

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 1467

Pinellas Park Water Management District Authority, Pinellas County

SPONSOR(S): Long

TIED BILLS:

IDEN./SIM. BILLS: SB 2760

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	<u>Military & Local Affairs Policy Committee</u>	<u></u>	<u>Fudge</u>	<u>Hoagland</u>
2)	<u>Agriculture & Natural Resources Policy Committee</u>	<u></u>	<u></u>	<u></u>
3)	<u>Economic Development & Community Affairs Policy Council</u>	<u></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

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 1.99 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 1467 reduces the ad valorem millage cap of the district from 3 mills to 1.5 mills, subject to a referendum held in conjunction with the November 2010 general election. The bill also houses the district within the City of Pinellas Park for administrative purposes, increases the number of board members, revises the qualification of board members, and deletes the provisions requiring the secretary and treasurer be elected.

The bill is effective upon becoming law, except for the reduction in millage which is subject to referendum.

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 1.99 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 houses the district within the City of Pinellas Park for administrative purposes. The number of board members is increased from three to five, whereby three members are selected by the Mayor and City Council of the City of Pinellas Park from its members, one member selected by the Mayor and City Council of the City of St. Petersburg from its members, and one member selected by the Pinellas County Board of County Commissioners from its members. Three members now constitute a quorum. The term of board members is increased from 3 to 4 years, or the balance of the member's term in their respective office. Moreover, because each board member holds an underlying local government office, the provision authorizing removal for misconduct, malfeasance, misfeasance, or nonfeasance, is deleted.

The bill eliminates the requirement that board members be qualified electors of the district, eliminates the requirement that the secretary and treasurer be elected, and makes the appointment of an engineer permissive.

The bill reduces the district's millage from 3 mills to 1.5 mills upon approval of the lower millage cap by a majority vote of the qualified electors voting of the district in a referendum³ conducted in conjunction with the November 2010 general election.

B. SECTION DIRECTORY:

Section 1: Places the district within the City of Pinellas Park for administrative purposes, increases the membership of the board, prescribes how members are selected, and reduces the millage from 3 mills to 1.5 mills subject to referendum.

Section 2: Requires that a referendum be held in conjunction with the November 2010 general election to approve either the lowering of the millage cap to 1.5 mills or retaining the current millage cap of 3 mills.

Section 3: Provides an effective date of upon become law, except for those provisions subject to referendum.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 22, 2010.

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

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN? November 2010 general election.

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

³ Article VII section 9(b), authorizes ad valorem taxes "for all other special districts a millage authorized by law approved by vote of the electors . . ." It has been the practice of the House Bill Drafting Service to also advise that referendum approval be included in acts which reduce the rate of such authorized millage, since this too is a millage "authorized by law," arguably within the intent of the constitutional provision.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES