

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1357 CS

Growth Management

**SPONSOR(S):** Altman

**TIED BILLS:**

**IDEN./SIM. BILLS:** SB 1194

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Government Council</u>	<u>8 Y, 0 N</u>	<u>Nelson</u>	<u>Hamby</u>
2) <u>Growth Management Committee</u>	<u>9 Y, 0 N, w/CS</u>	<u>Grayson</u>	<u>Grayson</u>
3) <u>Transportation &amp; Economic Development Appropriations Committee</u>	<u></u>	<u></u>	<u></u>
4) <u>State Infrastructure Council</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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### SUMMARY ANALYSIS

HB 1357 w/CS creates the "Interlocal Service Boundary Agreement Act" to provide an alternative process for annexation that allows counties and municipalities to negotiate in good faith to identify municipal service areas and unincorporated service areas, resolve which local government is responsible for providing services and facilities within the municipal service areas, and reduce the number of enclaves.

The bill defines a "municipal service area" as an unincorporated area that has been identified by a municipality that is a party to an interlocal service boundary agreement as an area to be annexed or to receive municipal services from the municipality or its designee. Land within a municipal service area may be annexed by a municipality if consent is obtained using a process for annexation consistent with current statutes, or a process, as determined by the agreement, that includes one or more of the following:

- a petition for annexation signed by more than 50 percent of the registered voters in the area proposed for annexation;
- a petition for annexation signed by more than 50 percent of the property owners in the area proposed for annexation; or
- approval by a majority of the registered voters in the area proposed for annexation.

The bill allows an enclave consisting of 20 acres or more within a designated municipal service area to be annexed if statutory consent requirements are met, one or more of the provisions for annexing land within a municipal service area are met, or the municipality receives a petition from one or more property owners who own real property in excess of 50 percent of the total real property in the area proposed for annexation. Enclaves consisting of less than 20 acres and with fewer than 100 registered voters, within a designated municipal service area, may be annexed using a process for securing the consent of the voters, as provided in the interlocal service boundary agreement. No voter approval is required.

The bill does not appear to have a fiscal impact upon the state. However, it may have an unknown fiscal impact on local governments.

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

**STORAGE NAME:** h1357d.GM.doc

**DATE:** 4/20/2006

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

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

#### B. EFFECT OF PROPOSED CHANGES:

##### **Present Situation**

The "Municipal Annexation or Contraction Act," ch. 171, F.S., codifies the state's annexation procedures<sup>1</sup> and was enacted in 1974 to ensure sound urban development, establish uniform methods for the adjustment of municipal boundaries, provide for efficient service delivery in areas that become urban, and limit annexation to areas where municipal services can be provided.<sup>2</sup> At the time ch. 171, F.S., was created, the prevailing policy focused on the strength of county governments and regional planning agencies. Consequently, Florida's annexation statutes concentrate on the expansion and contraction of municipal boundaries.<sup>3</sup>

Current annexation policy in Florida has given rise to a number of issues: difficulty in planning to meet future service needs, confusion over logical service areas and maintenance of infrastructure, duplication of essential services, and zoning efforts thwarted by landowners shopping for the best development climate. While existing annexation procedures may adequately address the concerns of landowners within a proposed annexation area, the residents of remaining unincorporated areas or residents of the municipality proposing the annexation also may be significantly affected by the potential loss of revenue or inefficiencies in service delivery.

An area proposed for annexation must be unincorporated, contiguous and reasonably compact.<sup>4</sup> For a proposed annexation area to be contiguous under ch. 171, F.S., a substantial portion of the annexed area's boundary must be coterminous with the municipality's boundary.<sup>5</sup> "Compactness," for purposes of annexation, is defined as the concentration of property in a single area and does not allow for any action that results in an enclave, pocket or "finger areas in serpentine patterns."<sup>6</sup>

A newly annexed area comes under the city's jurisdiction on the effective date of the annexation. Following annexation, a municipality must apply the county's land use plan and zoning regulations until a comprehensive plan amendment is adopted that includes the annexed area in the municipality's future land use map. It is possible for the city to adopt the comprehensive plan amendment simultaneously with the approval of the annexation. However, there is no requirement that a city amend its comprehensive plan prior to annexation.<sup>7</sup> In the interim, a city must apply county regulations or wait to apply its own rules.

