 191.005 District boards of commissioners; membership,
 1034 officers, meetings.--
 1035 (1)(a) With the exception of districts whose governing
 1036 boards are appointed collectively by the Governor, the county
 1037 commission, and any cooperating city within the county, the
 1038 business affairs of each district shall be conducted and
 1039 administered by a five-member board. All three-member boards
 1040 existing on the effective date of this act shall be converted to
 1041 five-member boards, except those permitted to continue as a
 1042 three-member board by special act adopted in 1997 or thereafter.
 1043 The board shall be elected in nonpartisan elections by the
 1044 electors of the district. Except as provided in this act, such
 1045 elections shall be held at the time and in the manner prescribed
 1046 by law for holding general elections in accordance with s.
 1047 189.405(2)(a) and (3), and each member shall be elected for a
 1048 term of 4 years and serve until the member's successor assumes
 1049 office. Candidates for the board of a district shall qualify
 1050 with the county supervisor of elections in whose jurisdiction
 1051 the district is located. If the district is a multicounty
 1052 district, candidates shall qualify with the Department of State.
 1053 All candidates may qualify by paying a filing fee of \$25 or by
 1054 obtaining the signatures of at least 25 registered electors of
 1055 the district on petition forms provided by the supervisor of
 1056 elections which petitions shall be submitted and checked in the
 1057 same manner as petitions filed by nonpartisan judicial
 1058 candidates pursuant to s. 105.035. Notwithstanding s. 106.021, a

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1059 candidate who does not collect contributions and whose only
1060 expense is the filing fee is not required to appoint a campaign
1061 treasurer or designate a primary campaign depository.

1062 (b)1. At the next general election following the effective
1063 date of this act, or on or after the effective date of a special
1064 act or general act of local application creating a new district,
1065 the members of the board shall be elected by the electors of the
1066 district in the manner provided in this section. The office of
1067 each member of the board is designated as being a seat on the
1068 board, distinguished from each of the other seats by a numeral:

1069 1, 2, 3, 4, or 5. The numerical seat designation does not
1070 designate a geographical subdistrict unless such subdistrict
1071 exists on the effective date of this act, in which case the
1072 candidates must reside in the subdistrict, and only electors of
1073 the subdistrict may vote in the election for the member from
1074 that subdistrict. Each candidate for a seat on the board shall
1075 designate, at the time the candidate qualifies, the seat on the
1076 board for which the candidate is qualifying. The name of each
1077 candidate who qualifies for election to a seat on the board
1078 shall be included on the ballot in a way that clearly indicates
1079 the seat for which the candidate is a candidate. The candidate
1080 for each seat who receives the most votes cast for a candidate
1081 for the seat shall be elected to the board.

1082 2. If, on the effective date of this act, a district
1083 presently in existence elects members of its board, the next
1084 election shall be conducted in accordance with this section, but
1085 this section does not require the early expiration of any
1086 member's term of office by more than 60 days.

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1087 3. If, on the effective date of this act, a district does
1088 not elect the members of its board, the entire board shall be
1089 elected in accordance with this section. However, in the first
1090 election following the effective date of this act, seats 1, 3,
1091 and 5 shall be designated for 4-year terms and seats 2 and 4
1092 shall be designated for 2-year terms.

1093 4. If, on the effective date of this act, the district has
1094 an elected three-member board, one of the two seats added by
1095 this act shall, for the first election following the effective
1096 date of this act, be designated for a 4-year term and the other
1097 for a 2-year term, unless the terms of the three existing seats
1098 all expire within 6 months of the first election following the
1099 effective date of this act, in which case seats 1, 3, and 5
1100 shall be designated for 4-year terms and seats 2 and 4 shall be
1101 designated for 2-year terms.

1102 5. If the district has an elected three-member board
1103 designated to remain three members by special act adopted in
1104 1997 or thereafter, the terms of the board members shall be
1105 staggered. In the first election following the effective date of
1106 this act, seats 1 and 3 shall be designated for 4-year terms,
1107 and seat 2 for a 2-year term.

1108 (c) The board of any district may request the local
1109 legislative delegation that represents the area within the
1110 district to create by special law geographical subdistricts for
1111 board seats. Any board of five members or larger elected on a
1112 subdistrict basis as of the effective date of this act shall
1113 continue to elect board members from such previously designated

1114 subdistricts, and this act shall not require the elimination of
 1115 board seats from such boards.

1116 (2) Each member of the board must be a qualified elector
 1117 at the time he or she qualifies and continually throughout his
 1118 or her term. Any board member who ceases to be a qualified
 1119 elector is automatically removed pursuant to this act.

1120 Section 25. Section 218.075, Florida Statutes, is amended
 1121 to read:

1122 218.075 Reduction or waiver of permit processing fees.--
 1123 Notwithstanding any other provision of law, the Department of
 1124 Environmental Protection and the water management districts
 1125 shall reduce or waive permit processing fees for counties with a
 1126 population of 50,000 or less on April 1, 1994, until such
 1127 counties exceed a population of 75,000 and municipalities with a
 1128 population of 25,000 or less, or any county or municipality not
 1129 included within a metropolitan statistical area. Fee reductions
 1130 or waivers shall be approved on the basis of fiscal hardship or
 1131 environmental need for a particular project or activity. The
 1132 governing body must certify that the cost of the permit
 1133 processing fee is a fiscal hardship due to one of the following
 1134 factors:

1135 (1) Per capita taxable value is less than the statewide
 1136 average for the current fiscal year;

1137 (2) Percentage of assessed property value that is exempt
 1138 from ad valorem taxation is higher than the statewide average
 1139 for the current fiscal year;

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1140 (3) Any condition specified in s. 218.503(1) that results
 1141 in the county or municipality being in s. 218.503, that
 1142 ~~determines~~ a state of financial emergency;

1143 (4) Ad valorem operating millage rate for the current
 1144 fiscal year is greater than 8 mills; or

1145 (5) A financial condition that is documented in annual
 1146 financial statements at the end of the current fiscal year and
 1147 indicates an inability to pay the permit processing fee during
 1148 that fiscal year.

1149
 1150 The permit applicant must be the governing body of a county or
 1151 municipality or a third party under contract with a county or
 1152 municipality and the project for which the fee reduction or
 1153 waiver is sought must serve a public purpose. If a permit
 1154 processing fee is reduced, the total fee shall not exceed \$100.

1155 Section 26. Subsection (3) is added to section 218.32,
 1156 Florida Statutes, to read:

1157 218.32 Annual financial reports; local governmental
 1158 entities.--

1159 (3) The department shall notify the President of the
 1160 Senate and the Speaker of the House of Representatives of any
 1161 municipality that has not reported any financial activity for
 1162 the last 4 fiscal years. Such notice must be sufficient to
 1163 initiate dissolution procedures as described in s.
 1164 165.051(1)(a). Any special law authorizing the incorporation or
 1165 creation of the municipality must be included within the
 1166 notification.

1167 Section 27. Section 218.321, Florida Statutes, is
 1168 repealed.

1169 Section 28. Subsection (3) of section 218.36, Florida
 1170 Statutes, is amended to read:

1171 218.36 County officers; record and report of fees and
 1172 disposition of same.--

1173 (3) The board of county commissioners may ~~shall, on the~~
 1174 ~~32nd day following the close of the fiscal year,~~ notify the
 1175 Governor of the failure of any county officer to comply with the
 1176 provisions of this section. Such notification shall specify the
 1177 name of the officer and the office held by him or her at the
 1178 time of such failure and shall subject said officer to
 1179 suspension from office at the Governor's discretion.

1180 Section 29. Subsection (3) of section 218.39, Florida
 1181 Statutes, is amended to read:

1182 218.39 Annual financial audit reports.--

1183 (3)(a) A dependent special district may make provision for
 1184 an annual financial audit by being included within the audit of
 1185 another local governmental entity upon which it is dependent.
 1186 An independent special district may not make provision for an
 1187 annual financial audit by being included within the audit of
 1188 another local governmental entity.

1189 (b) A special district that is a component unit, as
 1190 defined by generally accepted accounting principles, of a local
 1191 governmental entity shall provide the local governmental entity,
 1192 within a reasonable time period as established by the local
 1193 governmental entity, with financial information necessary to
 1194 comply with this section. The failure of a component unit to

1195 provide this financial information must be noted in the annual
 1196 financial audit report of the local governmental entity.

1197 Section 30. Section 218.369, Florida Statutes, is amended
 1198 to read:

1199 218.369 Definitions applicable to ss. 218.37-218.386.--As
 1200 used in this section and in ss. 218.37, 218.38, 218.385, and
 1201 218.386, the term "unit of local government," except where
 1202 exception is made, means a county, municipality, special
 1203 district, district school board, local agency, authority, or
 1204 consolidated city-county government or any other local
 1205 governmental body or public body corporate and politic
 1206 authorized or created by general or special law and granted the
 1207 power to issue general obligation or revenue bonds; and the
 1208 words "general obligation or revenue bonds" shall be interpreted
 1209 to include within their scope general obligation bonds, revenue
 1210 bonds, special assessment bonds, limited revenue bonds, special
 1211 obligation bonds, debentures, and other similar instruments, but
 1212 not bond anticipation notes.

1213 Section 31. Part V of chapter 218, Florida Statutes,
 1214 entitled "Financial Emergencies" is renamed "Local Governmental
 1215 Entity and District School Board Financial Emergencies."

1216 Section 32. Section 218.50, Florida Statutes, is amended
 1217 to read:

1218 218.50 Short title.--Sections 218.50-218.504 may be cited
 1219 ~~shall be known~~ as the "Local Governmental Entity and District
 1220 School Board Government Financial Emergencies Act."

1221 Section 33. Section 218.501, Florida Statutes, is amended
 1222 to read:

1223 218.501 Purposes.--The purposes of ss. 218.50-218.504 are:

1224 (1) To promote ~~preserve and protect~~ the fiscal
 1225 responsibility solvency of local governmental entities and
 1226 district school boards.

1227 (2) To assist local governmental entities and district
 1228 school boards in providing essential services without
 1229 interruption and in meeting their financial obligations.

1230 (3) To assist local governmental entities and district
 1231 school boards through the improvement of local financial
 1232 management procedures.

1233 Section 34. Section 218.502, Florida Statutes, is amended
 1234 to read:

1235 218.502 Definition.--As used in ss. 218.50-218.504, the
 1236 term "local governmental entity" means a county, municipality,
 1237 or special district, ~~or district school board~~.

1238 Section 35. Section 218.503, Florida Statutes, is amended
 1239 to read:

1240 218.503 Determination of financial emergency.--

1241 (1) A Local governmental entities and district school
 1242 boards shall be subject to review and oversight by the Governor
 1243 or the Commissioner of Education ~~entity is in a state of~~
 1244 ~~financial emergency~~ when any one of the following conditions
 1245 occurs:

1246 (a) Failure within the same fiscal year in which due to
 1247 pay short-term loans ~~from banks~~ or failure to make bond debt
 1248 service or other long-term debt payments when due, as a result
 1249 of a lack of funds.

1250 (b) Failure to pay uncontested claims from creditors
 1251 within 90 days after the claim is presented, as a result of a
 1252 lack of funds.

1253 ~~(c)(b)~~ Failure to transfer at the appropriate time, due to
 1254 lack of funds:

1255 1. Taxes withheld on the income of employees; or

1256 2. Employer and employee contributions for:

1257 a. Federal social security; or

1258 b. Any pension, retirement, or benefit plan of an
 1259 employee.

1260 ~~(d)(e)~~ Failure for one pay period to pay, due to lack of
 1261 funds:

1262 1. Wages and salaries owed to employees; or

1263 2. Retirement benefits owed to former employees.

1264 ~~(e)(d)~~ An unreserved or total fund balance or retained
 1265 earnings deficit, or unrestricted or total net assets deficit,
 1266 as reported on the balance sheet or statement of net assets on
 1267 the general purpose or basic financial statements, for which
 1268 sufficient resources of the local governmental entity, as
 1269 reported on the balance sheet or statement of net assets on the
 1270 general purpose or basic financial statements, are not available
 1271 to cover the deficit for 2 successive years. Resources available
 1272 to cover reported deficits include net assets that are not
 1273 otherwise restricted by federal, state, or local laws, bond
 1274 covenants, contractual agreements, or other legal constraints.
 1275 Fixed or capital assets, the disposal of which would impair the
 1276 ability of a local governmental entity to carry out its

1277 functions, are not considered resources available to cover
 1278 reported deficits.

1279 ~~(e) Noncompliance of the local government retirement~~
 1280 ~~system with actuarial conditions provided by law.~~

1281 (2) A local governmental entity shall notify the Governor
 1282 and the Legislative Auditing Committee, and a district school
 1283 board shall notify the Commissioner of Education and the
 1284 Legislative Auditing Committee, when one or more of the
 1285 conditions specified in subsection (1) have occurred or will
 1286 occur if action is not taken to assist the local governmental
 1287 entity or the district school board. In addition, any state
 1288 agency must, within 30 days after a determination that one or
 1289 more of the conditions specified in subsection (1) have occurred
 1290 or will occur if action is not taken to assist the local
 1291 governmental entity or the district school board the
 1292 ~~identification of the financial emergency,~~ notify the Governor
 1293 or the Commissioner of Education, as appropriate, and the
 1294 Legislative Auditing Committee ~~when one or more of the~~
 1295 ~~conditions specified in subsection (1) have occurred or will~~
 1296 ~~occur if action is not taken to assist a local governmental~~
 1297 ~~entity.~~

1298 (3) Upon notification that one or more of the conditions
 1299 in subsection (1) exist, the Governor or his or her designee
 1300 shall contact the local governmental entity or the Commissioner
 1301 of Education or his or her designee shall contact the district
 1302 school board to determine what actions have been taken by the
 1303 local governmental entity or the district school board to
 1304 resolve the condition ~~financial emergency.~~ The Governor or the

1305 Commissioner of Education, as appropriate, shall determine
 1306 whether the local governmental entity or the district school
 1307 board needs state assistance to resolve the condition. If state
 1308 assistance is needed, the local governmental entity or the
 1309 district school board is considered to be in a state of
 1310 financial emergency. The Governor or the Commissioner of
 1311 Education, as appropriate, has the authority to implement
 1312 measures as set forth in ss. 218.50-218.504 to assist the local
 1313 governmental entity or the district school board in resolving
 1314 ~~resolve~~ the financial emergency. Such measures may include, but
 1315 are not limited to:

1316 (a) Requiring approval of the local governmental entity's
 1317 budget by the Governor or approval of the district school
 1318 board's budget by the Commissioner of Education.

1319 (b) Authorizing a state loan to a ~~the~~ local governmental
 1320 entity and providing for repayment of same.

1321 (c) Prohibiting a local governmental entity or a district
 1322 school board from issuing bonds, notes, certificates of
 1323 indebtedness, or any other form of debt until such time as it is
 1324 no longer subject to this section.

1325 (d) Making such inspections and reviews of records,
 1326 information, reports, and assets of the local governmental
 1327 entity or the district school board. The appropriate local
 1328 officials shall cooperate in such, ~~in which~~ inspections and
 1329 reviews ~~the appropriate local officials shall cooperate.~~

1330 (e) Consulting with ~~the~~ officials and auditors of the
 1331 local governmental entity or the district school board and the
 1332 appropriate state officials ~~agency~~ regarding any steps necessary

1333 to bring the books of account, accounting systems, financial
 1334 procedures, and reports into compliance with state requirements.

1335 (f) Providing technical assistance to the local
 1336 governmental entity or the district school board.

1337 (g)1. Establishing a financial emergency ~~emergencies~~ board
 1338 to oversee the activities of the local governmental entity or
 1339 the district school board. If a financial emergency ~~The board~~
 1340 ~~is, if established for a local governmental entity, shall be~~
 1341 ~~appointed by the Governor~~ shall appoint board members and select
 1342 a chair. If a financial emergency board is established for a
 1343 district school board, the State Board of Education shall
 1344 appoint board members and select a chair. ~~The Governor shall~~
 1345 ~~select a chair and such other officers as are necessary~~. The
 1346 financial emergency board shall adopt such rules as are
 1347 necessary for conducting board business. The board may:

1348 a. Make such reviews of records, reports, and assets of
 1349 the local governmental entity or the district school board as
 1350 are needed.

1351 b. Consult with ~~the~~ officials and auditors of the local
 1352 governmental entity or the district school board and the
 1353 appropriate state officials regarding any steps necessary to
 1354 bring the books of account, accounting systems, financial
 1355 procedures, and reports of the local governmental entity or the
 1356 district school board into compliance with state requirements.

1357 c. Review the operations, management, efficiency,
 1358 productivity, and financing of functions and operations of the
 1359 local governmental entity or the district school board.

1360 2. The recommendations and reports made by the financial
 1361 emergency board must be submitted to the Governor for local
 1362 governmental entities or to the Commissioner of Education and
 1363 the State Board of Education for district school boards for
 1364 appropriate action.

1365 (h) Requiring and approving a plan, to be prepared by
 1366 officials of the appropriate state agency in conjunction with
 1367 the local governmental entity or the district school board in
 1368 consultation with the appropriate state officials, prescribing
 1369 actions that will cause the local governmental entity or the
 1370 district school board to no longer be subject to this section.
 1371 The plan must include, but need not be limited to:

1372 1. Provision for payment in full of obligations outlined
 1373 in subsection (1), designated as priority items, that are
 1374 currently all payments due or will to come due on debt
 1375 obligations, pension payments, and all payments and charges
 1376 imposed or mandated by federal or state law and for all
 1377 judgments and past due accounts, as priority items of
 1378 expenditures.

1379 2. Establishment of a ~~basis of~~ priority budgeting or zero-
 1380 based budgeting in order, ~~so as to eliminate low-priority~~ items
 1381 that are not affordable.

1382 3. The prohibition of a level of operations which can be
 1383 sustained only with nonrecurring revenues.

1384 (4) ~~A During the financial emergency period, the local~~
 1385 governmental entity or a district school board may not seek
 1386 application of laws under the bankruptcy provisions of the
 1387 United States Constitution except with the prior approval of the

1388 Governor for local governmental entities or the Commissioner of
 1389 Education for district school boards.

1390 (5)(a) The governing authority of any municipality having
 1391 a resident population of 300,000 or more on or after April 1,
 1392 1999, which has been declared in a state of financial emergency
 1393 pursuant to this section may impose a discretionary per-vehicle
 1394 surcharge of up to 20 percent on the gross revenues of the sale,
 1395 lease, or rental of space at parking facilities within the
 1396 municipality which are open for use to the general public.

1397 (b) A municipal governing authority that imposes the
 1398 surcharge authorized by this subsection may use the proceeds of
 1399 such surcharge for the following purposes only:

1400 1. No less than 60 percent and no more than 80 percent of
 1401 the surcharge proceeds shall be used by the governing authority
 1402 to reduce its ad valorem tax millage rate or to reduce or
 1403 eliminate non-ad valorem assessments.

1404 2. A portion of the balance of the surcharge proceeds
 1405 shall be used by the governing authority to increase its budget
 1406 reserves; however, the governing authority shall not reduce the
 1407 amount it allocates for budget reserves from other sources below
 1408 the amount allocated for reserves in the fiscal year prior to
 1409 the year in which the surcharge is initially imposed. When a 15-
 1410 percent budget reserve is achieved, based on the average gross
 1411 revenue for the most recent 3 prior fiscal years, the remaining
 1412 proceeds from this subparagraph shall be used for the payment of
 1413 annual debt service related to outstanding obligations backed or
 1414 secured by a covenant to budget and appropriate from non-ad
 1415 valorem revenues.

1416 (c) This subsection expires June 30, 2006.

1417 Section 36. Section 218.504, Florida Statutes, is amended
 1418 to read:

1419 218.504 Cessation of state action.--The Governor or the
 1420 Commissioner of Education, as appropriate, has the authority to
 1421 terminate all state actions pursuant to ss. 218.50-218.504.

1422 Cessation of state action must not occur until the Governor or
 1423 the Commissioner of Education, as appropriate, has determined
 1424 that:

1425 (1) The local governmental entity or the district school
 1426 board:

1427 (a) Has established and is operating an effective
 1428 financial accounting and reporting system.

1429 (b) Has resolved ~~corrected or eliminated~~ the ~~fiscal~~
 1430 ~~emergency~~ conditions outlined in s. 218.503(1).

1431 (2) None of the ~~No new fiscal emergency~~ conditions
 1432 outlined in s. 218.503(1) exists ~~exist.~~

1433 Section 37. Chapter 131, Florida Statutes, consisting of
 1434 sections 131.01, 131.02, 131.03, 131.04, 131.05, and 131.06,
 1435 Florida Statutes, is repealed.

