1 A bill to be entitled 2 An act relating to community development districts; 3 amending s. 190.003, F.S.; revising definitions relating to community development districts; amending s. 190.005, 4 F.S.; specifying petition and filing fee requirements for 5 the establishment of districts; specifying requirements 6 7 for the adoption of certain rules by the Florida Land and Water Adjudicatory Commission; providing requirements for 8 9 the establishment of districts located in multiple municipalities; amending s. 190.006, F.S.; revising 10 provisions for determining certain voting units for 11 landowners within a district; requiring districts to 12 publish notice of qualifying periods for elections; 13 providing procedures for filling district board vacancies; 14 authorizing the board to appoint qualified electors to the 15 16 board under certain circumstances; amending s. 190.007, F.S.; specifying that certain affiliations are not a 17 conflict of interest for district board members, managers, 18 19 and employees; amending s. 190.008, F.S.; revising 20 timeframes and requirements for the preparation of proposed district budgets; amending s. 190.009, F.S.; 21 requiring the district to file disclosure documents and 22 amendments relating to the public financing and 23 24 maintenance of certain property in the property records of each county in which the district is located; amending s. 25 26 190.011, F.S.; revising statutory authorization for the 27 enforcement of district assessments; amending s. 190.012, F.S.; revising district regulatory jurisdiction and 28

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permitting authority for certain public improvements and community facilities; authorizing districts to request certain activities by local retail utility providers and to finance such activities; authorizing the district to adopt rules for enforcement of deed restrictions outside the district pursuant to an interlocal agreement; revising the requirements for the adoption of such rules; amending s. 190.014, F.S.; specifying that non-ad valorem assessments levied to pay interest on bond anticipation notes do not qualify as assessment installments; amending s. 190.021, F.S.; authorizing the use of combined notice of proposed assessments under certain circumstances; providing that assessments authorized under ch. 170, F.S., constitute liens and are subject to certain collection procedures; amending s. 190.026, F.S.; providing that foreclosure proceedings authorized under ch. 170, F.S., apply to certain district proceedings; amending s. 190.033, F.S.; providing for competitive solicitation; authorizing the district to proceed with purchasing under certain circumstances; amending s. 190.047, F.S.; specifying the determination of population standards by the Department of Community Affairs for the purposes of incorporation or annexation of districts; requiring unincorporated areas to meet certain criteria for incorporation; requiring certain referenda to be held at general elections; providing effective dates.

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

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Section 1. Subsection (6), paragraph (p) of subsection (7), and subsections (20) and (21) of section 190.003, Florida Statutes, are amended to read:

190.003 Definitions. -- As used in this chapter, the term:

- (6) "Community development district" means a local unit of special-purpose government which is created pursuant to this act and limited to the performance of those specialized functions authorized by this act; the boundaries of which are contained wholly within a single county; the governing head of which is a body created, organized, and constituted and authorized to function specifically as prescribed in this act for the purpose of the delivery of urban community development services; and the formation, powers, governing body, operation, duration, accountability, requirements for disclosure, and termination of which are as required by general law.
- (7) "Cost," when used with reference to any project, includes, but is not limited to:
- (p) Payments, contributions, dedications, <u>fair share or</u> <u>concurrency obligations</u>, and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any district purpose.
- (20) "Water management and control facilities" means any lakes, canals, ditches, reservoirs, dams, levees, sluiceways, floodways, curbs, gutters, pumping stations, or any other works, structures, or facilities for the conservation, control, development, utilization, and disposal of water, and any purposes appurtenant, necessary, or incidental thereto. The term

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"water management and control facilities" includes all real and personal property and any interest therein, rights, easements, and franchises of any nature relating to any such water management and control facilities or necessary or convenient for the acquisition, construction, reconstruction, operation, or maintenance thereof.

- (21) "Water system" means any plant, system, facility, or property and additions, extensions, and improvements thereto at any future time constructed or acquired as part thereof, useful or necessary or having the present capacity for future use in connection with the development of sources, treatment, or purification and distribution of water. Without limiting the generality of the foregoing, the term "water system" includes dams, reservoirs, storage, tanks, mains, lines, valves, hydrants, pumping stations, chilled water distribution systems, laterals, and pipes for the purpose of carrying water to the premises connected with such system, and all rights, easements, and franchises of any nature relating to any such system and necessary or convenient for the operation thereof.
- Section 2. Paragraphs (b), (c), and (f) of subsection (1) and paragraphs (d) and (e) of subsection (2) of section 190.005, Florida Statutes, are amended to read:

190.005 Establishment of district.--

(1) The exclusive and uniform method for the establishment of a community development district with a size of 1,000 acres or more shall be pursuant to a rule, adopted under chapter 120 by the Florida Land and Water Adjudicatory Commission, granting a petition for the establishment of a community development

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113 district.

- (b) Prior to filing the petition, the petitioner shall:
- 1. Pay a filing fee of \$15,000 to the county, if located within an unincorporated area, or to the municipality, if located within an incorporated area, and to each municipality the boundaries of which are contiguous with, or contain all or a portion of the land within, the external boundaries of the district.
- 2. Submit a copy of the petition to the county, if located within an unincorporated area, or to the municipality, if located within an incorporated area, and to each municipality the boundaries of which are contiguous with, or contain all or a portion of, the land within the external boundaries of the district.
- 3. If land to be included within a district is located partially within the unincorporated area of one or more counties and partially within a municipality or within two or more municipalities, pay a \$15,000 filing fee to each entity.

 Districts established across county boundaries shall be required to maintain records, hold meetings and hearings, and publish notices only in the county where the majority of the acreage within the district lies.
- (c) Such county and each such municipality required by law to receive a petition may conduct a public hearing to consider the relationship of the petition to the factors specified in paragraph (e). The public hearing shall be concluded within 45 days after the date the petition is filed unless an extension of time is requested by the petitioner and granted by the county or

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municipality. The county or municipality holding such public hearing may by resolution express its support of, or objection to the granting of, the petition by the Florida Land and Water Adjudicatory Commission. A resolution must base any objection to the granting of the petition upon the factors specified in paragraph (e). Such county or municipality may present its resolution of support or objection at the Florida Land and Water Adjudicatory Commission hearing and shall be afforded an opportunity to present relevant information in support of its resolution.

- (f) The Florida Land and Water Adjudicatory Commission shall not adopt any rule which would expand, modify, or delete any provision of the uniform community development district charter as set forth in ss. 190.006-190.041, except as provided in s. 190.012. A rule establishing a community development district shall only contain the following:
- 1. A metes and bounds description of Describe the external boundaries of the district and any real property within the external boundaries of the district which is to be excluded.
- 2. The names of Name five persons designated to be the initial members of the board of supervisors.
 - 3. The name of the district.

(2) The exclusive and uniform method for the establishment of a community development district of less than 1,000 acres in size shall be pursuant to an ordinance adopted by the county commission of the county having jurisdiction over the majority of land in the area in which the district is to be located granting a petition for the establishment of a community

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development district as follows:

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- (d) The county commission shall not adopt any ordinance which would expand, modify, or delete any provision of the uniform community development district charter as set forth in ss. 190.006-190.041. An ordinance establishing a community development district shall only include the matters provided for in paragraph (1)(f) unless the commission consents to any of the optional powers under s. 190.012(2) at the request of the petitioner.
- If all of the land in the area for the proposed (e) district is within the territorial jurisdiction of a municipal corporation, then the petition requesting establishment of a community development district under this act shall be filed by the petitioner with that particular municipal corporation. In such event, the duties of the county, hereinabove described, in action upon the petition shall be the duties of the municipal corporation. If any of the land area of a proposed district is within the land area of a municipality, the county commission may not create the district without municipal approval. If all of the land in the area for the proposed district, even if less 1,000 acres, is within the territorial jurisdiction of two or more municipalities, the petition shall be filed with the Florida Land and Water Adjudicatory Commission and proceed in accordance with subsection (1).
- Section 3. Paragraph (b) of subsection (2) and paragraph (b) of subsection (3) of section 190.006, Florida Statutes, are amended to read:
 - 190.006 Board of supervisors; members and meetings.--

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At such meeting, each landowner shall be entitled to (b) cast one vote per acre of land owned by him or her and located within the district for each person to be elected. A landowner may vote in person or by proxy in writing. Each proxy must be signed by one of the legal owners of the property for which the vote is cast and must contain the typed or printed name of the individual who signed the proxy; the street address, legal description of the property, or tax parcel identification number; and the number of authorized votes. If the proxy authorizes more than one vote, each property must be listed and the number of acres of each property must be included. The signature on a proxy need not be notarized. A fraction of an acre shall be treated as 1 acre, entitling the landowner to one vote with respect thereto. For purposes of determining voting interests, platted lots shall be counted individually and rounded up to the nearest whole acre. The acreage of platted lots shall not be aggregated for determining the number of voting units held by a landowner or a landowner's proxy. The two candidates receiving the highest number of votes shall be elected for a period of 4 years, and the three candidates receiving the next largest number of votes shall be elected for a period of 2 years, with the term of office for each successful candidate commencing upon election. The members of the first board elected by landowners shall serve their respective 4-year or 2-year terms; however, the next election by landowners shall be held on the first Tuesday in November. Thereafter, there shall be an election of supervisors for the district every 2

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years in November on a date established by the board and noticed pursuant to paragraph (a). The second and subsequent landowners' election shall be announced at a public meeting of the board at least 90 days prior to the date of the landowners' meeting and shall also be noticed pursuant to paragraph (a). Instructions on how all landowners may participate in the election, along with sample proxies, shall be provided during the board meeting that announces the landowners' meeting. The two candidates receiving the highest number of votes shall be elected to serve for a 4-year period, and the remaining candidate elected shall serve for a 2-year period.

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Elections of board members by qualified electors held (b) pursuant to this subsection shall be nonpartisan and shall be conducted in the manner prescribed by law for holding general elections. The district shall publish a notice of the qualifying period set by the supervisor of elections for each election at least 2 weeks prior to the start of the qualifying period. Board members shall assume the office on the second Tuesday following their election. If no elector qualifies for a seat to be filled in an election, a vacancy in that seat shall be declared by the board effective on the second Tuesday following the election. Within 90 days thereafter, the board shall appoint a qualified elector to fill the vacancy. Until such appointment, the incumbent board member in that seat shall remain in office. Section 4. Effective October 1, 2007, subsection (1) of section 190.007, Florida Statutes, is amended to read:

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190.007 Board of supervisors; general duties.--

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The board shall employ, and fix the compensation of, a district manager. The district manager shall have charge and supervision of the works of the district and shall be responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of this act, for maintaining and operating the equipment owned by the district, and for performing such other duties as may be prescribed by the board. It shall not be a conflict of interest under chapter 112 for a board member or the district manager or another employee of the district to be a stockholder, officer, or employee of a landowner or of an entity affiliated with a landowner. The district manager may hire or otherwise employ and terminate the employment of such other persons, including, without limitation, professional, supervisory, and clerical employees, as may be necessary and authorized by the board. The compensation and other conditions of employment of the officers and employees of the district shall be as provided by the board.

Section 5. Paragraph (a) of subsection (2) of section 190.008, Florida Statutes, is amended to read:

190.008 Budget; reports and reviews.--

(2)(a) On or before each <u>June</u> July 15, the district manager shall prepare a proposed budget for the ensuing fiscal year to be submitted to the board for board approval. The proposed budget shall include at the direction of the board an estimate of all necessary expenditures of the district for the ensuing fiscal year and an estimate of income to the district from the taxes, <u>and</u> assessments, and other revenues provided in this act. The board shall consider the proposed budget item by

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item and may either approve the budget as proposed by the district manager or modify the same in part or in whole. The board shall indicate its approval of the budget by resolution, which resolution shall provide for a hearing on the budget as approved. Notice of the hearing on the budget shall be published in a newspaper of general circulation in the area of the district once a week for 2 consecutive weeks, except that the first publication shall be not fewer than 15 days prior to the date of the hearing. The notice shall further contain a designation of the day, time, and place of the public hearing. At the time and place designated in the notice, the board shall hear all objections to the budget as proposed and may make such changes as the board deems necessary. At the conclusion of the budget hearing, the board shall, by resolution, adopt the budget as finally approved by the board. The budget shall be adopted prior to October 1 of each year.