The effective date of the annexation determines who receives certain funds. The county share of revenue sharing and the half-cent sales tax is reduced effective July 1 if a parcel is annexed prior to April 1. Should the annexation occur before a city levies millage, the annexed property is subject to the

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<sup>1</sup> Section (2)(c), Art. VIII of the State Constitution provides authority for the Legislature to establish annexation procedures for all counties except Miami-Dade. Annexation can occur using several methods: special act, charter, interlocal service boundary agreement, voluntary annexation or involuntary annexation. Annexation through a special act must meet the notice and referendum requirements of s. 10, Art. III, of the State Constitution.

<sup>2</sup> Section 171.021, F.S.

<sup>3</sup> See Lance deHaven-Smith, Ph.D., *FCCMA Policy Statement on Annexation*, October 12, 2002, at 16-17, [http://www.fcma.org/pdf/FCCMA\\_Paper\\_Final\\_Draft.pdf](http://www.fcma.org/pdf/FCCMA_Paper_Final_Draft.pdf).

<sup>4</sup> Sections 171.0413-.043, F.S.

<sup>5</sup> Section 171.031(11), F.S.

<sup>6</sup> Section 171.031(12), F.S.

<sup>7</sup> See, *1000 Friends of Fla., Inc. v. Florida Dept. of Community Affairs*, 824 So. 2d 989 (Fla.4<sup>th</sup> DCA 2002).

city millage, but excluded from the municipal service taxing unit. If a county has not levied its non-ad valorem assessments before annexation, the county loses those assessments.

Cities may annex enclaves of 10 acres or less by interlocal agreement with the county under the provisions of s. 171.046, F.S. An enclave is defined in s. 171.031(13), F.S., as any unincorporated improved or developed area lying within a single municipality or surrounded by a single municipality and a manmade or natural obstacle that permits traffic to enter the unincorporated area only through the municipality. Enclaves of 10 acres or less also can be annexed by municipal ordinance when there are fewer than 25 registered voters living in the enclave and at least 60 percent of those voters approve the annexation in a referendum.

Section 171.044, F.S., provides the procedure for a voluntary annexation which occurs when 100 percent of the landowners in an area petition a municipality. In addition to the annexing municipality enacting an ordinance allowing for the annexation to occur, there are certain notice requirements that must be met. This section does not apply where a municipal or county charter provides the exclusive method for voluntary annexation.<sup>8</sup> Also, the voluntary annexation procedures in this section are considered supplemental to any other procedure contained in general or special law.<sup>9</sup>

Sections 171.0413 and 171.042, F.S., establish an electoral procedure for involuntary annexation that allows for separate approval of a proposed annexation in an existing city, at the city's option, and in the area to be annexed. The owners of more than 50 percent of the land in an area proposed for annexation must consent if more than 70 percent of the property in that area is owned by persons that are not registered electors. Also, the governing body of the annexing municipality must prepare a report on the provision of urban services to the area being annexed as well as adopt an ordinance allowing for the annexation and meet certain notice requirements.

A municipality may annex within an independent special district pursuant to s. 171.093, F.S. The municipality, after electing to assume the district's responsibilities and adopting a resolution, may enter into an interlocal agreement to address responsibility for service provision, real estate assets, equipment and personnel. Absent an interlocal agreement, the district continues as the service provider in the annexed area for a period of four years and receives an amount from the city equal to the ad valorem taxes or assessments that would have been collected on the property. Following the four years and any mutually agreed upon extension, the municipality and district must reach agreement on the equitable distribution of property and indebtedness or the matter will proceed in circuit court.

Municipal annexation provides for conflict and tension between many county and municipal governments. The process of annexation often raises issues regarding delivery of services and the costs associated with the delivery of those services, boundaries and land use. During the past two legislative sessions, the Florida League of Cities and the Florida Association of Counties have recommended a statutory resolution to these issues. This compromise proposed a process by which a municipality and a county could work to negotiate the matters of conflict surrounding a particular annexation proposal. The present bill, HB 1357 w/CS, and its companion, SB 1194, also reflect this compromise.

## **Proposed Changes**

HB 1357 w/CS creates the "Interlocal Service Boundary Agreement Act" as part II of ch. 171, F.S., to provide an alternative process for annexation that allows counties and municipalities to jointly determine how services are provided to residents and property. The bill is intended to establish a more flexible process for adjusting municipal boundaries and to address a wider range of the effects of annexation. This bill also is intended to encourage intergovernmental coordination in planning, service

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<sup>8</sup> Section 171.044(4), F.S.

<sup>9</sup> *Id.*

delivery, and boundary adjustments and to reduce intergovernmental conflicts and litigation between local governments.

Interlocal Service Boundary Agreement Act: ss. 171.20—171.212, F.S.

***Definitions***

Section 171.202, F.S., contains definitions for the following terms as used part II of ch. 171, F.S.: chief administrative officer, enclave, independent special district, initiating county, initiating local government, initiating municipality, initiating resolution, interlocal service boundary agreement, invited local government, invited municipality, municipal service area, notified local government, participating resolution, requesting resolution, responding resolution, and unincorporated service area.

Specifically, the bill defines an “interlocal service boundary agreement” as an agreement adopted under part II of chapter 171, F.S., between a county and one or more municipalities, which may include one or more independent special districts.

A “municipal service area” is defined as an unincorporated area that has been identified for annexation in an interlocal agreement by a municipality that is a party to the interlocal agreement. This term also includes an unincorporated area that has been identified in the agreement to receive municipal services from a municipality that is a party to the agreement or the municipality’s designee.

The term “unincorporated service area” refers to an unincorporated area that has been identified in an interlocal service boundary agreement and which may not be annexed without the consent of the county. It also may refer to an unincorporated area or incorporated area, or both, that has been identified in an interlocal service boundary agreement to receive municipal services from the county, its designee, or an independent special district.

***Process of Initiating an Interlocal Service Boundary Agreement***

Section 171.203, F.S., authorizes the governing body of a county and one or more municipalities or independent special districts to enter into an interlocal service boundary agreement. The county, municipality or independent special district may develop a process for reaching an interlocal service boundary agreement that meets certain requirements, or use the process provided in this section.

***Initiating Resolution***

The process outlined in s. 171.203, F.S., provides that the negotiations for an interlocal service boundary agreement are initiated when a county or municipality adopts an initiating resolution. The initiating resolution must identify an unincorporated area or incorporated area, or both, and the issues to be negotiated. The initiating resolution must include a map or legal description of the unincorporated or incorporated area to be discussed. An independent special district may initiate an interlocal agreement for the sole purpose of dissolving the district, or removing more than 10 percent of the taxable or assessable value of the district. A county’s initiating resolution must designate one more invited municipality, while a municipality’s initiating resolution may designate an invited municipality. An initiating resolution from a special district must designate one or more municipalities and invite the county.

***Responding Resolution***

Copies of a county’s or municipality’s initiating resolution must be provided to every invited municipality, all other municipalities in the county, and each independent special district in the unincorporated area identified in the resolution. Within 60 days of receipt of an initiating resolution, the county or invited municipality must adopt a responding resolution. This responding resolution may identify an additional unincorporated area, incorporated area, or issues for negotiation, and also may invite an additional municipality or independent special district to negotiate. A municipality within the county that is not invited may request participation in the negotiations within a prescribed time frame and the county and invited municipality must consider this request.

After the parties to the negotiations have been determined through the adoption of various resolutions, the county, invited municipalities, participating municipalities, if any, and any independent special districts that elect to participate, are required to begin negotiations within 60 days after receipt of a responding or participating resolution, whichever occurs first. An invited municipality that does not adopt a responding resolution is deemed to have waived its right to participate and is bound by an interlocal service boundary agreement that results from the negotiations. Local governments are authorized to simultaneously negotiate more than one interlocal service boundary agreement. Counties and municipalities that successfully negotiate an interlocal service boundary agreement must adopt the agreement by ordinance; an independent special district must adopt the agreement using a method consistent with its charter.

#### *Issues That May be Addressed in an Interlocal Service Boundary Agreement*

The issues that may be addressed by an interlocal service boundary agreement may include, but are not limited to: the identification of a municipal service area and unincorporated service area; the identification of the local government responsible for the delivery or funding of public safety, fire, emergency rescue and medical, water and wastewater, road ownership, construction and maintenance, conservation, parks and recreation, and stormwater management and drainage services within the area; and other services and infrastructure not currently provided by an electric utility or a natural gas transmission company, as long as it does not affect any territorial agreement between electric utilities or public utilities, or affect the determination of a territorial dispute by the Florida Public Service Commission. The interlocal service boundary agreement may establish a process and schedule for annexing an area within a designated municipal service area. The agreement also may provide for a procedure by which the local government responsible for water and wastewater services applies for necessary permit modifications to reflect changes in surface water management operating entity responsibilities. The agreement may also include a requirement that all fire and emergency medical services shall be provided by the existing provider of such services to the annexed area, and remain part of the existing municipal service taxing unit or special district, unless and until one of the following occurs:

- The county and annexing municipality agree, by interlocal agreement or other legally sufficient means, as to who shall provide these emergency services; or
- A Fire-Rescue Services Element exists for the respective county's comprehensive plan.

