

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 923
SPONSOR(S): Harrell
TIED BILLS:

St. Lucie County Fire Control District

IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Government Council</u>	<u>6 Y, 0 N</u>	<u>Camechis</u>	<u>Hamby</u>
2) <u>Finance & Tax Committee</u>	<u>8 Y, 0 N</u>	<u>Monroe</u>	<u>Diez-Arguelles</u>
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

The St. Lucie County Fire District (District) was created by the Legislature in 1996 as an independent fire control district. The District is required by law to pay certain “incremental” ad valorem tax revenues to the two community redevelopment agencies (CRAs) in St. Lucie County unless exempt by an agreement between the District and a CRA. The District requested and the City of Port St. Lucie Community Redevelopment Agency agreed to exempt the District from paying incremental ad valorem tax revenues beginning in FY 06-07. According to the District, it requested an exemption from the Fort Pierce Redevelopment Agency in 1998, 2000, and 2003, but was unable to reach an agreement with this CRA.

Effective October 1, 2007, this local bill exempts the District from payment of “incremental” ad valorem tax revenues to both CRAs in St. Lucie County and eliminates the obligation of the Fire District to make annual appropriations to pay a share of debt service for bonds issued by the CRAs after the effective date of the bill. However, the District must appropriate an amount sufficient to pay, when due, its annual pro rata share to cover debt service for bonds issued by the CRAs prior to the effective date of the bill, to the extent funds provided by other taxing authorities are insufficient to cover debt service.

The attached Economic Impact Statement indicates that the District’s ad valorem tax budget will be increased by \$1,000,000 a year beginning October 1, 2007. A corresponding reduction in contributions to the CRAs in the county will result.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

Background

St. Lucie County Fire Control District

The St. Lucie County Fire District (District) is an independent fire control district established by ch. 96-532, L.O.F. The District's charter is codified in ch. 2004-407, L.O.F. As an independent fire control district, the District is permitted to exercise only those powers set forth in its charter and in ch. 191, F.S.

The District covers an area of 614 square miles with a population of approximately 203,000. The District provides fire protection, fire suppression, emergency medical and rescue services. The District is authorized by its charter to levy ad valorem taxes at a rate not to exceed 3 mills, with a current millage rate of 2.7806. The District is governed by a seven-member board of commissioners as follows:

- Two members elected by and from the Board of County Commissioners of St. Lucie County;
- Two members elected by and from the City Commission of the City of Fort Pierce;
- Two members elected by and from the City Council of the City of Port St. Lucie; and
- One member appointed by the Governor.

Community Redevelopment Agencies (CRA)

The Community Redevelopment Act of 1969, Ch. 163, Part II, F.S. (Act), was established with the intent to revitalize slum and blighted areas "which constitute a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents of the state." Under the Act, local governments designate a redevelopment area based on a finding of necessity and establish a CRA to develop and administer a community redevelopment plan for addressing the issues confronting the community. Each CRA may oversee more than one redevelopment area or district. During the last two decades, municipalities, and to a lesser extent county governments, have increasingly relied upon CRAs as a mechanism for community redevelopment.¹

Financing of CRAs

Pursuant to s. 163.387, F.S., CRAs are funded primarily through tax increment financing or TIF, whereby ad valorem revenues in excess of those collected in the base year the redevelopment area was created are remitted by local taxing authorities such as counties, municipalities, and special districts to a redevelopment trust fund used by a CRA to fund redevelopment projects and related activities.

Section 163.387(2)(c), F.S., exempts the following public bodies and taxing authorities from the requirement to contribute TIF payments:

- A special district that levies ad valorem taxes on taxable real property in more than one county;
- A special district whose sole available source of revenue is ad valorem taxes authorized at the time an ordinance is adopted providing for CRA funding;

¹ The majority of the background information regarding CRAs was taken from a report published by the Legislative Committee on Intergovernmental Relations in January 2005 and entitled *Local Government Concerns Regarding Community Redevelopment Agencies in Florida*.

- A library district, except a library district in a jurisdiction where the CRA validated bonds as of April 30, 1984;
- A neighborhood improvement district created under the Safe Neighborhoods Act;
- A metropolitan transportation authority; and
- A water management district created under section 373.069, Florida Statutes.