Section 6. Subsection (1) of section 190.009, Florida Statutes, is amended to read:

190.009 Disclosure of public financing. --

(1) The district shall take affirmative steps to provide for the full disclosure of information relating to the public financing and maintenance of improvements to real property undertaken by the district. Such information shall be made available to all existing residents, and to all prospective residents, of the district. The district shall furnish each developer of a residential development within the district with sufficient copies of that information to provide each prospective initial purchaser of property in that development

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with a copy, and any developer of a residential development within the district, when required by law to provide a public offering statement, shall include a copy of such information relating to the public financing and maintenance of improvements in the public offering statement. The district shall file the disclosure documents required by this subsection and any amendments thereto in the property records of each county in which the district is located.

Section 7. Subsection (14) of section 190.011, Florida Statutes, is amended to read:

190.011 General powers.--The district shall have, and the board may exercise, the following powers:

(14) To determine, order, levy, impose, collect, and enforce special assessments pursuant to this act and chapter 170. Such special assessments may, in the discretion of the district, be collected and enforced pursuant to the provisions of ss. 197.3631, 197.3632, and 197.3635, or chapter 170, or chapter 173.

Section 8. Paragraph (d) of subsection (1), subsection (2), and paragraphs (a) and (b) of subsection (4) of section 190.012, Florida Statutes, are amended, and paragraph (h) is added to subsection (1) of that section, to read:

190.012 Special powers; public improvements and community facilities.--The district shall have, and the board may exercise, subject to the regulatory jurisdiction and permitting authority of all applicable governmental bodies, agencies, and special districts having authority with respect to any area included therein, any or all of the following special powers

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relating to public improvements and community facilities authorized by this act:

- (1) To finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain systems, facilities, and basic infrastructures for the following:
- (d)1. District roads equal to or exceeding the applicable specifications of the county in which such district roads are located, roads and improvements to existing public roads that are owned by or conveyed to the local general-purpose government, the state, or the Federal Government, street lights, alleys, landscaping, hardscaping, and the undergrounding of electric utility lines. Districts may request the underground placement of utility lines by the local retail electric utility provider in accordance with the utility's tariff on file with the Public Service Commission and may finance the required contribution and street lights.
- 2. Buses, trolleys, transit shelters, ridesharing facilities and services, parking improvements, and related signage.
- (h) Any other project, facility, or service required by a development approval, interlocal agreement, zoning condition, or permit issued by a governmental authority with jurisdiction in the district.
- (2) After the board has obtained the consent of the local general-purpose government within the jurisdiction of which a power specified in this subsection is to be exercised consents to the exercise of such power by the district, the district

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<u>shall have the power</u> to plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain additional systems and facilities for:

(a) Parks and facilities for indoor and outdoor recreational, cultural, and educational uses.

- (b) Fire prevention and control, including fire stations, water mains and plugs, fire trucks, and other vehicles and equipment.
- (c) School buildings and related structures <u>and site</u> <u>improvements</u>, which may be leased, sold, or donated to the school district, for use in the educational system when authorized by the district school board.
- (d) Security, including, but not limited to, guardhouses, fences and gates, electronic intrusion-detection systems, and patrol cars, when authorized by proper governmental agencies; except that the district may not exercise any police power, but may contract with the appropriate local general-purpose government agencies for an increased level of such services within the district boundaries.
- (e) Control and elimination of mosquitoes and other arthropods of public health importance.
 - (f) Waste collection and disposal.
- (4)(a) To adopt rules necessary for the district to enforce certain deed restrictions pertaining to the use and operation of real property within the district and outside the district if pursuant to an interlocal agreement under chapter

 163. For the purpose of this subsection, "deed restrictions" are those covenants, conditions, and restrictions contained in any

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applicable declarations of covenants and restrictions that govern the use and operation of real property within the district and, for which covenants, conditions, and restrictions, there is no homeowners' association or property owner's association having respective enforcement powers. The district may adopt by rule all or certain portions of the deed restrictions that:

- 1. Relate to limitations or prohibitions that apply only to external structures and are deemed by the district to be generally beneficial for the district's landowners and for which enforcement by the district is appropriate, as determined by the district's board of supervisors; or
- 2. Are consistent with the requirements of a development order or regulatory agency permit.
- (b) The board may vote to adopt such rules only when all of the following conditions exist:
- 1. The district's geographic area contains no homeowners' associations as defined in s. 720.301(9);
- 2. The district was in existence on the effective date of this subsection, or is located within a development that consists of multiple developments of regional impact and a Florida Quality Development;
- 3. For residential districts, the majority of the board has been elected by qualified electors pursuant to the provisions of s. 190.006; and
- 4. The declarant in any applicable declarations of covenants and restrictions has provided the board with a written agreement that such rules may be adopted. A memorandum of the

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421 agreement shall be recorded in the public records.

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Section 9. Section 190.014, Florida Statutes, is amended to read:

190.014 Issuance of bond anticipation notes.--In addition to the other powers provided for in this act, and not in limitation thereof, the district shall have the power, at any time, and from time to time after the issuance of any bonds of the district shall have been authorized, to borrow money for the purposes for which such bonds are to be issued in anticipation of the receipt of the proceeds of the sale of such bonds and to issue bond anticipation notes in a principal sum not in excess of the authorized maximum amount of such bond issue. Such notes shall be in such denomination or denominations, bear interest at such rate as the board may determine in compliance with s. 215.84, mature at such time or times not later than 5 years from the date of issuance, and be in such form and executed in such manner as the board shall prescribe. Such notes may be sold at either public or private sale or, if such notes shall be renewal notes, may be exchanged for notes then outstanding on such terms as the board shall determine. Such notes shall be paid from the proceeds of such bonds when issued. The board may, in its discretion, in lieu of retiring the notes by means of bonds, retire them by means of current revenues or from any taxes or assessments levied for the payment of such bonds; but in such event a like amount of the bonds authorized shall not be issued. Non-ad valorem assessments levied to pay interest on bond anticipation notes shall not constitute an installment of assessments under s. 190.022.

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Section 10. Subsections (2), (3), and (9) of section 190.021, Florida Statutes, are amended to read:

190.021 Taxes; non-ad valorem assessments.--

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BENEFIT SPECIAL ASSESSMENTS. -- The board shall annually determine, order, and levy the annual installment of the total benefit special assessments for bonds issued and related expenses to finance district facilities and projects which are levied under this act. These assessments may be due and collected during each year that county taxes are due and collected, in which case such annual installment and levy shall be evidenced to and certified to the property appraiser by the board not later than August 31 of each year, and such assessment shall be entered by the property appraiser on the county tax rolls, and shall be collected and enforced by the tax collector in the same manner and at the same time as county taxes, and the proceeds thereof shall be paid to the district. However, this subsection shall not prohibit the district in its discretion from using the method prescribed in either s. 197.363 or s. 197.3632 for collecting and enforcing these assessments. Notice of the proposed amount of the assessment pursuant to s. 200.069 that includes the date and time of the hearing may be used in lieu of the notice provisions of s. 197.3632(4)(b). These benefit special assessments shall be a lien on the property against which assessed until paid and shall be enforceable in like manner as county taxes. The amount of the assessment for the exercise of the district's powers under ss. 190.011 and 190.012 shall be determined by the board based upon a report of the district's engineer and assessed by the board upon such

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lands, which may be part or all of the lands within the district benefited by the improvement, apportioned between benefited lands in proportion to the benefits received by each tract of land.

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(3) MAINTENANCE SPECIAL ASSESSMENTS. -- To maintain and preserve the facilities and projects of the district, the board may levy a maintenance special assessment. This assessment may be evidenced to and certified to the property appraiser by the board of supervisors not later than August 31 of each year and shall be entered by the property appraiser on the county tax rolls and shall be collected and enforced by the tax collector in the same manner and at the same time as county taxes, and the proceeds therefrom shall be paid to the district. However, this subsection shall not prohibit the district in its discretion from using the method prescribed in either s. 197.363 or s. 197.3632 for collecting and enforcing these assessments. Notice of the proposed amount of the assessment pursuant to s. 200.069 that includes the date and time of the hearing may be used in lieu of the notice provisions of s. 197.3632(4)(b). These maintenance special assessments shall be a lien on the property against which assessed until paid and shall be enforceable in like manner as county taxes. The amount of the maintenance special assessment for the exercise of the district's powers under ss. 190.011 and 190.012 shall be determined by the board based upon a report of the district's engineer and assessed by the board upon such lands, which may be all of the lands within the district benefited by the maintenance thereof, apportioned between the benefited lands in proportion to the benefits

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received by each tract of land.

