

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 211 Municipalities and Special Districts
SPONSOR(S): Government Efficiency & Accountability Council and Machek
TIED BILLS: **IDEN./SIM. BILLS:** SB 2710

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Urban & Local Affairs</u>	<u>7 Y, 0 N</u>	<u>Fudge</u>	<u>Kruse</u>
2) <u>Government Efficiency & Accountability Council</u>	<u>10 Y, 0 N, As CS</u>	<u>Fudge</u>	<u>Cooper</u>
3) <u>Policy & Budget Council</u>	<u>(W/D)</u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

Municipal Districts

Current law authorizes municipalities to levy, subject to approval of affected property owners, a special assessment against the benefitted property for stabilizing and improving: retail business districts, wholesale districts, or nationally recognized historic districts.

Special Districts

In some circumstances, special districts are treated as municipalities for purposes of other provisions of law, such as property exempt from taxation.

Independent Fire Control Districts are authorized to levy non-ad valorem assessments, but a referendum is required under certain circumstances.

CS/HB 211 revises the vote requirements for approval of special assessments levied by municipalities to allow approval by a majority of those voting. The bill also authorizes special districts to use SUNCOM and to make purchases from competitively bid contracts of other units of government. Non-ad valorem assessments for independent fire districts can be approved by a supermajority vote of the board instead of a voter referendum.

This bill is effective July 1, 2008.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes – This bill may ensure lower taxes by reducing procurement costs for special districts.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

Municipal Districts

Section 170.01(3), F.S., authorizes municipalities to levy, subject to approval of affected property owners, a special assessment against the benefitted property for stabilizing and improving: retail business districts, wholesale districts, or nationally recognized historic districts.

Special Districts

A special district is a “local unit of special purpose, as opposed to general-purpose, government within a limited boundary, created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.”¹ A special district has only those powers expressly provided by, or which can reasonably implied from, the authority provided in the district’s charter.

General Purchasing Authority

Upon creation, special districts are generally given purchasing authority usually with competitive procurement requirements. To share the cost savings of competitive bidding, the Department of Management Services (“DMS”) has designated special districts as eligible users² who “may purchase commodities and contractual services from purchasing agreements established and state term contracts procured, pursuant to s. 287.057, by the [DMS].”³

Special Districts as Municipalities

Section 189.403(1), defines “special districts” and identifies when special districts are treated as municipalities for purposes of other provisions of law, such as property exempt from taxation under s. 196.199(1), F.S.

Referendum to Levy Non-Ad Valorem Assessments

Independent Fire Control Districts are authorized to levy non-ad valorem assessments. Proposed rate increases which “exceed the rate set the previous fiscal year or the rate previously set by special act or county ordinance, whichever is more recent, by more than the average annual growth rate in Florida personal income over the last five years, or the first-time levy of non-ad valorem assessments, must be approved by referendum of the electors of the district.”⁴ The referendum of first time levy of an assessment must include a notice of future increases which do not require a referendum.

¹ Section 189.403(1), F.S.

² Rule 60A-1.005, F.A.C., defines “eligible users” as “all governmental agencies, as defined in Section 163.3164, F.S., which have a physical presence within the state of Florida.

³ Section 287.056(1), F.S.

⁴ s. 191.009(2), F.S.

Effect of Proposed Changes

CS/HB 211 amends various provisions of law dealing with municipal and special districts. The bill amends s. 170.01(3), F.S., dealing with the authority of municipalities to levy special assessments against property benefitted by improvements. The bill revises the approval process from a majority of affected property owners to a majority of those actually voting, either by tax folio numbers of affected properties; or by voting by total square footage of the affected properties. The effect of the bill would be to make it easier to pass assessments benefitting retail business districts, wholesale business districts, and nationally recognized historic districts.

Section 189.403, F.S. is amended by treating special districts as municipalities for purposes of s. 282.104, F.S., to authorize the use of SUNCOM.

The bill authorizes special districts to purchase commodities or contractual services from purchasing agreements of other special districts, municipalities, or counties that were competitively procured in compliance with general law. The bill would allow special districts to avoid the time and expense of a competitive bid process for goods and services previously procured by other local governments.

For independent fire control districts, the bill changes the approval process for non-ad valorem assessments from approval by voter referendum to an approval by a supermajority vote of the board of the fire district. The bill also removes the notice requirement on first time non-ad valorem assessments.

C. SECTION DIRECTORY:

Section 1: Amends s. 170.01(3), F.S., dealing with the authority of municipalities to levy special assessments against property benefitted by improvements.

Section 2: Amends s. 189.403(1), F.S., authorizing special districts to use SUNCOM.

Section 3: Creates section 189.4221, F.S. authorizing special districts to purchase commodities or contractual services from purchasing agreements of other special districts, municipalities, or counties that were competitively procured in compliance with general law.

Section 4: Amends s. 191.09(2), F.S., revising the approval process of non-ad valorem assessments.

Section 5: Provides for severability.

Section 6: Provides an effective date of July 1, 2008.

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:

None.

2. Expenditures:

The bill may reduce the procurement costs for certain goods and services.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take an action requiring expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

No sponsor statement received.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 19, 2008, the Government Efficiency & Accountability Council adopted a strike-all amendment. The amendment amends s. 170.01(3), F.S., revising the voting requirements for a municipality to levy special assessments against property benefitted by improvements; amends s. 189.403, F.S. to authorize the use of SUNCOM by special districts; creates s. 189.4221, F.S., authorizing special districts to make purchases from other competitively bid contracts of other districts, municipalities, and counties; and amends s. 191.009(2), F.S., revising the non-ad valorem approval process for independent fire districts, changing it from approval by a voter referendum to approval by a super majority of the board. The Council also adopted a technical amendment to address a drafting issue.