

By Senator Hays

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1 A bill to be entitled
2 An act relating to water management districts;
3 amending s. 373.503, F.S.; revising the maximum
4 millage rates that may be levied by each water
5 management district for district and basin purposes;
6 specifying the maximum millage rate levied for
7 district and basin purposes and used to fund the core
8 areas of water supply and water resource development
9 projects, water quality, flood protection and
10 floodplain management, and natural systems; directing
11 the Legislature to annually review each water
12 management district's budget and set a maximum millage
13 rate for certain purposes; specifying the use of the
14 revenues; revising the review process for budgets of
15 the water management districts; removing a provision
16 requiring that the maximum property tax revenue for
17 water management districts revert to the amount
18 authorized for the prior year if the Legislature does
19 not set the amount; removing the maximum revenues for
20 the 2011-2012 fiscal year; creating s. 373.535, F.S.;
21 providing the process by which water management
22 districts must submit a preliminary budget to the
23 Executive Office of the Governor; requiring that the
24 preliminary budget be developed using certain
25 principles and standards; requiring that the
26 preliminary budget provide sufficient detail for
27 legislative review and separately identify certain
28 detail and justifications; requiring the Executive
29 Office of the Governor to analyze each preliminary

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30 budget as to the adequacy of fiscal resources and
31 certain expenditures; requiring the Executive Office
32 of the Governor to provide to the Legislature by a
33 time certain each water management district's
34 preliminary budget and analysis; requiring that the
35 Legislature annually review and approve, limit, or
36 disapprove specified portions of the preliminary
37 budget for each water management district; requiring
38 that the Legislature, in appropriating funds for water
39 management districts, authorize a level of expenditure
40 for each approved program and activity; prohibiting a
41 water management district from expending any funds on
42 a program or activity not authorized by the
43 Legislature; authorizing the Legislature to review and
44 take action on other provisions of the preliminary
45 budget of each water management district; providing
46 criteria; requiring that the first funding obligation
47 of a water management district is payment of debt
48 service for bonds and certificates of participation,
49 if applicable; requiring a water management district
50 to receive prior approval from the Legislature before
51 incurring additional bonded indebtedness; providing
52 that the preliminary budget reviewed by the
53 Legislature is the basis for development of the
54 tentative budget of each water management district;
55 limiting the authority of a district to fund proposed
56 expenditures reviewed by the Legislature to the amount
57 authorized in the appropriations process, the
58 authorized maximum revenue limit, or the authorized

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59 maximum millage rate that is levied; amending s.
60 373.536, F.S.; requiring that a water management
61 district provide notice to the Legislative Budget
62 Commission of any transfer of funds within the
63 district's budget and requiring that such transfers be
64 reviewed and approved prior to the transfer by the
65 Executive Office of the Governor; providing that, upon
66 providing notice to the Legislative Budget Commission,
67 and subject to prior review and approval by the
68 Executive Office of the Governor, a water management
69 district may amend unanticipated funds into its final
70 budget; requiring the Executive Office of the Governor
71 and the Legislative Budget Commission to be notified
72 if the governing board of a water management district
73 expends available funds for a disaster or emergency;
74 removing obsolete provisions relating to review and
75 approval by the Executive Office of the Governor and
76 the Legislative Budget Commission of the tentative
77 budget of a water management district; providing for
78 the approval or disapproval of the tentative budget by
79 the Executive Office of the Governor; providing
80 criteria for the Legislative Budget Commission to use
81 in disapproving the tentative budget of a water
82 management district; prohibiting a water management
83 district from acting on a rejected provision without
84 the approval of the Executive Office of the Governor
85 or the Legislative Budget Commission; providing for
86 the Chief Financial Officer to withhold state funds
87 from a district that fails to obtain prior approval;

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88 providing an effective date.

89

90 Be It Enacted by the Legislature of the State of Florida:

91

92 Section 1. Subsections (3) and (4) of section 373.503,
 93 Florida Statutes, are amended to read:

94 373.503 Manner of taxation.—

95 (3) The districts may levy ad valorem taxes on property
 96 within the district solely for the purposes of this chapter and
 97 of chapter 25270, 1949, Laws of Florida, as amended, and chapter
 98 61-691, Laws of Florida, as amended. If appropriate, taxes
 99 levied by each governing board may be separated by the governing
 100 board into a millage necessary for the purposes of the district
 101 and a millage necessary for financing basin functions specified
 102 in s. 373.0695.