(9) ASSESSMENTS CONSTITUTE LIENS; COLLECTION.--Benefit special assessments and maintenance special assessments authorized by this section, and special assessments authorized by s. 190.022 and chapter 170, shall constitute a lien on the property against which assessed from the date of imposition thereof until paid, coequal with the lien of state, county, municipal, and school board taxes. These non-ad valorem assessments may be collected, at the district's discretion, by the tax collector pursuant to the provisions of s. 197.363 or s. 197.3632, or in accordance with other collection measures provided by law.

Section 11. Section 190.026, Florida Statutes, is amended to read:

190.026 Foreclosure of liens.--Any lien in favor of the district arising under this act may be foreclosed by the district by foreclosure proceedings in the name of the district in a court of competent jurisdiction as provided by general law in like manner as is provided in chapter 173 and amendments thereto; the provisions of those chapters that
chapter 173 and amendments thereto; the provisions of those chapters that
chapter 173 and provisions were expressly set forth in this act. Any act required or authorized to be done by or on behalf of a municipality in foreclosure proceedings under chapter 173 may be performed by such officer or agent of the district as the board of supervisors may designate. Such foreclosure proceedings may be brought at any time after the expiration of 1 year from the date any tax, or installment

thereof, becomes delinquent; however no lien shall be foreclosed against any political subdivision or agency of the state. Other legal remedies shall remain available.

Section 12. Subsections (1) and (3) of section 190.033, Florida Statutes, are amended to read:

190.033 Bids required.--

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No contract shall be let by the board for any goods, supplies, or materials to be purchased when the amount thereof to be paid by the district shall exceed the amount provided in s. 287.017 for category four, unless notice of bids or other competitive solicitation, including requests for proposals or qualifications, is shall be advertised once in a newspaper in general circulation in the county and in the district. Any board seeking to construct or improve a public building, structure, or other public works shall comply with the bidding procedures of s. 255.20 and other applicable general law. In each case, the bid of the lowest responsive and responsible bidder shall be accepted unless all bids are rejected because the bids are too high, or the board determines it is in the best interests of the district to reject all bids. In each case in which requests for proposals, qualifications, or other competitive solicitations are used, the district shall determine which response is most advantageous for the district and award the contract to that proposer. The board may require the bidders or proposers to furnish bond with a responsible surety to be approved by the board. If the district does not receive a response to its competitive solicitation, the district may proceed to purchase such goods, supplies, materials, or construction services in the

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manner it deems in the best interests of the district. Nothing in this section shall prevent the board from undertaking and performing the construction, operation, and maintenance of any project or facility authorized by this act by the employment of labor, material, and machinery.

 (3) Contracts for maintenance services for any district facility or project shall be subject to competitive solicitation bidding requirements when the amount thereof to be paid by the district exceeds the amount provided in s. 287.017 for category four. The district shall adopt rules, policies, or procedures establishing competitive solicitation bidding procedures for maintenance services. Contracts for other services shall not be subject to competitive solicitation bidding unless the district adopts a rule, policy, or procedure applying competitive solicitation bidding procedures to said contracts.

Section 13. Subsection (1) of section 190.047, Florida Statutes, is amended to read:

190.047 Incorporation or annexation of district.--

(1) Upon attaining the population standards for incorporation contained in s. 165.061 and as determined by the Department of Community Affairs, any district wholly contained within the unincorporated area of a county that also meets the other requirements for incorporation contained in s. 165.061 shall hold a referendum at a general election on the question of whether to incorporate. However, any district contiguous to the boundary of a municipality may be annexed to such municipality pursuant to the provisions of chapter 171.

Section 14. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2007.

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