# **HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** CS/HB 559

**SPONSOR(S):** Schultz

Mosquito Control Districts

TIED BILLS: IDEN./SIM. BILLS: SB 924

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Agriculture & Natural Resources Policy Committee	13 Y, 0 N, As CS	Kaiser	Reese
2)	Military & Local Affairs Policy Committee	· -		
3)	General Government Policy Council			
4)	Finance & Tax Council			
5)				

### **SUMMARY ANALYSIS**

The bill directs a water management district, at the request of an independent special district (ISD), to assist the ISD in determining if the facilities or operations of the ISD have had any adverse impacts on Outstanding Florida Waters.

The bill authorizes the ISD to voluntarily use any available funding source to mitigate such adverse effects.

The bill does not appear to have a significant fiscal impact on state or local governments. The effective date of this legislation is July 1, 2009.

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#### **HOUSE PRINCIPLES**

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

### **FULL ANALYSIS**

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

### **CURRENT SITUATION:**

# Independent special districts

Special districts are similar to municipalities and counties except they act as a special purpose government rather than a general purpose government. Special districts represent a wide variety of functions, such as community development, drainage and water control, fire control and rescue, mosquito control, and soil and water conservation, to name a few. Special districts can be either dependent or independent.

An independent special district is generally created by the legislature, but not always. According to Florida law<sup>1</sup>, an independent special district (ISD) means a special district that is not a dependent special district as defined in s. 189.403(2), F.S. A district that includes more than one county is an ISD unless the district lies wholly within the boundaries of a single municipality.

Unless authorized by general law, only the Legislature may create an ISD. The general law or special acts that create or authorize the ISDs must contain certain information in the charters. The information required includes:

- The purpose of the act:
- The powers and duties of the ISD regarding ad valorem taxation, bond issuance, among other things;
- The methods for establishing the ISD;
- The method for amending the charter of the ISD;
- The membership and organization of the governing board of the ISD, as well as maximum compensation and administrative duties of the governing board;
- The applicable financial disclosure, noticing and reporting requirements;
- The procedure for issuing bonds, if applicable;
- The procedures for conducting any ISD elections or referenda required;
- The methods for financing the ISD;
- The millage rate for ad valorem taxes, if applicable;
- The method for collecting non-ad valorem assessments, fees, or service charges;
- Planning requirements; and,
- Geographic boundary limitations.

<sup>1</sup> Section 189.403(3), F.S.

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h0559a.ANR.doc 3/17/2009 The governing board of an ISD is responsible for ensuring the ISD complies with all applicable laws and conducts district business as authorized by its charter. Since ISDs are separate units of local government, not state or local programs overseen by another level of government, there is no one state agency or person that has the authority to completely oversee ISDs. The Uniform Special District Accountability Act of 1989<sup>2</sup> (act) was created to ensure that ISDs are accountable to state and local governments and the public. The act requires ISDs to comply with many of the standards as imposed on cities and counties, such as<sup>3</sup>:

- Sending an annual financial report to the state disclosing the district's revenues, expenditures, and long-term debt;
- Sending an annual financial audit, performed by an independent Certified Public Accountant, to the state for review, if applicable;
- Sending information to the state concerning advance notice of bond sales and new bond issues;
- Certifying to the state compliance with Truth-in-Millage requirements, if applicable;
- Complying with ethics laws, including financial disclosures by governing board members and certain employees; and,
- Conducting district business within the Government-in-the-Sunshine laws, including specific public meeting requirements.

As of December 2008, there were 1,014 ISDs in the state.4

### **Outstanding Florida Waters**

Current law<sup>5</sup> authorizes the Department of Environmental Protection (DEP) to "....establish rules which provide for a special category of water bodies within the state, to be referred to as "Outstanding Florida Waters (OFW)," which shall be worthy of special protection because of their natural attributes..." "Special Waters" OFWs include 41 of Florida's 1700 rivers, several lakes and lake chains, several estuarine areas and the Florida Keys.

Anyone who wishes to do so may propose waters for an OFW designation by submitting a petition to the DEP, in accordance with Chapter 120 of the Florida Statutes. At least one public workshop is held in the affected area. All local, county, or municipal governments and state legislators whose districts or jurisdictions include all or part of the affected area are noticed, in writing by the Secretary of the DEP, 60 days in advance of the workshop. In addition, public notice is given via a newspaper of general circulation at least 60 days prior to the public workshop. The DEP prepares an economic impact analysis providing a general analysis of the impact on growth and development including such factors as impacts on planned or potential industrial, agricultural, or other development or expansion. The proposal is voted on by the Florida Environmental Regulation Commission, a seven-member citizens' body, at a public hearing held in the affected area.

#### **EFFECT OF PROPOSED CHANGES:**

The bill directs a water management district, at the request of an independent special district (ISD), to assist the ISD in determining if the facilities or operations of the ISD have had any adverse impacts on Outstanding Florida Waters.

The bill authorizes the ISD to voluntarily use any available funding source to mitigate such adverse effects.

### **B. SECTION DIRECTORY:**

**Section 1**: Amends s. 373.0391, F.S.; directs a water management district to provide assistance to an independent special district in certain situations; and, authorizes an independent special district to voluntarily use any available funding source in certain situations.

www.floridaspecialdistrictis.org

<sup>5</sup> Section 403.061(27), F.S.

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<sup>&</sup>lt;sup>2</sup> Chapter 189, F.S.

<sup>4</sup> http://www.floridaspecialdistricts.org/documents/SDIPPresentation.pdf

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

# A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

- B. FISCAL IMPACT ON LOCAL GOVERNMENTS:
  - Revenues:

None

2. Expenditures:

See Fiscal Comments below.

- C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:
- D. FISCAL COMMENTS:

Water management districts may incur an insignificant fiscal impact in assisting independent special districts with impact analysis.

#### III. COMMENTS

- A. CONSTITUTIONAL ISSUES:
  - 1. Applicability of Municipality/County Mandates Provision:

The mandate provision may apply because some dependent mosquito control districts may bear the costs of implementing this legislation. In such cases, the bill would have the effect of requiring affected counties to expend funds. The Revenue Estimating Conference has not yet determined if the fiscal impact is significant or if an exemption to the mandate provision applies.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

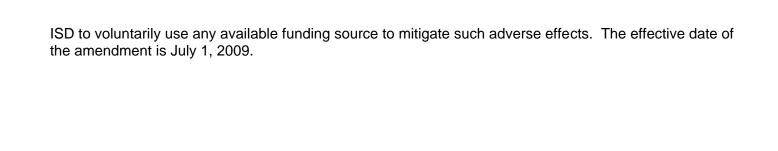
None

### IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 17, 2009, the Agriculture and Natural Resources Policy Committee adopted a strike-all amendment to HB 559. The strike-all amendment directs a water management district, at the request of an independent special district (ISD), to assist the ISD in determining if the facilities or operations of the ISD have had any adverse impacts on Outstanding Florida Waters. The strike-all amendment authorizes the

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