

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 607

Pinellas Park Water Management District, Pinellas County

SPONSOR(S): Long

TIED BILLS:

IDEN./SIM. BILLS: 2724

| | REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|----|---|---------------|----------------|-----------------------|
| 1) | Military & Local Affairs Policy Committee | 14 Y, 0 N | Fudge | Hoagland |
| 2) | Economic Development & Community Affairs Policy Council | | | |
| 3) | | | | |
| 4) | | | | |
| 5) | | | | |

SUMMARY ANALYSIS

The Pinellas Park Water Management District was created in 1976 to alleviate flooding by retaining runoff from storm events. The district is governed by a three member board and consists of approximately 15 square miles. The district's current millage rate is 2.7264 mills, although it has the authority to assess up to 3 mills.

In 2008 the Joint Legislative Auditing Committee asked the Office of Program Policy and Analysis of Government Accountability (OPPAGA) to examine legislative options regarding the district. OPPAGA issued a Research Memorandum on the district. The memorandum indicates that district staff expects all of the projects for improving the district's primary drainage system will be completed by Fiscal Year 2010-11.

HB 607 abolishes the district, subject to referendum, by October 1, 2011. The responsibilities of the district would be transferred to the Town of Kenneth City, the City of Pinellas Park, the City of St. Petersburg, and Pinellas County or pursuant to an interlocal agreement between the local governments.

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

The Pinellas Park Water Management District was created in 1976 to alleviate flooding by retaining runoff from storm events. The district is governed by a three member board. Two are appointed by the City Council of Pinellas Park while the other member is appointed by the Pinellas County Commission. The district consists of approximately 15 square miles. The District has the authority to assess up to 3 mills; however the district's current millage rate is 2.7264 mills.

In 2008 the Joint Legislative Auditing Committee asked the Office of Program Policy and Analysis of Government Accountability to examine legislative options regarding the district. On August 29, 2008, OPPAGA issued a Research Memorandum on the district. The memorandum indicates that district staff expects all of the projects for improving the district's primary drainage system will be completed by Fiscal Year 2010-11. Once these outstanding capital improvements projects are completed, the district intends to focus on maintaining its primary channel system and reduce its millage rate sufficient to pay for its maintenance costs. It is estimated that a millage rate of 0.4 mills would generate sufficient funds to cover these costs.¹

The Memorandum indicates that if the district is dissolved, two issues would need to be addressed. First, the local governments must determine what entity would be responsible for maintaining and repairing the channels. Second, the local governments would need to develop funding sources to pay for services currently provided by the district.²

¹ The memorandum states that "[t]his estimate assumes that the taxable value of properties within the district will remain at the 2007 level. Any changes in the value of the district's tax base would affect the millage rate estimate. The estimate also does not consider the district maintaining a reserve fund to pay for unexpected repairs or other emergencies nor does it consider the district's administrative costs." Memorandum pg. 6 fn. 5.

² The Memorandum states: "For example, the City of Pinellas Park currently charges a monthly stormwater fee of \$2 per home and \$4 per business to operate its drainage and stormwater program. However, city officials estimated that the city would have to raise this monthly fee to \$12-15 in order to pay for maintaining the district's primary drainage system. Further, Pinellas County does not currently have a dedicated revenue source to fund its stormwater improvements. The county could fund maintenance activities through a variety of mechanisms such as charging a stormwater fee or establishing a municipal service taxing unit." Memorandum pg. 9.

Effect of Proposed Changes

The bill abolishes the Pinellas Park Water Management District, October 1, 2011, by repealing ch. 2001-325, L.O.F. The responsibilities of the district are transferred to the Town of Kenneth City, the City of Pinellas Park, the City of St. Petersburg, and Pinellas County based upon geographic boundaries or according to an interlocal agreement. The local governments are also responsible for the assets and liabilities of the district based upon their current proportion in the district, or pursuant to an interlocal agreement.

The bill is subject to a referendum held at the next regular primary or general election or at a special election called by the Board of County Commissioners and the City Council of Pinellas Park.³

B. SECTION DIRECTORY:

Section 1: Abolishes the Pinellas Park Water Management District by repealing ch. 2001-325, L.O.F.

Section 2: Transfers maintenance responsibilities to the Town of Kenneth City, the City of Pinellas Park, the City of St. Petersburg, and Pinellas County or pursuant to an interlocal agreement.

Section 3: Transfers assets and liabilities to the Town of Kenneth City, the City of Pinellas Park, the City of St. Petersburg, and Pinellas County based upon current proportion or pursuant to an interlocal agreement.

Section 4: Provides for an effective date of upon approval by a majority vote of electors voting in the district for ss. 1 through 3, and upon becoming law for s. 4.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 30, 2009.

WHERE? In the *Gulf Coast Business Review*, a weekly newspaper published in Pinellas County, Florida.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN? August 24, 2010, according to the Local Bill Certification Form.

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

The Economic Impact Statement indicates that there will be a loss of twelve employees once the district is abolished.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

³ A February 20, 2009, letter from the then Mayor of Kenneth City, Muriel Whitman, argued that the Florida Constitution required a referendum of the voters of the Town of Kenneth City, Pinellas Park, St. Petersburg and Pinellas County.

Article VIII, Section 4, of the Florida Constitution requires that any transfer of any function or power of a county, municipality, or special district requires approval of the electors of the transferor and of the transferee, or as otherwise provided by law. Section 189.4042(2), F.S., governs the merger and dissolution of special districts and provides that "for any independent special district that has ad valorem taxation powers, the same procedure required to grant such independent district ad valorem taxation powers shall also be required to dissolve or merge the district."⁴ Consequently, it appears that this bill complies with Art. VIII, s. 4, as provided by s. 189.4042, F.S.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

⁴ The district was created upon approval by a majority vote of the electors of the Pinellas Park Water Management District. Ch. 75-491, L.O.F.