1436 Section 38. Section 132.10, Florida Statutes, is repealed.

1437 Section 39. Section 165.052, Florida Statutes, is
 1438 repealed.

1439 Section 40. Section 189.409, Florida Statutes, is
 1440 repealed.

1441 Section 41. Section 189.422, Florida Statutes, is
 1442 repealed.

1443 Section 42. Section 200.0684, Florida Statutes, is
 1444 repealed.

1445 Section 43. Paragraph (h) of subsection (1) of section
 1446 218.37, Florida Statutes, is repealed.

1447 Section 44. Section 215.195, Florida Statutes, is amended
 1448 to read:

1449 215.195 Agency deposits relating to the Statewide Cost
 1450 Allocation Plan.--

1451 (1) APPLICATION FOR ALLOCABLE STATEWIDE OVERHEAD.-Each
 1452 state agency, and the judicial branch, making application for
 1453 federal grant or contract funds shall, in accordance with the
 1454 Statewide Cost Allocation Plan, include in its application a
 1455 prorated share of the cost of services provided by state central
 1456 service agencies which are reimbursable to the state pursuant to
 1457 the provisions of Office of Management and Budget Circular A-87.
 1458 Preparation of the plan and coordination thereof with all
 1459 applicable parties is the responsibility of the Department of
 1460 Financial Services. The Department of Financial Services shall
 1461 ensure that the plan presents the most favorable allocation of
 1462 such costs allowable to the state by the Federal Government.

1463 (2) DEPOSIT OF OVERHEAD IN THE GENERAL REVENUE FUND.-If an
 1464 application for federal grant or contract funds is approved, the
 1465 state agency or judicial branch receiving the federal grant or
 1466 contract shall identify that portion representing reimbursement
 1467 of allocable statewide overhead and deposit that amount into the
 1468 General Revenue Fund unallocated as directed by the Department
 1469 of Financial Services ~~Executive Office of the Governor.~~ The

1470 Department of Financial Services shall be responsible for
 1471 monitoring agency compliance with this section.

1472 Section 45. Section 215.97, Florida Statutes, is amended
 1473 to read:

1474 215.97 Florida Single Audit Act.--

1475 (1) The purposes of the section are to:

1476 (a) Establish uniform state audit requirements for state
 1477 financial assistance provided by state agencies to nonstate
 1478 entities to carry out state projects.

1479 (b) Promote sound financial management, including
 1480 effective internal controls, with respect to state financial
 1481 assistance administered by nonstate entities.

1482 (c) Promote audit economy and efficiency by relying to the
 1483 extent possible on already required audits of federal financial
 1484 assistance provided to nonstate entities.

1485 (d) Provide for identification of state financial
 1486 assistance transactions in the appropriations act, state
 1487 accounting records, and recipient organization records.

1488 (e) Promote improved coordination and cooperation within
 1489 and between affected state agencies providing state financial
 1490 assistance and nonstate entities receiving state assistance.

1491 (f) Ensure, to the maximum extent possible, that state
 1492 agencies monitor, use, and follow up ~~followup~~ on audits of state
 1493 financial assistance provided to nonstate entities.

1494 (2) Definitions; as used in this section, the term:

1495 (a) "Audit threshold" means the threshold amount used to
 1496 determine ~~to use in determining~~ when a state single audit or
 1497 project-specific audit of a nonstate entity shall be conducted

1498 in accordance with this section. Each nonstate entity that
 1499 expends a total amount of state financial assistance equal to or
 1500 in excess of \$300,000 in any fiscal year of such nonstate entity
 1501 shall be required to have a state single audit, or a project-
 1502 specific audit performed by an independent auditor, for such
 1503 fiscal year in accordance with the requirements of this section.
 1504 Every 2 years the Auditor General, after consulting with the
 1505 Executive Office of the Governor, the Department of Financial
 1506 Services ~~Chief Financial Officer,~~ and all state awarding
 1507 ~~agencies that provide state financial assistance to nonstate~~
 1508 ~~entities,~~ shall review the threshold amount for requiring audits
 1509 under this section and may adjust such threshold ~~dollar~~ amount
 1510 consistent with the purposes ~~purpose~~ of this section.

1511 (b) "Auditing standards" means the auditing standards as
 1512 stated in the rules of the Auditor General as applicable to for-
 1513 profit organizations, nonprofit organizations, or local
 1514 governmental entities.

1515 (c) "Catalog of State Financial Assistance" means a
 1516 comprehensive listing of state projects. The Catalog of State
 1517 Financial Assistance shall be issued by the Department of
 1518 Financial Services ~~Executive Office of the Governor~~ after
 1519 conferring with the Chief Financial Officer and all state
 1520 awarding agencies that provide state financial assistance to
 1521 ~~nonstate entities.~~ The Catalog of State Financial Assistance
 1522 shall include for each listed state project: the responsible
 1523 state awarding agency; standard state project number identifier;
 1524 official title; legal authorization; and description of the
 1525 state project, including objectives, restrictions, application

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1526 and awarding procedures, and other relevant information
1527 determined necessary.

1528 (d) "Coordinating agency" means the state awarding agency
1529 that provides the predominant amount of state financial
1530 assistance expended by a recipient, as determined by the
1531 recipient's Schedule of Expenditures of State Financial
1532 Assistance. To provide continuity, the determination of the
1533 predominant amount of state financial assistance shall be based
1534 upon state financial assistance expended in the recipient's
1535 fiscal years ending in 2004, 2007, and 2010, and every third
1536 year thereafter.

1537 (e)(d) "Financial reporting package" means the nonstate
1538 entities' financial statements, Schedule of Expenditures of
1539 State Financial Assistance, auditor's reports, management
1540 letter, auditee's written responses or corrective action plan,
1541 correspondence on followup of prior years' corrective actions
1542 taken, and such other information determined by the Auditor
1543 General to be necessary and consistent with the purposes of this
1544 section.

1545 (f)(e) "Federal financial assistance" means financial
1546 assistance from federal sources passed through the state and
1547 provided to nonstate organizations ~~entities~~ to carry out a
1548 federal program. "Federal financial assistance" includes all
1549 types of federal assistance as defined in applicable United
1550 States Office of Management and Budget circulars.

1551 (g)(f) "For-profit organization" means any organization or
1552 sole proprietor but is not a local governmental entity or a
1553 nonprofit organization.

1554 ~~(h)(g)~~ "Independent auditor" means an independent external
 1555 ~~state or local government auditor or a~~ certified public
 1556 accountant licensed under chapter 473 ~~who meets the independence~~
 1557 ~~standards.~~

1558 ~~(i)(h)~~ "Internal control over state projects" means a
 1559 process, effected by a nonstate ~~an~~ entity's management and other
 1560 personnel, designed to provide reasonable assurance regarding
 1561 the achievement of objectives in the following categories:

- 1562 1. Effectiveness and efficiency of operations.
- 1563 2. Reliability of financial operations.
- 1564 3. Compliance with applicable laws and regulations.

1565 ~~(j)(i)~~ "Local governmental entity" means a county agency,
 1566 municipality, or special district or any other entity excluding
 1567 ~~(other than a district school board, charter school, or~~
 1568 ~~community college), or public university,~~ however styled, which
 1569 independently exercises any type of governmental function within
 1570 the state.

1571 ~~(k)(j)~~ "Major state project" means any state project
 1572 meeting the criteria as stated in the rules of the Department of
 1573 Financial Services ~~Executive Office of the Governor.~~ Such
 1574 criteria shall be established after consultation with all ~~the~~
 1575 ~~Chief Financial Officer and appropriate~~ state awarding agencies
 1576 ~~that provide state financial assistance~~ and shall consider the
 1577 amount of state project expenditures and ~~or~~ expenses or inherent
 1578 risks. Each major state project shall be audited in accordance
 1579 with the requirements of this section.