Additionally, the interlocal service boundary agreement may establish a process for land-use decisions consistent with part II of ch. 163, F.S., including joint land-use decisions of the county and municipality, and allowing a municipality to adopt land-use changes for areas that are scheduled to be annexed within the term of the interlocal service boundary agreement. If the agreement addresses land use planning, it must provide procedures for the preparation and adoption of plan amendments, the administration of land development regulations, and the issuance of development orders.

The agreement may address other issues related to service delivery and include the transfer of services and infrastructure, fiscal compensation to one county, municipality or independent special district from another local government or special district, and provide for the joint use of facilities and collocation of services. Finally, the agreement may require the municipality to send the county a report on its planned service delivery.

#### *Standing to Challenge Certain Plan Amendments*

Each local government that is a party to the interlocal service boundary agreement is required to amend the intergovernmental coordination element of its comprehensive plan no later than six months following entry of the agreement consistent with s.163.3177(6)(h)1., F.S. For purposes of challenging such plan amendment, an affected person includes persons owning real property, residing, or owning or operating a business within the boundaries of the municipal service area and owners of real property abutting real property within the municipal service area that is the subject of the plan amendment, in addition to those affected persons who would have standing under s.163.3184, F.S.

#### *Review by the State Land Planning Agency*

A municipality that is party to an interlocal agreement and identifies an unincorporated area for annexation is required to adopt a plan amendment to address future possible annexation. The identified municipal service area must contain: a boundary map of the municipal service area, population projections for the area, and data supporting the provision of public services for the area. The amendment is subject to review by the DCA for compliance with part II of ch. 163, F.S. However, the DCA may not review or approve or disapprove a municipal ordinance relating to municipal annexation or contraction.

#### ***Conclusion of Negotiations on an Interlocal Service Boundary Agreement***

An interlocal service boundary agreement may be for a term of 20 years or less and must include a provision requiring periodic review with renegotiations to begin at least 18 months prior to its termination date. Once an agreement has been reached, the county and municipality must adopt the agreement by ordinance. A special district that consents to the agreement is required to adopt the agreement using a method consistent with its charter. Nothing in part II of ch. 171, F.S. (which is created by this bill) prohibits a local government from adopting an interlocal service boundary agreement without the consent of an independent special district.

If an interlocal service boundary agreement has not been reached six months after negotiations have commenced, the initiating or invited local governments may declare an impasse in the negotiations and seek to resolve the issues through the conflict resolution procedures in ch. 164, F.S. If the local governments cannot agree at the conclusion of the dispute resolution process, the bill requires the local governments to hold a joint public hearing on the issues raised in the negotiations.

For a period of six months following the failure of the local governments to reach an agreement, the initiating local government may not initiate negotiations to require the responding local government to negotiate the same issues with respect to the same unincorporated areas. Although a local government is not required under this bill to enter into an agreement, local governments are required to negotiate in good faith to the conclusion of the process once it has been initiated. Local governments may negotiate more than one interlocal agreement simultaneously. Local government officials are encouraged to participate actively and directly in the negotiation process for developing an agreement.

The bill states that part II of ch. 171, F.S., does not impair any existing franchise agreement without the consent of the franchisee. Local governments retain their authority under this bill to negotiate franchise agreements for the use of public rights-of-way and providing service.

#### ***Annexation Procedures under an Interlocal Service Boundary Agreement***

Sections 171.204 and 171.205, F.S., provide procedures under which land identified in an interlocal service boundary agreement for annexation may be annexed by a municipality. These land areas may include areas that may not be annexed by a municipality under existing ch. 171, F.S. Specifically, the bill authorizes a municipality to annex any character of land, including an area that is not contiguous to the municipality's boundaries or creates an enclave if the area is urban in character as defined in s. 171.031(8), F.S. However, the agreement may not allow for the annexation of land within a municipality that is not a party to the agreement or of land that is within another county.

Land within a municipal service area, as identified in the interlocal service boundary agreement, may be annexed by the municipality using a process for annexation consistent with part I of ch. 171, F.S., or using a "flexible" process established in the interlocal agreement. The flexible process may be used to secure the consent of property owners or registered voters residing in the area proposed for annexation with notice to these individuals.

