

1 A bill to be entitled
 2 An act relating to financial management by local
 3 governments; amending s. 116.07, F.S.; revising a
 4 requirement that the sheriff and the clerk of the circuit
 5 court keep financial statements and books of accounts in
 6 accordance with part III of ch. 218, F.S.; amending s.
 7 136.05, F.S.; providing that the clerk of the circuit
 8 court is the accountant to the board of county
 9 commissioners; amending s. 218.31, F.S.; revising
 10 definitions; amending s. 218.32, F.S.; requiring county
 11 auditors to prepare the annual financial report for the
 12 county; authorizing county auditors to perform certain
 13 audits and tests; amending ss. 75.04, 215.555, 380.0662,
 14 and 420.503, F.S.; correcting cross-references; providing
 15 an effective date.

16
 17 Be It Enacted by the Legislature of the State of Florida:

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 19 Section 1. Section 116.07, Florida Statutes, is amended to
 20 read:

21 116.07 Account books to be kept by sheriffs and
 22 clerks.--All sheriffs and clerks of the circuit court and ex
 23 officio clerks of the boards of county commissioners of this
 24 state shall keep financial statements and books of account and
 25 of record in accordance with part III of chapter 218 ~~s. 218.33~~.

26 Section 2. Section 136.05, Florida Statutes, is amended to
 27 read:

28 136.05 County board to keep set of books; overdrawing
 29 prohibited.--The clerk of the circuit court, as accountant of
 30 the board of county commissioners, shall keep an accurate and
 31 complete set of books showing the amount on hand, amount
 32 received, amount expended, and the balances thereof at the end
 33 of each month for each ~~and every~~ fund carried by the said board.
 34 ~~A, and no~~ check or warrant may not ~~shall ever~~ be drawn in excess
 35 of the known balances to the credit of a ~~that~~ fund as kept by
 36 the ~~said~~ board.

37 Section 3. Section 218.31, Florida Statutes, is amended to
 38 read:

39 218.31 Definitions.--As used in this part, except where
 40 the context clearly indicates a different meaning:

41 (1) ~~(15)~~ "Auditor" means an independent certified public
 42 accountant licensed pursuant to chapter 473 and retained by a
 43 local governmental entity to perform a financial audit.

44 (2) ~~(16)~~ "County agency" means a board of county
 45 commissioners or other legislative and governing body of a
 46 county, however styled, including that of a consolidated or
 47 metropolitan government, a clerk of the circuit court, a
 48 separate or ex officio clerk of the county court, a sheriff, a
 49 property appraiser, a tax collector, a supervisor of elections,
 50 or any other officer in whom any portion of the fiscal duties of
 51 the above are under law separately placed.

52 (3) "County auditor" means the clerk of the circuit court.

53 (4) ~~(8)~~ "County fee officers" means those county officials
 54 who are assigned specialized functions within county government
 55 and whose budgets are established independently of the local

56 governing body, even though said budgets may be reported to the
57 local governing body or may be composed of funds either
58 generally or specially available to a local governing authority
59 involved.

60 (5)~~(4)~~ "Department" means the Department of Financial
61 Services.

62 (6) "Dependent special district" means a dependent special
63 district as defined in s. 189.403~~(2)~~.

64 (7)~~(17)~~ "Financial audit" means an examination of
65 financial statements in order to express an opinion on the
66 fairness with which they are presented in conformity with
67 generally accepted accounting principles and an examination to
68 determine whether operations are properly conducted in
69 accordance with legal and regulatory requirements. Financial
70 audits must be conducted in accordance with generally accepted
71 auditing standards and government auditing standards as adopted
72 by the Board of Accountancy and as prescribed by rules
73 promulgated by the Auditor General.

74 (8)~~(14)~~ "Generally accepted accounting principles" means
75 those accounting principles adopted by rule of the Board of
76 Accountancy under chapter 473.

77 (9)~~(7)~~ "Independent special district" means an independent
78 special district as defined in s. 189.403~~(3)~~.

79 (10)~~(13)~~ "Industrial development bond" means any
80 obligation the interest on which is exempt from income taxes
81 under the provisions of s. 103(b) of the United States Internal
82 Revenue Code and the payment of the principal or interest on

83 which under the terms of such obligation or any underlying
84 arrangement is, in whole or in major part:

85 (a) Secured by any interest in property used or to be used
86 in a trade or business or in payments in respect of such
87 property.