1580 ~~(l)(k)~~ "Nonprofit organization" means any corporation,
 1581 trust, association, cooperative, or other organization that:

- 1582 1. Is operated primarily for scientific, educational
- 1583 service, charitable, or similar purpose in the public interest;
- 1584 2. Is not organized primarily for profit;
- 1585 3. Uses net proceeds to maintain, improve, or expand the
- 1586 operations of the organization; and
- 1587 4. Has no part of its income or profit distributable to
- 1588 its members, directors, or officers.

1589 (m)~~(l)~~ "Nonstate entity" means a local governmental
 1590 entity, nonprofit organization, or for-profit organization that
 1591 receives state financial assistance ~~resources~~.

1592 (n) "Nonstate organization" means a local governmental
 1593 entity, nonprofit organization, or for-profit organization that
 1594 receives state resources.

1595 (o)~~(m)~~ "Recipient" means a nonstate entity that receives
 1596 state financial assistance directly from a state awarding
 1597 agency.

1598 (p)~~(n)~~ "Schedule of Expenditures of State Financial
 1599 Assistance" means a document prepared in accordance with the
 1600 rules of the Department of Financial Services ~~Chief Financial~~
 1601 ~~Officer~~ and included in each financial reporting package
 1602 required by this section.

1603 (q)~~(o)~~ "State awarding agency" means a ~~the~~ state agency,
 1604 as defined in s. 216.011, that provides ~~provided~~ state financial
 1605 assistance to a ~~the~~ nonstate entity.

1606 (r)~~(p)~~ "State financial assistance" means ~~financial~~
 1607 ~~assistance from~~ state resources, not including federal financial
 1608 assistance and state matching funds for federal programs,
 1609 provided to a nonstate entity ~~entities~~ to carry out a state

1610 project. "State financial assistance" includes the ~~all~~ types of
 1611 state resources ~~assistance~~ as stated in the rules of the
 1612 Department of Financial Services ~~Executive Office of the~~
 1613 ~~Governor~~ established in consultation with all ~~the~~ Chief
 1614 ~~Financial Officer~~ and appropriate state awarding agencies that
 1615 ~~provide state financial assistance. It includes~~ State financial
 1616 assistance may be provided directly by state awarding agencies
 1617 or indirectly by nonstate entities ~~recipients of state awards or~~
 1618 ~~subrecipients. State financial assistance~~ It does not include
 1619 procurement contracts used to buy goods or services from vendors
 1620 and. ~~Audits of such procurement contracts with vendors are~~
 1621 ~~outside of the scope of this section. Also, audits of contracts~~
 1622 to operate state-owned ~~state government-owned~~ and contractor-
 1623 operated facilities ~~are excluded from the audit requirements of~~
 1624 ~~this section.~~

1625 (s)~~(q)~~ "State matching" means state resources provided to
 1626 a nonstate entity ~~entities to be used~~ to meet federal financial
 1627 participation matching requirements ~~of federal programs.~~

1628 (t) "State program" means a set of special purpose
 1629 activities undertaken to realize identifiable goals and
 1630 objectives in order to achieve a state agency's mission and
 1631 legislative intent requiring accountability for state resources.

1632 (u)~~(r)~~ "State project" means a state program that provides
 1633 ~~all~~ state financial assistance to a nonstate organization and
 1634 that must be ~~entity~~ assigned a ~~single~~ state project number
 1635 identifier in the Catalog of State Financial Assistance.

1636 (v)~~(s)~~ "State Projects Compliance Supplement" means a
 1637 document issued by the Department of Financial Services

1638 ~~Executive Office of the Governor~~, in consultation with the ~~Chief~~
 1639 ~~Financial Officer~~ and all state awarding agencies that ~~provide~~
 1640 ~~state financial assistance~~. The State Projects Compliance
 1641 Supplement shall identify state projects, the significant
 1642 compliance requirements, eligibility requirements, matching
 1643 requirements, suggested audit procedures, and other relevant
 1644 information determined necessary.

1645 (w)~~(t)~~ "State project-specific audit" means an audit of
 1646 one state project performed in accordance with the requirements
 1647 of subsection (10) ~~(9)~~.

1648 (x)~~(u)~~ "State single audit" means an audit of a nonstate
 1649 entity's financial statements and state financial assistance.
 1650 Such audits shall be conducted in accordance with the auditing
 1651 standards as stated in the rules of the Auditor General.

1652 (y)~~(v)~~ "Subrecipient" means a nonstate entity that
 1653 receives state financial assistance through another nonstate
 1654 entity.

1655 (z)~~(w)~~ "Vendor" means a dealer, distributor, merchant, or
 1656 other seller providing goods or services that are required for
 1657 the conduct of a state project. These goods or services may be
 1658 for an organization's own use or for the use of beneficiaries of
 1659 the state project.

1660 (3) The Executive Office of the Governor shall be
 1661 responsible for notifying the Department of Financial Services
 1662 of any actions during the budgetary process which impact the
 1663 Catalog of State Financial Assistance.÷

1664 ~~(a) Upon conferring with the Chief Financial Officer and~~
 1665 ~~all state awarding agencies, adopt rules necessary to provide~~

1666 ~~appropriate guidance to state awarding agencies, recipients and~~
1667 ~~subrecipients, and independent auditors of state financial~~
1668 ~~assistance relating to the requirements of this section,~~
1669 ~~including:~~

1670 ~~1. The types or classes of financial assistance considered~~
1671 ~~to be state financial assistance which would be subject to the~~
1672 ~~requirements of this section. This would include guidance to~~
1673 ~~assist in identifying when the state agency or recipient has~~
1674 ~~contracted with a vendor rather than with a recipient or~~
1675 ~~subrecipient.~~

1676 ~~2. The criteria for identifying a major state project.~~

1677 ~~3. The criteria for selecting state projects for audits~~
1678 ~~based on inherent risk.~~

1679 ~~(b) Be responsible for coordinating the initial~~
1680 ~~preparation and subsequent revisions of the Catalog of State~~
1681 ~~Financial Assistance after consultation with the Chief Financial~~
1682 ~~Officer and all state awarding agencies.~~

1683 ~~(c) Be responsible for coordinating the initial~~
1684 ~~preparation and subsequent revisions of the State Projects~~
1685 ~~Compliance Supplement, after consultation with the Chief~~
1686 ~~Financial Officer and all state awarding agencies.~~

1687 (4) The Department of Financial Services ~~Chief Financial~~
1688 ~~Officer~~ shall:

1689 (a) Upon conferring with the Executive Office of the
1690 Governor and all state awarding agencies, adopt rules necessary
1691 to provide appropriate guidance to state awarding agencies,
1692 nonstate entities, and independent auditors of state financial

1693 assistance relating to the requirements of this section,
 1694 including:

1695 1. The types or classes of state resources considered to
 1696 be state financial assistance that would be subject to the
 1697 requirements of this section. This would include guidance to
 1698 assist in identifying when the state awarding agency or a
 1699 nonstate entity has contracted with a vendor rather than with a
 1700 recipient or subrecipient.

1701 2. The criteria for identifying a major state project.
 1702 3. The criteria for selecting state projects for audits
 1703 based on inherent risk.