Annexation within the municipal service area must meet the consent requirements in part I of ch. 171, F.S., or the annexation may be achieved by one or more of the following: the filing of a petition for annexation signed by more than 50 percent of the registered voters in the area proposed for annexation, the filing of a petition for annexation signed by more than 50 percent of the property owners in the area proposed for annexation, or upon the approval by a majority of the registered voters

in the area proposed for annexation voting in a referendum on the annexation. If the area to be annexed includes a privately owned solid waste disposal facility, the annexing municipality must set forth in its plan the impacts the annexation of the facility will have on other local governments.

The bill allows the annexation of enclaves consisting of 20 acres or more within a designated municipal service area using a flexible process for securing voter consent, as provided in the interlocal service boundary agreement, with notice to those property owners and residents within the area proposed for annexation. However, the interlocal service boundary agreement may not allow annexation unless the consent requirements of part I of ch. 171, F.S., are met, the provisions described above are met, or the municipality receives a petition from one or more property owners who own real property in excess of 50 percent of the total real property in the area proposed for annexation. Enclaves consisting of less than 20 acres and with fewer than 100 registered voters within a designated municipal service area, may be annexed using a flexible process for securing the consent of the voters, as provided in the interlocal service boundary agreement, with notice to the registered voters and property owners in the area to be annexed. The flexible process may include one or more of described procedures or a referendum of the registered voters who reside in the area proposed to be annexed.

### ***Effect of Interlocal Service Boundary Agreement***

Section 171.206, F.S., provides that an interlocal service boundary agreement is binding on the parties. Section 171.207, F.S., provides that part II of ch. 171, F.S., is an alternative provision allowing for the transfer of power resulting from the interlocal service boundary agreement as authorized by s. 4, Art. VIII of the State Constitution. Section 171.208, F.S., authorizes a municipality to exercise extraterritorial powers, including the authority to provide services and facilities within the unincorporated area as provided for in the interlocal service boundary agreement. Similarly, s. 171.209, F.S., authorizes a county to provide services and facilities within a municipality according to the terms of the interlocal service boundary agreement. Section 171.21, F.S., provides for the effect of an interlocal service boundary agreement on a county charter. Section 171.211, F.S., provides that an interlocal service boundary agreement is presumed valid and binding and places the burden of proving the agreement's invalidity on the challenger. Section 171.212, F.S., requires local governments to use ch. 164, F.S., to resolve disputes regarding the construction and effect of an interlocal service boundary agreement under this part. If the procedures in ch. 164, F.S., do not result in resolution of the conflict, a local government may file an action in circuit court not later than 30 days following the conclusion of those procedures.

The bill also amends current provisions in ch. 171, F.S., to:

- require that an ordinance notice for annexation be provided to the county where the municipality is located not fewer than 15 days prior to commencing annexation procedures under s. 171.0413, F.S.;
- provide that failure to provide such notice may be the basis for a cause of action invalidating the annexation;
- require a municipality to send a copy of the ordinance notice for a voluntary annexation to the county where the municipality is located not fewer than 10 days prior to publishing or posting the notice;
- provide that an interlocal service boundary agreement entered into pursuant to part II of ch. 171, F.S., is binding on the parties;
- provide a time limit for initiating an appeal on annexation or contraction; and
- provide that a primary disputing governmental entity that fails to participate in good faith in the conflict assessment meeting, mediation, or other remedies provided for in the Florida Governmental Conflict Resolution Act, shall be required to pay the attorney's fees and costs for that proceeding.

The bill provides an effective date of upon becoming a law.