In accordance with s. 163.087(2)(d), F.S., the local governing body that creates a CRA may, in its sole discretion or in response to a request from the special district, exempt a special district that levies ad valorem taxes within the CRA.

CRA's within the St. Lucie County Fire Control District

Currently, there are two CRA's in St. Lucie County to which the District is required by law to submit incremental ad valorem assessments unless exempt by agreement with the CRA.

The City of Port St. Lucie Community Redevelopment Agency was established in 2002 by City Ordinance #01-1. The District requested and the City of Port St. Lucie Community Redevelopment Agency agreed to exempt the District from paying its incremental ad valorem taxes to the CRA beginning in FY 06-07.

The Fort Pierce Redevelopment Agency (FP-CRA) was established in 1982 by City Ordinance #H-239. The FP-CRA is governed by the City Commission of the City of Fort Pierce. According to the District, it has submitted several requests to the FP-CRA for an exemption from the requirement to pay incremental ad valorem tax revenues but has been unable to reach agreement with the FP-CRA.

Effect of Proposed Changes

The bill includes the following recitals:

- The District is solely responsible for fire suppression, prevention, rescue, and emergency medical services throughout St. Lucie County;
- The District derives a substantial portion of its revenues from ad valorem taxes and a substantial portion of its expenses are personnel costs;
- The implementation of community redevelopment plans by community redevelopment agencies in St. Lucie County creates an increasing demand for fire and rescue services without providing the revenues to support such services; and
- The continued payments to redevelopment trust funds created by community redevelopment agencies in St. Lucie County will adversely affect the ability of the District to provide critical public safety services to the citizens and visitors of St. Lucie County.

The bill exempts the District from payment to redevelopment trust funds created by CRA's in St. Lucie County effective October 1, 2007. The bill also removes the obligation of the District to make annual appropriations to a redevelopment trust fund for debt service for bonds issued after the effective date of this bill. However, the District must appropriate an amount sufficient to pay, when due, its annual pro rata share to cover debt service for bonds issued prior to the effective date of the bill, to the extent funds deposited into the redevelopment trust fund by other taxing authorities is insufficient to cover debt service.

C. SECTION DIRECTORY:

Section 1: Exempts the District from certain payments to redevelopment trust funds created by community development agencies in St. Lucie County effective October 1, 2007.

Section 2: Provides that the bill takes effect upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes [x] No []

IF YES, WHEN? December 16, 2004

WHERE? Scripps Treasure Coast Newspapers, Fort Pierce Tribune, St. Lucie County

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

Notice Requirements

Article III, section 10 of the Florida Constitution provides that “[n]o special law shall be passed unless notice of intention to seek enactment thereof has been published in the manner provided by general law. Such notice shall not be necessary when the law, except the provision for referendum, is conditioned to become effective only upon approval by vote of the electors of the area affected.” This bill does not require a referendum.

Chapter 11, F.S., provides general law requirements applicable to the notice for special laws. Section 11.02, F.S., requires the notice to “state the substance of the contemplated law.” Therefore, the notice must be broad enough to include all matters contained in the body of the proposed legislation, although the specific contents need not be listed in detail. The function of the notice is to provide reasonable notice to a person whose interests may be affected by the proposed legislation so that he or she may inquire further into the detail of the local bill.

The published Notice of Intent for this bill indicates that the Professional Firefighters and Paramedics of St. Lucie County intend to apply to the “2004 Legislature” for passage of this act, rather than the “2005 Legislature.”

B. RULE-MAKING AUTHORITY: This bill does not address rule-making authority.

C. DRAFTING ISSUES OR OTHER COMMENTS: None.

Positions of Interested Parties

The St. Lucie County Board of County Commissioners and the Florida Professional Firefighters, on behalf of the firefighters in St. Lucie County, support this bill.

The Florida Redevelopment Association provided the following comments: Regardless of the policy issue involved, the attempt of any entity to ask the legislature to fix local conflicts (that can be resolved at the local level) has consistently been opposed by the Florida Redevelopment Association (FRA). In fact, our 2004 legislative policy statement addresses this issue. Our understanding is that the St. Lucie Fire District has negotiated, through an interlocal agreement, with the City of Port St. Lucie on this exact same issue, to the satisfaction of both parties. Therefore, it is a fact that this can be resolved at the local level.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

None.