88 (b) To be derived from payments in respect of property, or
89 borrowed money, used or to be used in a trade or business.

90 (11)~~(12)~~ "Limited revenue bonds" means any obligations
91 issued by a unit to pay the cost of a project or improvement
92 thereof, or combination of one or more projects or improvements
93 thereof, and payable from funds, exclusive of ad valorem taxes,
94 special assessments, or earnings from such projects or
95 improvements.

96 (12)~~(3)~~ "Local governing authority" means the governing
97 body of a unit of local general-purpose government.

98 (13)~~(1)~~ "Local governmental entity" means a county agency,
99 a municipality, or a special district as defined in s. 189.403.
100 For purposes of s. 218.32, the term also includes a housing
101 authority created under chapter 421.

102 (14)~~(18)~~ "Management letter" means a statement of the
103 auditor's comments and recommendations as prescribed by rules
104 adopted by the Auditor General.

105 (15)~~(11)~~ "Revenue bonds" means any obligations issued by a
106 unit to pay the cost of a project or improvement thereof, or
107 combination of one or more projects or improvements thereof, and
108 payable from the earnings of such project and any other special
109 funds authorized to be pledged as additional security therefor.

110 ~~(16)~~~~(10)~~ "Short-term debt" means any debt with a maturity
 111 of less than 1 year from the date of issuance.

112 ~~(17)~~~~(5)~~ "Special district" means a special district as
 113 defined in s. 189.403~~(1)~~.

114 ~~(18)~~~~(2)~~ "Unit of local general-purpose government" means a
 115 county or a municipality established by general or special law.

116 ~~(19)~~~~(9)~~ "Verified report" means a report that has received
 117 such test or tests by the department so as to accurately and
 118 reliably present the data that have been submitted by the local
 119 governmental entities for inclusion in the report.

120 Section 4. Paragraph (a) of subsection (1) of section
 121 218.32, Florida Statutes, is amended to read:

122 218.32 Annual financial reports; local governmental
 123 entities.--

124 (1) (a) Each local governmental entity that is determined
 125 to be a reporting entity, as defined by generally accepted
 126 accounting principles, and each independent special district as
 127 defined in s. 189.403, shall submit to the department a copy of
 128 its annual financial report for the previous fiscal year in a
 129 format prescribed by the department. The annual financial report
 130 must include a list of each local governmental entity included
 131 in the report and each local governmental entity that failed to
 132 provide financial information as required by paragraph (b). The
 133 chair of the governing body and the chief financial officer of
 134 each local governmental entity shall sign the annual financial
 135 report submitted pursuant to this subsection attesting to the
 136 accuracy of the information included in the report. The county
 137 auditor shall prepare the annual report of the county and may

138 perform such audits and tests as necessary to determine the
 139 adequacy of internal controls and compliance with contracts,
 140 applicable laws, and rules. The county annual financial report
 141 must be a single document that covers each county agency.

142 Section 5. Subsection (2) of section 75.04, Florida
 143 Statutes, is amended to read:

144 75.04 Complaint.--

145 (2) In the case of an independent special district as
 146 defined in s. 218.31~~(7)~~, the complaint shall allege the creation
 147 of a trust indenture established by the petitioner for a bonded
 148 trustee acceptable to the court who shall certify the proper
 149 expenditure of the proceeds of the bonds.

150 Section 6. Paragraph (j) of subsection (2) of section
 151 215.555, Florida Statutes, is amended to read:

152 215.555 Florida Hurricane Catastrophe Fund.--

153 (2) DEFINITIONS.--As used in this section:

154 (j) "Local government" means a unit of general purpose
 155 local government as defined in s. 218.31~~(2)~~.

156 Section 7. Subsection (4) of section 380.0662, Florida
 157 Statutes, is amended to read:

158 380.0662 Definitions.--As used in this act, unless the
 159 context indicates a different meaning or intent:

160 (4) "Local government" means a unit of local general-
 161 purpose government as defined in s. 218.31~~(2)~~.

162 Section 8. Subsection (22) of section 420.503, Florida
 163 Statutes, is amended to read:

164 420.503 Definitions.--As used in this part, the term:

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165 | (22) "Local government" means a unit of local general-
166 | purpose government as defined in s. 218.31~~(2)~~.

167 | Section 9. This act shall take effect July 1, 2008.