<b>Chapter 171, F.S.</b>	<b>Proposed Alternative to Chapter 171, F.S.</b>
<i>Character of the Land</i>	
An area proposed for annexation must be incorporated, contiguous and reasonably compact.	As determined by the interlocal service boundary agreement, a municipality may annex any character of land within a municipal service area if it is urban in character, regardless of whether it is not contiguous or would create an enclave.
<i>Involuntary Annexation</i>	
Involuntary annexation requires approval by the registered electors in the area proposed for annexation. If more than 70 percent of the property in a proposed area to be annexed is owned by persons who are not registered electors, the owners of more than 50 percent of the land must consent to the annexation. The governing body of the annexing municipality also may submit the ordinance to a vote of the registered electors in the annexing municipality.	Land within a municipal service area may be annexed by a municipality if consent is attained using a process for annexation consistent with part I of ch. 171, F.S., or a flexible process, as determined by the interlocal service boundary agreement between the county and municipality, that includes one or more of the following: <ul style="list-style-type: none"> <li>• petition for annexation signed by more than 50 percent of the registered voters in the area proposed for annexation; or</li> <li>• petition for annexation signed by more than 50 percent of the property owners in the area proposed for annexation; or</li> <li>• approval by a majority of the registered voters in the area proposed for annexation voting in a referendum on the annexation.</li> </ul>
<i>Voluntary Annexation</i>	
A voluntary annexation occurs when 100 percent of the landowners in an area petition a municipality to be annexed.	Same procedures as ch. 171, F.S.
<i>Enclaves</i>	
Same procedures as involuntary annexation.	Enclaves consisting of 20 acres or more within a designated municipal service area may be annexed using a flexible process for securing voter consent, as provided in the interlocal service boundary agreement with notice to the registered voters and property owners in the area to be annexed. The agreement may not allow annexation unless the consent requirements of part 1 of ch. 171, F.S., are met, one or more of the provisions for annexing land within a municipal service area are met, or the municipality receives a petition from one or more property owners who own real property in excess of 50 percent of the total real property in the area proposed for annexation.
<i>Small Enclaves</i>	
Cities may annex enclaves of 10 acres or less by interlocal agreement with the county or by municipal ordinance if there are fewer than 25 registered voters living in the enclave and at least 60 percent of those voters approve the annexation in a referendum.	Enclaves consisting of less than 20 acres and with fewer than 100 registered voters within a designated municipal service area may be annexed using a flexible process for securing the consent of the voters, as provided in the interlocal service boundary agreement. No voter approval is required.



C. SECTION DIRECTORY:

Section 1: Creates part II of ch. 171, F.S., the "Interlocal Service Boundary Agreement Act."

Section 2: Provides for the designation of ss. 171.011-171.093, F.S., and s. 171.094, F.S., as part I of chp. 171, F.S.

Section 3: Amends s. 171.011, F.S. relating to the chapter title.

Section 4: Amends s. 171.031, F.S., relating to chapter definitions.

Section 5: Amends ss. 171.042(2) and adds (3), F.S., relating to the prerequisites to annexation.

Section 6: Amends s. 171.044(6), F.S., relating to voluntary annexation.

Section 7: Amends s. 171.045, F.S., relating to annexation limited to a single county.

Section 8: Amends s. 171.081, F.S., relating to appeal on annexation or contraction.

Section 9: Creates s. 171.094, F.S., relating to the effect of interlocal service boundary agreements on annexations.

Section 10: Amends s. 163.01(11), F.S., relating to the Florida Interlocal Cooperation Act of 1969.

Section 11: Amends s. 164.1058, F.S., relating to penalties for certain governmental entities for failure to participate in good faith in a conflict assessment meeting.

Section 12: Provides an effective date.

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

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Unknown. See, FISCAL COMMENTS, below.

2. Expenditures:

Unknown. See, FISCAL COMMENTS, below.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

Any fiscal impacts to local governments as a result of the bill will depend on the types of actions taken and agreements reached.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

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

2. Other:

Section 4, Art. VIII of the State Constitution provides:

By law or by resolution of the governing bodies of each of the governments affected, any function or power of a county, municipality or special district may be transferred to or contracted to be performed by another county, municipality or special district, after approval by vote of the electors of the transferor and approval by vote of the electors of the transferee, or as otherwise provided by law.

Section 171.207, F.S., declares that the provisions created in the bill are an alternative provision otherwise provided by law as authorized by s. 4, Art. VIII of the State Constitution.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Drafting Issues

None.

Comments

Both the Florida League of Cities<sup>10</sup> and the Florida Association of Counties<sup>11</sup> support this bill.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**

On April 4, 2006 the Growth Management Committee adopted an amendment to HB 1357. The amendment addresses the issue of what may be included in an interlocal service boundary agreement. Specifically, the amendment provides that all fire and emergency medical services shall be provided by the existing provider of such services to the annexed area, and remain part of the existing municipal service taxing unit or special district, unless and until one the following occurs:

- The county and annexing municipality agree, by interlocal agreement or other legally sufficient means, as to who shall provide these emergency services; or
- A Fire-Rescue Services Element exists for the respective county's comprehensive plan.

<sup>10</sup> John Wayne Smith, Assistant Director, Legislative and Public Affairs, Florida League of Cities.

<sup>11</sup> Sarah M. Bleakley, Nabors, Giblin & Nickerson, P.A., Special Counsel to Florida Association of Counties.