103 (a) Notwithstanding any other general or special law, and
 104 subject to subsection (4), the maximum total millage rate for
 105 district and basin purposes which may be used solely for the
 106 purposes of funding the core water management district mission
 107 areas of water supply, including alternative water supply, and
 108 water resource development projects, water quality, flood
 109 protection and floodplain management, and natural systems shall
 110 be:

- 111 1. Northwest Florida Water Management District: 0.04 ~~0.05~~
- 112 mill.
- 113 2. Suwannee River Water Management District: 0.80 ~~0.75~~
- 114 mill.
- 115 3. St. Johns River Water Management District: 0.80 ~~0.6~~
- 116 mill.

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117 4. Southwest Florida Water Management District: 0.80 ~~1.0~~
118 mill.

119 5. South Florida Water Management District: 0.80 mill.

120 (b) As provided in s. 373.535, and subject to the limits
121 established by s. 9(b), Art. VII of the State Constitution, the
122 Legislature shall annually review the preliminary budget of each
123 water management district and separately set, in addition to the
124 rate set in paragraph (a), a maximum millage rate that may be
125 used for funding regulation, outreach, management, and
126 administration programs and activities in each district.

127 (c) The maximum authorized millage rates separately
128 established in paragraphs (a) and (b) shall be used to fund only
129 the core mission areas and programs and activities specified
130 therein. If the Legislature fails to set the maximum amount of
131 millage that may be levied for the programs and activities
132 specified in paragraph (b), a district may not include in its
133 budget or expend funds from any source for those programs and
134 activities during the next fiscal year.

135 (d) ~~(b)~~ The apportionment in the South Florida Water
136 Management District shall be a maximum of 40 percent for
137 district purposes and a maximum of 60 percent for basin
138 purposes, respectively.

139 (e) ~~(e)~~ Within the Southwest Florida Water Management
140 District, the maximum millage assessed for district purposes may
141 not exceed 50 percent of the total authorized millage if there
142 are one or more basins in the district, and the maximum millage
143 assessed for basin purposes may not exceed 50 percent of the
144 total authorized millage.

145 (4) ~~(a)~~ To ensure that taxes authorized by this chapter

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146 continue to be in proportion to the benefits derived by the
147 parcels of real estate within the districts, the Legislature
148 shall annually review the preliminary budget for each district
149 for the next fiscal year as provided in s. 373.535 ~~and the~~
150 ~~authorized millage rate for each district.~~ Based upon this
151 review, the Legislature shall set the authorized maximum millage
152 rate or the maximum amount of revenue to be raised by each
153 district in the next fiscal year from the taxes levied. ~~Except~~
154 ~~as provided in paragraph (b), if the annual maximum amount of~~
155 ~~property tax revenue is not set by the Legislature on or before~~
156 ~~July 1 of each year, the maximum property tax revenue that may~~
157 ~~be raised reverts to the amount authorized in the prior year.~~

158 ~~(b) For the 2011-2012 fiscal year, the total ad valorem~~
159 ~~taxes levied may not exceed \$3,946,969 for the Northwest Florida~~
160 ~~Water Management District, \$5,412,674 for the Suwannee River~~
161 ~~Water Management District, \$85,335,619 for the St. Johns Water~~
162 ~~Management District, \$107,766,957 for the Southwest Florida~~
163 ~~Water Management District, and \$284,901,967 for the South~~
164 ~~Florida Water Management District.~~

165 Section 2. Section 373.535, Florida Statutes, is created to
166 read:

167 373.535 Preliminary district budget; development,
168 legislative review, and authority granted.—

169 (1) PRELIMINARY BUDGET DEVELOPMENT.—

170 (a) In preparation for the legislative budget review
171 pursuant to subsection (2) and s. 373.503(4), each water
172 management district shall submit a preliminary budget for the
173 next fiscal year to the Executive Office of the Governor in the
174 form and manner prescribed in s. 373.536(5)(c). In developing

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175 its preliminary budget, each water management district shall use
176 zero-based budgeting principles along with unit cost and
177 performance accountability standards that justify the
178 expenditures.

179 1. Each preliminary budget shall have a separate section
180 containing sufficient detail for legislative review which
181 clearly identifies and provides a justification for each
182 proposed expenditure for the items listed in s.
183 373.536(5)(c)4.d.-f. and which identifies the source of funds
184 for each expenditure.

185 2. Each preliminary budget shall also separately identify,
186 by core mission area of responsibility, the details of and
187 justification for proposed expenditures and the source of funds
188 needed for activities related to water supply, including
189 alternative water supply and water resource development projects
190 identified in the district's regional water supply plans, water
191 quality, flood protection and floodplain management, and natural
192 systems.