1704 (b) Be responsible for coordinating revisions to the
 1705 Catalog of State Financial Assistance after consultation with
 1706 the Executive Office of the Governor and all state awarding
 1707 agencies.

1708 (c) Be responsible for coordinating with the Executive
 1709 Office of the Governor actions affecting the budgetary process
 1710 under paragraph (b).

1711 (d) Be responsible for coordinating revisions to the State
 1712 Projects Compliance Supplement, after consultation with the
 1713 Executive Office of the Governor and all state awarding
 1714 agencies.

1715 (e)(a) Make enhancements to the state's accounting system
 1716 to provide for the:

1717 1. Recording of state financial assistance and federal
 1718 financial assistance appropriations and expenditures within the
 1719 state awarding agencies' operating funds.

1720 2. Recording of state project number identifiers, as
 1721 provided in the Catalog of State Financial Assistance, for state
 1722 financial assistance.

1723 3. Establishment and recording of an identification code
 1724 for each financial transaction, including awarding state
 1725 agencies' disbursements of state financial assistance and
 1726 federal financial assistance, as to the corresponding type or
 1727 organization that is party to the transaction (e.g., other
 1728 governmental agencies, nonprofit organizations, and for-profit
 1729 organizations), and disbursements of federal financial
 1730 assistance, as to whether the party to the transaction is or is
 1731 not a nonstate entity recipient ~~recipient or subrecipient~~.

1732 ~~(f)(b)~~ Upon conferring with the Executive Office of the
 1733 Governor and all state awarding agencies, adopt rules necessary
 1734 to provide appropriate guidance to state awarding agencies,
 1735 nonstate entities recipients and subrecipients, and independent
 1736 auditors of state financial assistance relating to the format
 1737 for the Schedule of Expenditures of State Financial Assistance.

1738 ~~(g)(e)~~ Perform any inspections, reviews, investigations,
 1739 or audits of state financial assistance considered necessary in
 1740 carrying out the Department of Financial Services ~~Chief~~
 1741 ~~Financial Officer's~~ legal responsibilities for state financial
 1742 assistance or to comply with the requirements of this section.

1743 (5) Each state awarding agency shall:

1744 (a) Provide to each a recipient information needed by the
 1745 recipient to comply with the requirements of this section,
 1746 including:

1747 1. The audit and accountability requirements for state
 1748 projects as stated in this section and applicable ~~rules of the~~
 1749 ~~Executive Office of the Governor~~, rules of the Department of
 1750 Financial Services ~~Chief Financial Officer~~, and rules of the
 1751 Auditor General.

1752 2. Information from the Catalog of State Financial
 1753 Assistance, including the standard state project number
 1754 identifier; official title; legal authorization; and description
 1755 of the state project including objectives, restrictions, and
 1756 other relevant information determined necessary.

1757 3. Information from the State Projects Compliance
 1758 Supplement, including the significant compliance requirements,
 1759 eligibility requirements, matching requirements, suggested audit
 1760 procedures, and other relevant information determined necessary.

1761 (b) Require the recipient, as a condition of receiving
 1762 state financial assistance, to allow the state awarding agency,
 1763 the Department of Financial Services ~~Chief Financial Officer~~,
 1764 and the Auditor General access to the recipient's records and
 1765 the recipient's independent auditor's working papers as
 1766 necessary for complying with the requirements of this section.

1767 (c) Notify the recipient that this section does not limit
 1768 the authority of the state awarding agency to conduct or arrange
 1769 for the conduct of additional audits or evaluations of state
 1770 financial assistance or limit the authority of any state
 1771 awarding agency inspector general, the Auditor General, or any
 1772 other state official.

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1773 (d) Be provided one copy of each financial reporting
1774 package prepared in accordance with the requirement of this
1775 section.

1776 (e) Review the recipient's ~~recipient~~ financial reporting
1777 package, including the management letters and corrective action
1778 plans, to the extent necessary to determine whether timely and
1779 appropriate corrective action has been taken with respect to
1780 audit findings and recommendations pertaining to state financial
1781 assistance that are specific to ~~provided by~~ the state awarding
1782 agency.

1783 (f) Designate within the state awarding agency a division,
1784 bureau, or other organizational unit that will be responsible
1785 for reviewing financial reporting packages pursuant to paragraph
1786 (e).

1787
1788 If the state awarding agency is not the coordinating agency as
1789 defined in paragraph (2)(d), the state awarding agency's
1790 designated division, bureau, or other organizational unit shall
1791 communicate to the coordinating agency the state awarding
1792 agency's approval of the recipient's corrective action plan with
1793 respect to findings and recommendations that are not specific to
1794 the state awarding agency.

1795 (6) Each coordinating agency shall:

1796 (a) Review the recipient's financial reporting package,
1797 including the management letter and corrective action plan, to
1798 identify audit findings and recommendations that affect state
1799 financial assistance and that are not specific to a particular
1800 state awarding agency.

1801 (b) For any such findings and recommendations determine:
 1802 1. Whether timely and appropriate corrective action has
 1803 been taken.

1804 2. Promptly inform the state awarding agency's contact, as
 1805 provided in paragraph (5)(f), of actions taken by the recipient
 1806 to comply with the approved corrective action plan.

1807 (c) Maintain records of followup actions taken for the use
 1808 of any succeeding coordinating agency.

1809 (7)(6) As a condition of receiving state financial
 1810 assistance, each nonstate entity recipient that provides state
 1811 financial assistance to a subrecipient shall:

1812 (a) Provide to each a subrecipient information needed by
 1813 the subrecipient to comply with the requirements of this
 1814 section, including:

1815 1. Identification of the state awarding agency.
 1816 2. The audit and accountability requirements for state
 1817 projects as stated in this section and applicable ~~rules of the~~
 1818 ~~Executive Office of the Governor~~, rules of the Department of
 1819 Financial Services Chief Financial Officer, and rules of the
 1820 Auditor General.

1821 3. Information from the Catalog of State Financial
 1822 Assistance, including the standard state project number
 1823 identifier; official title; legal authorization; and description
 1824 of the state project, including objectives, restrictions, and
 1825 other relevant information.

1826 4. Information from the State Projects Compliance
 1827 Supplement including the significant compliance requirements,
 1828 eligibility requirements, matching requirements, and suggested

1829 audit procedures, and other relevant information determined
 1830 necessary.

1831 (b) Review the financial reporting package of the
 1832 subrecipient ~~audit reports~~, including the management letter and
 1833 corrective action plan letters, to the extent necessary to
 1834 determine whether timely and appropriate corrective action has
 1835 been taken with respect to audit findings and recommendations
 1836 pertaining to state financial assistance provided by a the state
 1837 awarding agency or a nonstate entity.

1838 (c) Perform any ~~such~~ other procedures ~~as~~ specified in
 1839 terms and conditions of the written agreement with the state
 1840 awarding agency or the nonstate entity, including any required
 1841 monitoring of the subrecipient's use of state financial
 1842 assistance through onsite visits, limited scope audits, or other
 1843 specified procedures.

1844 (d) Require subrecipients, as a condition of receiving
 1845 state financial assistance, to permit the independent auditor of
 1846 the nonstate entity recipient, the state awarding agency, the
 1847 Department of Financial Services ~~the Chief Financial Officer~~,
 1848 and the Auditor General access to the subrecipient's records and
 1849 the subrecipient's independent auditor's working papers as
 1850 necessary to comply with the requirements of this section.

1851 ~~(8)(7)~~ Each recipient or subrecipient of state financial
 1852 assistance shall comply with the following:

1853 (a) Each nonstate entity that ~~receives state financial~~
 1854 ~~assistance and~~ meets the audit threshold requirements, in any
 1855 fiscal year of the nonstate entity, as stated in the rules of
 1856 the Auditor General, shall have a state single audit conducted

1857 for such fiscal year in accordance with the requirements of this
 1858 act and with additional requirements established in ~~rules of the~~
 1859 ~~Executive Office of the Governor,~~ rules of the Department of
 1860 Financial Services ~~Chief Financial Officer,~~ and rules of the
 1861 Auditor General. If only one state project is involved in a
 1862 nonstate entity's fiscal year, the nonstate entity may elect to
 1863 have only a state project-specific audit ~~of the state project~~
 1864 ~~for that fiscal year.~~

1865 (b) Each nonstate entity that ~~receives state financial~~
 1866 ~~assistance and~~ does not meet the audit threshold requirements,
 1867 in any fiscal year of the nonstate entity, as stated in this law
 1868 or the rules of the Auditor General is exempt for such fiscal
 1869 year from the state single audit requirements of this section.
 1870 However, such nonstate entity must meet terms and conditions
 1871 specified in the written agreement with the state awarding
 1872 agency or the nonstate entity.

1873 (c) Regardless of the amount of the state financial
 1874 assistance, the provisions of this section do not exempt a
 1875 nonstate entity from compliance with provisions of law relating
 1876 to maintaining records concerning state financial assistance to
 1877 such nonstate entity or allowing access and examination of those
 1878 records by the state awarding agency, the nonstate entity, the
 1879 Department of Financial Services ~~Chief Financial Officer,~~ or the
 1880 Auditor General.

1881 (d) Audits conducted pursuant to this section shall be
 1882 performed annually.

1883 (e) Audits conducted pursuant to this section shall be
 1884 conducted by independent auditors in accordance with auditing
 1885 standards as stated in rules of the Auditor General.

1886 (f) Upon completion of the audit as required by this
 1887 section, a copy of the recipient's financial reporting package
 1888 shall be filed with the state awarding agency and the Auditor
 1889 General. Upon completion of the audit as required by this
 1890 section, a copy of the subrecipient's financial reporting
 1891 package shall be filed with the nonstate entity ~~recipient~~ that
 1892 provided the state financial assistance and the Auditor General.
 1893 The financial reporting package shall be filed in accordance
 1894 with the rules of the Auditor General.

1895 (g) All financial reporting packages prepared pursuant to
 1896 the requirements of this section shall be available for public
 1897 inspection.

1898 (h) If an audit conducted pursuant to this section
 1899 discloses any significant audit findings relating to state
 1900 financial assistance, including material noncompliance with
 1901 individual state project compliance requirements or reportable
 1902 conditions in internal controls of the nonstate entity, the
 1903 nonstate entity shall submit as part of the financial reporting
 1904 ~~audit~~ package to the state awarding agency or the nonstate
 1905 entity a plan for corrective action to eliminate such audit
 1906 findings or a statement describing the reasons that corrective
 1907 action is not necessary.

1908 (i) An audit conducted in accordance with this section is
 1909 in addition to any audit of federal awards required by the
 1910 federal Single Audit Act and other federal laws and regulations.

1911 To the extent that such federally required audits provide the
 1912 state awarding agency or the nonstate entity with information it
 1913 requires to carry out its responsibilities under state law or
 1914 other guidance, the a state awarding agency or the nonstate
 1915 entity shall rely upon and use that information.

1916 (j) Unless prohibited by law, the costs ~~cost~~ of audits
 1917 pursuant to this section are ~~is~~ allowable charges to state
 1918 projects. However, any charges to state projects should be
 1919 limited to those incremental costs incurred as a result of the
 1920 audit requirements of this section in relation to other audit
 1921 requirements. The nonstate entity should allocate such
 1922 incremental costs to all state projects for which it expended
 1923 state financial assistance.

1924 (k) Audit costs may not be charged to state projects when
 1925 audits required by this section have not been made or have been
 1926 made but not in accordance with this section. If a nonstate
 1927 entity fails to have an audit conducted consistent with this
 1928 section, a state awarding agency or a nonstate entity ~~agencies~~
 1929 may take appropriate corrective action to enforce compliance.

1930 (l) This section does not prohibit the state awarding
 1931 agency or the nonstate entity from including terms and
 1932 conditions in the written agreement which require additional
 1933 assurances that state financial assistance meets the applicable
 1934 requirements of laws, regulations, and other compliance rules.

1935 (m) A state awarding agency or a nonstate entity that
 1936 ~~provides state financial assistance to nonstate entities and~~
 1937 conducts or arranges for audits of state financial assistance
 1938 that are in addition to the audits conducted under this act,

1939 including audits of nonstate entities that do not meet the audit
 1940 threshold requirements, shall, consistent with other applicable
 1941 law, arrange for funding the full cost of such additional
 1942 audits.

1943 ~~(9)(8)~~ The independent auditor when conducting a state
 1944 single audit of a nonstate entity ~~recipients or subrecipients~~
 1945 shall:

1946 (a) Determine whether the nonstate entity's financial
 1947 statements are presented fairly in all material respects in
 1948 conformity with generally accepted accounting principles.

1949 (b) Determine whether state financial assistance shown on
 1950 the Schedule of Expenditures of State Financial Assistance is
 1951 presented fairly in all material respects in relation to the
 1952 nonstate entity's financial statements taken as a whole.

1953 (c) With respect to internal controls pertaining to each
 1954 major state project:

- 1955 1. Obtain an understanding of internal controls;
- 1956 2. Assess control risk;
- 1957 3. Perform tests of controls unless the controls are
- 1958 deemed to be ineffective; and

1959 4. Determine whether the nonstate entity has internal
 1960 controls in place to provide reasonable assurance of compliance
 1961 with the provisions of laws and rules pertaining to state
 1962 financial assistance that have a material effect on each major
 1963 state project.

1964 (d) Determine whether each major state project complied
 1965 with the provisions of laws, rules, and guidelines as identified
 1966 in the State Projects Compliance Supplement, or otherwise

1967 identified by the state awarding agency, which have a material
 1968 effect on each major state project. When major state projects
 1969 are less than 50 percent of the nonstate entity's total
 1970 expenditures for all state financial assistance, the auditor
 1971 shall select and test additional state projects as major state
 1972 projects as necessary to achieve audit coverage of at least 50
 1973 percent of the expenditures for all state financial assistance
 1974 provided to the nonstate entity. Additional state projects
 1975 needed to meet the 50-percent requirement may be selected on an
 1976 inherent risk basis as stated in the rules of the Department of
 1977 Financial Services ~~Executive Office of the Governor~~.

1978 (e) Report on the results of any audit conducted pursuant
 1979 to this section in accordance with the ~~rules of the Executive~~
 1980 ~~Office of the Governor~~, rules of the Department of Financial
 1981 Services ~~Chief Financial Officer~~, and rules of the Auditor
 1982 General. Financial reporting packages must ~~Audit reports shall~~
 1983 include summaries of the auditor's results regarding the
 1984 nonstate entity's financial statements; Schedule of Expenditures
 1985 of State Financial Assistance; internal controls; and compliance
 1986 with laws, rules, and guidelines.

1987 (f) Issue a management letter as prescribed in the rules
 1988 of the Auditor General.

1989 (g) Upon notification by the nonstate entity, make
 1990 available the working papers relating to the audit conducted
 1991 pursuant to the requirements of this section to the state
 1992 awarding agency, the Department of Financial Services ~~Chief~~
 1993 ~~Financial Officer~~, or the Auditor General for review or copying.

1994 ~~(10)(9)~~ The independent auditor, when conducting a state
 1995 project-specific audit of a nonstate entity ~~recipients or~~
 1996 ~~subrecipients~~, shall:

1997 (a) Determine whether the nonstate entity's Schedule of
 1998 Expenditure of State Financial Assistance is presented fairly in
 1999 all material respects in conformity with stated accounting
 2000 policies.

2001 (b) Obtain an understanding of internal controls ~~control~~
 2002 and perform tests of internal controls ~~control~~ over the state
 2003 project consistent with the requirements of a major state
 2004 project.

2005 (c) Determine whether or not the auditee has complied with
 2006 applicable provisions of laws, rules, and guidelines as
 2007 identified in the State Projects Compliance Supplement, or
 2008 otherwise identified by the state awarding agency, which could
 2009 have a direct and material effect on the state project.

2010 (d) Report on the results of the a state project-specific
 2011 audit consistent with the requirements of the state single audit
 2012 and issue a management letter as prescribed in the rules of the
 2013 Auditor General.

2014 (e) Upon notification by the nonstate entity, make
 2015 available the working papers relating to the audit conducted
 2016 pursuant to the requirements of this section to the state
 2017 awarding agency, the Department of Financial Services ~~Chief~~
 2018 ~~Financial Officer~~, or the Auditor General for review or copying.

2019 ~~(11)(10)~~ The Auditor General shall:

2020 (a) Have the authority to audit state financial assistance
 2021 provided to any nonstate entity when determined necessary by the

2022 Auditor General or when directed by the Legislative Auditing
 2023 Committee.

2024 (b) Adopt rules that state the auditing standards that
 2025 independent auditors are to follow for audits of nonstate
 2026 entities required by this section.

2027 (c) Adopt rules that describe the contents and the filing
 2028 deadlines for the financial reporting package.

2029 (d) Provide technical advice upon request of the
 2030 Department of Financial Services ~~Chief Financial Officer,~~
 2031 ~~Executive Office of the Governor,~~ and state awarding agencies
 2032 relating to financial reporting and audit responsibilities
 2033 contained in this section.

2034 (e) Be provided one copy of each financial reporting
 2035 package prepared in accordance with the requirements of this
 2036 section.

2037 (f) Perform ongoing reviews of a sample of financial
 2038 reporting packages filed pursuant to the requirements of this
 2039 section to determine compliance with the reporting requirements
 2040 of this section and applicable ~~rules of the Executive Office of~~
 2041 ~~the Governor,~~ rules of the Department of Financial Services
 2042 ~~Chief Financial Officer,~~ and rules of the Auditor General.

2043 Section 46. Subsection (1) of section 288.9610, Florida
 2044 Statutes, is amended to read:

2045 288.9610 Annual reports of Florida Development Finance
 2046 Corporation.--By December 1 of each year, the Florida
 2047 Development Finance Corporation shall submit to the Governor,
 2048 the President of the Senate, the Speaker of the House of
 2049 Representatives, the Senate Minority Leader, the House Minority

2050 Leader, and the city or county activating the Florida
 2051 Development Finance Corporation a complete and detailed report
 2052 setting forth:

2053 (1) The evaluation required in s. 11.45(3)(j)~~(a)~~¹¹.

2054 Section 47. Section 1010.47, Florida Statutes, is amended
 2055 to read:

2056 1010.47 Receiving bids and sale of bonds.--

2057 (1) If the issuance of bonds is authorized at the
 2058 election, or if any bonds outstanding against the district are
 2059 being refunded, the district school board shall sell the bonds
 2060 in the manner provided in s. 218.385. ~~cause notice to be given~~
 2061 ~~by publication in some newspaper published in the district that~~
 2062 ~~the board will receive bids for the purchase of the bonds at the~~
 2063 ~~office of the district school superintendent. The notice shall~~
 2064 ~~be published twice, and the first publication shall be given not~~
 2065 ~~less than 30 days prior to the date set for receiving the bids.~~
 2066 ~~The notice shall specify the amount of the bonds offered for~~
 2067 ~~sale, shall state whether the bids shall be sealed bids or~~
 2068 ~~whether the bonds are to be sold at auction, and shall give the~~
 2069 ~~schedule of maturities of the proposed bonds and such other~~
 2070 ~~pertinent information as may be prescribed by rules of the State~~
 2071 ~~Board of Education. Bidders may be invited to name the rate of~~
 2072 ~~interest that the bonds are to bear or the district school board~~
 2073 ~~may name rates of interest and invite bids thereon. In addition~~
 2074 ~~to publication of notice of the proposed sale as set forth in~~
 2075 ~~this subsection, the district school board shall notify in~~
 2076 ~~writing at least three recognized bond dealers in the state,~~
 2077 ~~and, at the same time, notify the Department of Education~~

2078 ~~concerning the proposed sale and enclose a copy of the~~
 2079 ~~advertisement.~~

2080 (2) ~~All bonds and refunding bonds issued as provided by~~
 2081 ~~law shall be sold to the highest and best bidder at such public~~
 2082 ~~sale unless sold at a better price or yield basis within 30 days~~
 2083 ~~after failure to receive an acceptable bid at a duly advertised~~
 2084 ~~public sale, provided that at no time shall bonds or refunding~~
 2085 ~~bonds be sold or exchanged at less than par value except as~~
 2086 ~~specifically authorized by the Department of Education; and~~
 2087 ~~provided, further, that the district school board shall have the~~
 2088 ~~right to reject all bids and cause a new notice to be given in~~
 2089 ~~like manner inviting other bids for such bonds, or to sell all~~
 2090 ~~or any part of such bonds to the State Board of Education at a~~
 2091 ~~price and yield basis that shall not be less advantageous to the~~
 2092 ~~district school board than that represented by the highest and~~
 2093 ~~best bid received. In the marketing of the bonds, the district~~
 2094 ~~school board shall be entitled to have such assistance as can be~~
 2095 ~~rendered by the Division of Bond Finance, the Commissioner of~~
 2096 ~~Education, or any other public state officer or agency. In~~
 2097 ~~determining the highest and best bidder for bonds offered for~~
 2098 ~~sale, the net interest cost to the school board as shown in~~
 2099 ~~standard bond tables shall govern, provided that the~~
 2100 ~~determination of the district school board as to the highest and~~
 2101 ~~best bidder shall be final.~~

2102 Section 48. Effective July 1, 2004, one full-time
 2103 equivalent position is transferred from the Executive Office of
 2104 the Governor to the Department of Financial Services.

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2105 | Section 49. This act shall take effect upon becoming a
2106 | law.