193 (b) The Executive Office of the Governor shall analyze each
194 preliminary budget to determine the adequacy of fiscal resources
195 available to the district and the adequacy of proposed district
196 expenditures related to the core mission areas of responsibility
197 for activities related to water supply, including alternative
198 water supply and water resource development projects identified
199 in the district's regional water supply plans, water quality,
200 flood protection and floodplain management, and natural systems.
201 The analysis shall be based on the particular needs within each
202 water management district in the core mission areas of
203 responsibility.

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204 (c) The Executive Office of the Governor shall provide the
205 preliminary budget for each water management district together
206 with the adequacy analysis specified in paragraph (b) to the
207 Legislature not later than 30 days before the start of each
208 legislative session.

209 (2) PRELIMINARY BUDGET; LEGISLATIVE REVIEW AND APPROVAL.—

210 (a)1. The Legislature must annually review and approve,
211 limit, or disapprove each portion of the preliminary budget for
212 each water management district which is specific to regulation,
213 outreach, management, and administration programs and
214 activities.

215 2. After the annual review, the Legislature shall
216 appropriate for each district funds for the proposed
217 expenditures, set a maximum amount of revenue that may be raised
218 to fund the programs and activities, or set the maximum millage
219 rate that may be levied to fund the programs and activities.

220 3. If the Legislature does not appropriate funds, set the
221 maximum amount of revenue, or set the maximum millage rate
222 pursuant to subparagraph 2., the water management district may
223 not include in its budget or expend funds from any source for
224 such programs and activities during the ensuing fiscal year.

225 (b)1. The Legislature may also review and take action on
226 any other aspect of the preliminary budget for each water
227 management district. If the Legislature determines that the core
228 mission areas of responsibility analyzed pursuant to paragraph
229 (1) (b) are not adequately addressed in the preliminary budget of
230 a water management district, the Legislature may take any action
231 it deems appropriate, including designating specific revenues or
232 millage rates for individual core mission areas.

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233 2. If the Legislature does not take any action pursuant to
234 subparagraph 1., that portion of the preliminary budget of each
235 water management district is deemed approved.

236 (c) If applicable, the preliminary budget for each water
237 management district must specify that the district's first
238 obligation for payment is the debt service on bonds and
239 certificates of participation. In addition, a water management
240 district must receive approval from the Legislature before it
241 may incur additional bond indebtedness.

242 (3) PRELIMINARY BUDGET; AUTHORITY GRANTED.-

243 (a) Each water management district shall use the
244 preliminary budget reviewed by the Legislature pursuant to this
245 section and s. 373.503 as the basis for developing the tentative
246 budget as provided in s. 373.536(5).

247 (b) The Legislature's action pursuant to subsection (2), or
248 the approval pursuant to subparagraph (2)(b)2., constitutes the
249 only authority for a district to fund proposed expenditures for
250 the next fiscal year and a district is prohibited from including
251 in its tentative budget or expending any funds from any source
252 for its programs and activities during the next fiscal year
253 without such legislative authorization.

254 Section 3. Subsections (4), (5), and (6) of section
255 373.536, Florida Statutes, are amended to read:

256 373.536 District budget and hearing thereon.-

257 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.-

258 (a) The final adopted budget for the district ~~is~~ will
259 ~~thereupon be~~ the operating and fiscal guide for the district for
260 the ensuing year; however, transfers of funds may be made within
261 the budget by action of the governing board at a public meeting

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262 of the governing board, subject to prior review and approval by
263 the Executive Office of the Governor and upon providing notice
264 of the transfer to the Legislative Budget Commission.

265 (b) The district shall control its budget, at a minimum, by
266 funds and shall provide to the Executive Office of the Governor
267 for approval a description of its budget control mechanisms.

268 (c) ~~If Should~~ the district receives ~~receive~~ unanticipated
269 funds after the adoption of the final budget, upon providing
270 notice to the Legislative Budget Commission, the district may
271 amend the final budget, subject to prior review and approval by
272 the Executive Office of the Governor. ~~may be amended by~~
273 ~~including such funds, so long as notice of intention to amend is~~
274 ~~published in the~~ Notice of the governing board meeting at which
275 the amendment will be considered must be published, pursuant to
276 s. 120.525. The notice shall set forth a summary of the proposed
277 amendment.

278 (d) ~~However,~~ In the event of a disaster or of an emergency
279 arising to prevent or avert the same, the governing board is
280 ~~shall not be~~ limited by the budget but may expend ~~shall have~~
281 ~~authority to apply such funds as may be~~ available for the
282 disaster or emergency therefor or as may be procured for such
283 purpose. If the governing board expends available funds for a
284 disaster or emergency, the governing board must notify the
285 Executive Office of the Governor and the Legislative Budget
286 Commission as soon as practicable, but not later than 30 days
287 after the governing board's action.

288 (e) ~~(d)~~ By September 1, 2011, each water management district
289 shall provide a monthly financial statement to its governing
290 board and make such monthly financial statement available for

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291 public access on its website.

292 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
293 APPROVAL.—

294 ~~(a) The Executive Office of the Governor and the~~
295 ~~Legislative Budget Commission are authorized to disapprove, in~~
296 ~~whole or in part, the budget of each water management district.~~
297 ~~The Executive Office of the Governor shall analyze each budget~~
298 ~~as to the adequacy of fiscal resources available to the district~~
299 ~~and the adequacy of district expenditures related to water~~
300 ~~supply, including water resource development projects identified~~
301 ~~in the district's regional water supply plans; water quality;~~
302 ~~flood protection and floodplain management; and natural systems.~~
303 ~~This analysis shall be based on the particular needs within each~~
304 ~~water management district in those four areas of responsibility~~
305 ~~and shall be provided to the Legislative Budget Commission.~~

306 (a) (b) The Executive Office of the Governor, the
307 Legislative Budget Commission, and the water management
308 districts shall develop a process to facilitate review and
309 communication regarding water management district tentative
310 budgets, as necessary. The Executive Office of the Governor may
311 approve or disapprove, in whole or in part, the tentative budget
312 of each water management district. If the Legislative Budget
313 Commission determines that the tentative budget of a water
314 management district has been significantly modified from a
315 preliminary budget reviewed by the Legislature pursuant to s.
316 373.535, the Legislative Budget Commission may review, and may
317 disapprove, any part of the tentative budget of the water
318 management district. Written disapproval of any provision in the
319 tentative budget must be received by the district at least 5

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320 business days before ~~prior to~~ the final district budget adoption
321 hearing conducted under s. 200.065(2)(d). If written disapproval
322 of any portion of the budget is not received at least 5 business
323 days before ~~prior to~~ the final budget adoption hearing, the
324 governing board may proceed with final adoption. Any provision
325 rejected by the Executive Office of the Governor or the
326 Legislative Budget Commission may ~~shall~~ not be included in a
327 district's final budget, and may not be acted upon through any
328 other means without prior approval of the Governor or the
329 Legislative Budget Commission. Upon written request of the
330 Governor or the Legislative Budget Commission, the Chief
331 Financial Officer shall withhold state funds from a water
332 management district that fails to comply with these
333 requirements.

334 (b)(e) Each water management district shall, by August 1 of
335 each year, submit for review a tentative budget to the Governor,
336 the President of the Senate, the Speaker of the House of
337 Representatives, the Legislative Budget Commission, the
338 secretary of the department, and the governing body of each
339 county in which the district has jurisdiction or derives any
340 funds for the operations of the district. The tentative budget
341 must be posted on the water management district's official
342 website at least 2 days before budget hearings held pursuant to
343 s. 200.065 or other law.

344 (c)(d) The tentative budget shall be based on the
345 preliminary budget reviewed by the Legislature pursuant to ss.
346 373.503 and 373.535 and must set forth the proposed expenditures
347 of the district, to which may be added an amount to be held as
348 reserve. The tentative budget must include, but is not limited

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349 to, the following information for the preceding fiscal year and
350 the current fiscal year, and the proposed amounts for the
351 upcoming fiscal year, in a standard format prescribed by the
352 Executive Office of the Governor in consultation with the
353 Legislature:

354 1. The estimated amount of funds remaining at the beginning
355 of the fiscal year which have been obligated for the payment of
356 outstanding commitments not yet completed.

357 2. The estimated amount of unobligated funds or net cash
358 balance on hand at the beginning of the fiscal year and an
359 accounting of the source of the funds and balance, and the
360 estimated amount of funds to be raised by district taxes or
361 received from other sources to meet the requirements of the
362 district.

363 3. The millage rates and the percentage increase above the
364 rolled-back rate, together with a summary of the reasons the
365 increase is required, and the percentage increase in taxable
366 value resulting from new construction within the district.

367 4. The salaries and benefits, expenses, operating capital
368 outlay, number of authorized positions, and other personal
369 services for the following program areas of the district:

370 a. Water resource planning and monitoring;

371 b. Land acquisition, restoration, and public works;

372 c. Operation and maintenance of works and lands;

373 d. Regulation;

374 e. Outreach for which the information provided must contain
375 a full description and accounting of expenditures for water
376 resources education; public information and public relations,
377 including public service announcements and advertising in any

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378 media; and lobbying activities related to local, regional, state
379 and federal governmental affairs, whether incurred by district
380 staff or through contractual services; and

381 f. Management and administration.

382

383 In addition to the program areas reported by all water
384 management districts, the South Florida Water Management
385 District shall include in its budget document separate sections
386 on all costs associated with the Everglades Construction Project
387 and the Comprehensive Everglades Restoration Plan.

388 5. The total estimated amount in the district budget for
389 each area of responsibility listed in subparagraph 4. and for
390 water resource, water supply, and alternative water supply
391 development projects identified in the district's regional water
392 supply plans.

393 6. A description of each new, expanded, reduced, or
394 eliminated program.

395 7. The funding sources, including, but not limited to, ad
396 valorem taxes, Surface Water Improvement and Management Program
397 funds, other state funds, federal funds, and user fees and
398 permit fees for each program area.

399 (d)~~(e)~~ The Executive Office of the Governor shall annually,
400 on or before December 15, file with the Legislature a report
401 that summarizes its review of the water management districts'
402 tentative budgets and displays the adopted budget allocations by
403 program area. The report must identify ~~the~~ districts that are
404 not in compliance with the reporting requirements of this
405 section. State funds shall be withheld from a water management
406 district that fails to comply with these reporting requirements.

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407 (6) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN;
408 WATER RESOURCE DEVELOPMENT WORK PROGRAM.—

409 (a) Each district must, by the date specified for each
410 item, furnish copies of the following documents to the Governor,
411 the President of the Senate, the Speaker of the House of
412 Representatives, the chairs of all legislative committees and
413 subcommittees having substantive or fiscal jurisdiction over the
414 districts, as determined by the President of the Senate or the
415 Speaker of the House of Representatives as applicable, the
416 secretary of the department, and the governing board of each
417 county in which the district has jurisdiction or derives any
418 funds for the operations of the district:

419 1. The adopted budget, to be furnished within 10 days after
420 its adoption.

421 2. A financial audit of its accounts and records, to be
422 furnished within 10 days after its acceptance by the governing
423 board. The audit must be conducted in accordance with the
424 provisions of s. 11.45 and the rules adopted thereunder. In
425 addition to the entities named above, the district must provide
426 a copy of the audit to the Auditor General within 10 days after
427 its acceptance by the governing board.

428 3. A 5-year capital improvements plan, to be included in
429 the consolidated annual report required by s. 373.036(7). The
430 plan must include expected sources of revenue for planned
431 improvements and must be prepared in a manner comparable to the
432 fixed capital outlay format set forth in s. 216.043.

433 4. A 5-year water resource development work program to be
434 furnished within 30 days after the adoption of the final budget.
435 The program must describe the district's implementation strategy

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436 and funding plan for the water resource, water supply, and
437 alternative water supply development components ~~component~~ of
438 each approved regional water supply plan developed or revised
439 under s. 373.709. The work program must address all the elements
440 of the water resource, water supply, and alternative water
441 supply development components ~~component~~ in the district's
442 approved regional water supply plans and must identify ~~which~~
443 projects in the work program which will provide water;7 explain
444 how each water resource, water supply, and alternative water
445 supply development project will produce additional water
446 available for consumptive uses;7 estimate the quantity of water
447 to be produced by each project;7 and provide an assessment of
448 the contribution of the district's regional water supply plans
449 in providing sufficient water needed to timely meet the water
450 supply needs of existing and future reasonable-beneficial uses
451 for a 1-in-10-year drought event.

452 (b) Within 30 days after its submittal, the department
453 shall review the proposed work program and submit its findings,
454 questions, and comments to the district. The review must include
455 a written evaluation of the program's consistency with the
456 furtherance of the district's approved regional water supply
457 plans, and the adequacy of proposed expenditures. As part of the
458 review, the department shall give interested parties the
459 opportunity to provide written comments on each district's
460 proposed work program. Within 45 days after receipt of the
461 department's evaluation, the governing board shall state in
462 writing to the department which of the changes recommended in
463 the evaluation it will incorporate into its work program
464 submitted as part of the March 1 consolidated annual report

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465 required by s. 373.036(7) or specify the reasons for not
466 incorporating the changes. The department shall include the
467 district's responses in a final evaluation report and shall
468 submit a copy of the report to the Governor, the President of
469 the Senate, and the Speaker of the House of Representatives.

470 (c)~~(b)~~ If any entity listed in paragraph (a) provides
471 written comments to the district regarding any document
472 furnished under this subsection, the district must respond to
473 the comments in writing and furnish copies of the comments and
474 written responses to the other entities.

475 (d)~~(e)~~ The final adopted budget must be posted on the water
476 management district's official website within 30 days after
477 adoption.

478 Section 4. This act shall take effect July 1, 2012.