

By Senator Bennett

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1 A bill to be entitled
2 An act relating to special districts; amending s.
3 189.4042, F.S.; revising provisions relating to merger
4 and dissolution procedures for special districts;
5 providing definitions; requiring the merger or
6 dissolution of dependent special districts created by
7 a special act to be effectuated by the Legislature;
8 providing for the merger or dissolution of inactive
9 special districts by special act without referenda;
10 requiring involuntary dissolution procedures for
11 independent special districts to include referenda;
12 providing for the dissolution of inactive independent
13 special districts by special act; providing for local
14 governments to assume indebtedness of, and receive
15 title to property owned by, special districts under
16 certain circumstances; providing for the merger of
17 certain independent special districts by the
18 Legislature; providing procedures and requirements for
19 the voluntary merger of contiguous independent special
20 districts; limiting the authority of the merged
21 district to levy and collect revenue until a unified
22 charter is approved by the Legislature; providing for
23 the effect of the merger on employees, legal
24 liabilities, obligations, proceedings, and annexation;
25 providing for the determination of certain rights by
26 the governing body of the merged district; providing
27 that such provisions preempt certain special acts;
28 providing procedures and requirements for the
29 involuntary merger of independent special districts;

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30 providing exemptions from merger and dissolution
31 procedures; amending s. 191.014, F.S.; deleting a
32 provision relating to the conditions under which the
33 merger of independent special districts or dependent
34 fire control districts with other special districts is
35 effective and the conditions under which a merged
36 district is authorized to increase ad valorem taxes;
37 amending s. 189.4044, F.S.; revising criteria by which
38 special districts are declared inactive by a governing
39 body; authorizing such districts to be dissolved
40 without a referendum; providing an effective date.

41
42 Be It Enacted by the Legislature of the State of Florida:

43
44 Section 1. Section 189.4042, Florida Statutes, is amended
45 to read:

46 189.4042 Merger and dissolution procedures.—

47 (1) DEFINITIONS.—As used in this section, the term:

48 (a) "Component independent special district" means an
49 independent special district that proposes to be merged into a
50 merged independent district, or an independent special district
51 as it existed before its merger into the merged independent
52 district of which it is now a part.

53 (b) "Elector-initiated merger plan" means the merger plan
54 of two or more independent special districts, a majority of
55 whose qualified electors have elected to merge, which outlines
56 the terms and agreements for the official merger of the
57 districts and is finalized and approved by the governing bodies
58 of the districts pursuant to this section.

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59 (c) "Governing body" means the governing body of the
60 independent special district in which the general legislative,
61 governmental, or public powers of the district are vested and by
62 authority of which the official business of the district is
63 conducted.

64 (d) "Initiative" means the filing of a petition containing
65 a proposal for a referendum to be placed on the ballot for
66 election.

67 (e) "Joint merger plan" means the merger plan that is
68 adopted by resolution of the governing bodies of two or more
69 independent special districts that outlines the terms and
70 agreements for the official merger of the districts and that is
71 finalized and approved by the governing bodies pursuant to this
72 section.

73 (f) "Merged independent district" means a single
74 independent special district that results from a successful
75 merger of two or more independent special districts pursuant to
76 this section.

77 (g) "Merger" means the combination of two or more
78 contiguous independent special districts resulting in a newly
79 created merged independent district that assumes jurisdiction
80 over all of the component independent special districts.

81 (h) "Merger plan" means a written document that contains
82 the terms, agreements, and information regarding the merger of
83 two or more independent special districts.

84 (i) "Proposed elector-initiated merger plan" means a
85 written document that contains the terms and information
86 regarding the merger of two or more independent special
87 districts and that accompanies the petition initiated by the

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88 qualified electors of the districts but that is not yet
89 finalized and approved by the governing bodies of each component
90 independent special district pursuant to this section.

91 (j) "Proposed joint merger plan" means a written document
92 that contains the terms and information regarding the merger of
93 two or more independent special districts and that has been
94 prepared pursuant to a resolution of the governing bodies of the
95 districts but that is not yet finalized and approved by the
96 governing bodies of each component independent special district
97 pursuant to this section.

98 (k) "Qualified elector" means an individual at least 18
99 years of age who is a citizen of the United States, a permanent
100 resident of this state, and a resident of the district who
101 registers with the supervisor of elections of a county within
102 which the district lands are located when the registration books
103 are open.

104 (2) ~~(1)~~ MERGER OR DISSOLUTION OF A DEPENDENT SPECIAL
105 DISTRICT.—

106 (a) The merger or dissolution of a dependent special
107 district ~~districts~~ may be effectuated by an ordinance of the
108 general-purpose local governmental entity wherein the
109 geographical area of the district or districts is located.
110 However, a county may not dissolve a special district that is
111 dependent to a municipality or vice versa, or a dependent
112 district created by special act.

113 (b) The merger or dissolution of a dependent special
114 district created and operating pursuant to a special act may be
115 effectuated only by further act of the Legislature unless
116 otherwise provided by general law.

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117 (c) A dependent special district that meets any criteria
118 for being declared inactive, or that has already been declared
119 inactive, pursuant to s. 189.4044 may be dissolved or merged by
120 special act without a referendum.

121 (d) ~~(b)~~ A copy of any ordinance and of any changes to a
122 charter affecting the status or boundaries of one or more
123 special districts shall be filed with the Special District
124 Information Program within 30 days after ~~of~~ such activity.

125 (3) ~~(2)~~ DISSOLUTION OF AN INDEPENDENT SPECIAL DISTRICT.—

126 (a) *Voluntary dissolution.*—The voluntary merger or
127 dissolution of an independent special district ~~or a dependent~~
128 ~~district~~ created and operating pursuant to a special act may
129 ~~only~~ be effectuated only by the Legislature unless otherwise
130 provided by general law.

131 (b) *Involuntary dissolution.*—If a local general-purpose
132 government seeks to dissolve an active independent special
133 district created and operating pursuant to a special act whose
134 governing body objects by resolution to the dissolution, the
135 dissolution of the active independent special district is not
136 effective until a special act of the Legislature is approved by
137 a majority of the resident electors of the district or
138 landowners voting in the same manner by which the independent
139 special district's governing body is elected. This paragraph
140 also applies if an independent special district's governing body
141 elects to dissolve the district by less than a supermajority
142 vote of the governing body. The political subdivisions proposing
143 the involuntary dissolution of an active independent special
144 district shall be responsible for payment of any expenses
145 associated with the referendum required under this paragraph.

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146 (c) Inactive independent special districts.—An independent
147 special district that meets any criteria for being declared
148 inactive, or that has already been declared inactive, pursuant
149 to s. 189.4044 may be dissolved by special act without a
150 referendum. If an inactive independent special district was
151 created by a county or municipality through a referendum, the
152 county or municipality that created the district may dissolve
153 the district after publishing notice as described in s.
154 189.4044. If an independent special district was created by a
155 county or municipality by referendum or any other procedure, the
156 county or municipality that created the district may merge or
157 dissolve the district pursuant to a referendum or any other the
158 same procedure by which the independent district was created.
159 However, if the ~~for any~~ independent special district ~~that~~ has ad
160 valorem taxation powers, the same procedure required to grant
161 the ~~such~~ independent district ad valorem taxation powers is
162 ~~shall also be required to dissolve or merge~~ the district.

163 (d) Debts and assets.—Financial allocations of the assets
164 and indebtedness of a dissolved independent special district
165 shall be pursuant to s. 189.4045.

166 (4) LEGISLATIVE MERGER OF INDEPENDENT SPECIAL DISTRICTS.—
167 The Legislature may merge independent special districts created
168 and operating pursuant to special act.

169 (5) VOLUNTARY MERGER OF INDEPENDENT SPECIAL DISTRICTS.—Two
170 or more contiguous independent special districts created by
171 special act which have similar functions and elected governing
172 bodies may elect to merge into a single independent district
173 through the act of merging the component independent special
174 districts.

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175 (a) Initiation.—Merger proceedings may commence by:

176 1. A joint resolution of the governing bodies of each
177 independent special district which endorses a proposed joint
178 merger plan; or

179 2. A qualified elector initiative.

180 (b) Joint merger plan by resolution.—The governing bodies
181 of two or more contiguous independent special districts may, by
182 joint resolution, endorse a proposed joint merger plan to
183 commence proceedings to merge the districts pursuant to this
184 subsection.

185 1. The proposed joint merger plan must specify:

186 a. The name of each component independent special district
187 to be merged;

188 b. The name of the proposed merged independent district;

189 c. The rights, duties, and obligations of the proposed
190 merged independent district;

191 d. The territorial boundaries of the proposed merged
192 independent district;

193 e. The governmental organization of the proposed merged
194 independent district insofar as it concerns elected and
195 appointed officials and public employees, along with a
196 transitional plan and schedule for elections and appointments of
197 officials;

198 f. A fiscal estimate of the potential cost or savings as a
199 result of the merger;

200 g. Each component independent special district's assets,
201 including, but not limited to, real and personal property, and
202 the current value thereof;

203 h. Each component independent special district's

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204 liabilities and indebtedness, bonded and otherwise, and the
205 current value thereof;

206 i. Terms for the assumption and disposition of existing
207 assets, liabilities, and indebtedness of each component
208 independent special district jointly, separately, or in defined
209 proportions;

210 j. Terms for the common administration and uniform
211 enforcement of existing laws within the proposed merged
212 independent district;

213 k. The times and places for public hearings on the proposed
214 joint merger plan;

215 1. The times and places for a referendum in each component
216 independent special district on the proposed joint merger plan,
217 along with the referendum language to be presented for approval;
218 and

219 m. The effective date of the proposed merger.

220 2. The resolution endorsing the proposed joint merger plan
221 must be approved by a majority vote of the governing bodies of
222 each component independent special district and adopted at least
223 60 business days before any general or special election on the
224 proposed joint merger plan.

225 3. Within 5 business days after the governing bodies
226 approve the resolution endorsing the proposed joint merger plan,
227 the governing bodies must:

228 a. Cause a copy of the proposed joint merger plan, along
229 with a descriptive summary of the plan, to be displayed and be
230 readily accessible to the public for inspection in at least
231 three public places within the territorial limits of each
232 component independent special district, unless a component

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233 independent special district has fewer than three public places,
234 in which case the plan must be accessible for inspection in all
235 public places within the component independent special district;

236 b. If applicable, cause the proposed joint merger plan,
237 along with a descriptive summary of the plan and a reference to
238 the public places within each component independent special
239 district where a copy of the merger plan may be examined, to be
240 displayed on a website maintained by each district or on a
241 website maintained by the county or municipality in which the
242 districts are located; and

243 c. Arrange for a descriptive summary of the proposed joint
244 merger plan, and a reference to the public places within the
245 district where a copy may be examined, to be published in a
246 newspaper of general circulation within the component
247 independent special districts at least once each week for 4
248 successive weeks.

249 4. The governing body of each component independent special
250 district shall set a time and place for one or more public
251 hearings on the proposed joint merger plan. Each public hearing
252 shall be held on a weekday at least 7 business days after the
253 day the first advertisement is published on the proposed joint
254 merger plan. The hearing or hearings may be held jointly or
255 separately by the governing bodies of the component independent
256 special districts. Any interested person residing in the
257 respective district shall be given a reasonable opportunity to
258 be heard on any aspect of the proposed merger at the public
259 hearing.

260 a. Notice of the public hearing addressing the resolution
261 for the proposed joint merger plan must be published pursuant to

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262 the notice requirements in s. 189.417 and must provide a
263 descriptive summary of the proposed joint merger plan and a
264 reference to the public places within the component independent
265 special districts where a copy of the plan may be examined.

266 b. After the final public hearing, the governing bodies of
267 each component independent special district may amend the
268 proposed joint merger plan if the amended version complies with
269 the notice and public hearing requirements provided in this
270 subsection. Thereafter, the governing bodies may approve a final
271 version of the joint merger plan or decline to proceed further
272 with the merger. Approval by the governing bodies of the final
273 version of the joint merger plan must occur within 60 business
274 days after the final hearing.

275 5. After the final public hearing, the governing bodies
276 shall notify the supervisors of elections of the applicable
277 counties in which district lands are located of the adoption of
278 the resolution by each governing body. The supervisors of
279 elections shall schedule a separate referendum for each
280 component independent special district. The referenda may be
281 held in each district on the same day, or on different days, but
282 no more than 20 days apart.

283 a. Notice of a referendum on the merger of independent
284 special districts must be provided pursuant to the notice
285 requirements in s. 100.342. At a minimum, the notice must
286 include:

287 (I) A brief summary of the resolution and joint merger
288 plan;

289 (II) A statement as to where a copy of the resolution and
290 joint merger plan may be examined;

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291 (III) The names of the component independent special
 292 districts to be merged and a description of their territory;

293 (IV) The times and places at which the referendum will be
 294 held; and

295 (V) Such other matters as may be necessary to call, provide
 296 for, and give notice of the referendum and to provide for the
 297 conduct thereof and the canvass of the returns.

298 b. The referenda must be held in accordance with the
 299 Florida Election Code and may be held pursuant to ss. 101.6101-
 300 101.6107. All costs associated with the referenda shall be borne
 301 by the respective component independent special district.

302 c. The ballot question in such referendum placed before the
 303 qualified electors of each component independent special
 304 district to be merged must be in substantially the following
 305 form:

307 "Shall (...name of component independent special
 308 district...) and (...name of component independent special
 309 district or districts...) be merged into (...name of newly
 310 merged independent district...)?

311 YES

312 NO"

314 d. If the component independent special districts proposing
 315 to merge have disparate millage rates, the ballot question in
 316 the referendum placed before the qualified electors of each
 317 component independent special district must be in substantially
 318 the following form:

319

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320 "Shall (...name of component independent special
321 district...) and (...name of component independent special
322 district or districts...) be merged into (...name of newly
323 merged independent district...) if the voter-approved maximum
324 millage rate within each independent special district will not
325 increase absent a subsequent referendum?

326 YES

327 NO"

328
329 e. In any referendum held pursuant to this paragraph, the
330 ballots shall be counted, returns made and canvassed, and
331 results certified in the same manner as other elections or
332 referenda for the component independent special districts.

333 f. The merger may not take effect unless a majority of the
334 votes cast in each component independent special district are in
335 favor of the merger. If one of the component districts does not
336 obtain a majority vote, the referendum fails, and merger does
337 not take effect.

338 g. If the merger is approved by a majority of the votes
339 cast in each component independent special district, the merged
340 independent district is created. Upon approval, the merged
341 independent district shall notify the Special District
342 Information Program pursuant to s. 189.418(2) and the local
343 general-purpose governments in which any part of the component
344 independent special districts is situated pursuant to s.
345 189.418(7).

346 h. If the referendum fails, the merger process under this
347 paragraph may not be initiated for the same purpose within 2
348 years after the date of the referendum.

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349 6. Component independent special districts merged pursuant
350 to a joint merger plan by resolution shall continue to be
351 governed as before the merger until the effective date specified
352 in the adopted joint merger plan.

353 (c) Qualified elector-initiated merger plan.—The qualified
354 electors of two or more contiguous independent special districts
355 may commence a merger proceeding by each filing a petition with
356 the governing body of their respective independent special
357 district proposing to be merged. The petition must contain the
358 signatures of at least 40 percent of the qualified electors of
359 each component independent special district and must be
360 submitted to the appropriate component independent special
361 district governing body no later than 1 year after the start of
362 the qualified elector-initiated merger process.

363 1. The petition must comply with, and be circulated in, the
364 following form:

365
366 PETITION FOR INDEPENDENT SPECIAL DISTRICT MERGER

367
368 We, the undersigned electors and legal voters of (...name
369 of independent special district...), qualified to vote at the
370 next general or special election, respectfully petition that
371 there be submitted to the electors and legal voters of (...name
372 of independent special district or districts proposed to be
373 merged...), for their approval or rejection at a referendum held
374 for that purpose, a proposal to merge (...name of component
375 independent special district...) and (...name of component
376 independent special district or districts...).

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378 In witness thereof, we have signed our names on the date
 379 indicated next to our signatures.

380
 381 Date Name (print under signature) Home Address
 382 _____
 383 _____

384
 385 2. The petition must be validated by a signed statement by
 386 a witness who is a duly qualified elector of one of the
 387 component independent special districts, a notary public, or
 388 another person authorized to take acknowledgements.

389 a. A statement that is signed by a witness who is a duly
 390 qualified elector of the respective district shall be accepted
 391 for all purposes as the equivalent of an affidavit. Such
 392 statement must be in substantially the following form:

393
 394 "I, (...name of witness...), state that I am a duly
 395 qualified voter of (...name of independent special district...).
 396 Each of the (...insert number...) persons who have signed this
 397 petition sheet has signed his or her name in my presence on the
 398 dates indicated above and identified himself or herself to be
 399 the same person who signed the sheet. I understand that this
 400 statement will be accepted for all purposes as the equivalent of
 401 an affidavit and, if it contains a materially false statement,
 402 shall subject me to the penalties of perjury."

403
 404 Date Signature of Witness

405
 406 b. A statement that is signed by a notary public or another

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407 person authorized to take acknowledgements must be in
408 substantially the following form:

409
410 "On the date indicated above before me personally came each
411 of the (...insert number...) electors and legal voters whose
412 signatures appear on this petition sheet, who signed the
413 petition in my presence and who, being by me duly sworn, each
414 for himself or herself, identified himself or herself as the
415 same person who signed the petition, and I declare that the
416 foregoing information they provided was true."

417
418 Date Signature of Witness

419
420 c. An alteration or correction of information appearing on
421 a petition's signature line, other than an uninitialed signature
422 and date, does not invalidate such signature. In matters of
423 form, this paragraph shall be liberally construed, not
424 inconsistent with substantial compliance thereto and the
425 prevention of fraud.

426 d. The appropriately signed petition must be filed with the
427 governing body of each component independent special district.
428 The petition must be submitted to the supervisors of elections
429 of the counties in which the district lands are located. The
430 supervisors shall, within 30 business days after receipt of the
431 petitions, certify to the governing bodies the number of
432 signatures of qualified electors contained on the petitions.

433 3. Upon verification by the supervisors of elections of the
434 counties within which component independent special district
435 lands are located that 40 percent of the qualified electors have

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436 petitioned for merger and that all such petitions have been
437 executed within 1 year after the date of the initiation of the
438 qualified-electoral merger process, the governing bodies of each
439 component independent special district shall meet within 30
440 business days to prepare and approve by resolution a proposed
441 electoral-initiated merger plan. The proposed plan must include:
442 a. The name of each component independent special district
443 to be merged;
444 b. The name of the proposed merged independent district;
445 c. The rights, duties, and obligations of the merged
446 independent district;
447 d. The territorial boundaries of the proposed merged
448 independent district;
449 e. The governmental organization of the proposed merged
450 independent district insofar as it concerns elected and
451 appointed officials and public employees, along with a
452 transitional plan and schedule for elections and appointments of
453 officials;
454 f. A fiscal estimate of the potential cost or savings as a
455 result of the merger;
456 g. Each component independent special district's assets,
457 including, but not limited to, real and personal property, and
458 the current value thereof;
459 h. Each component independent special district's
460 liabilities and indebtedness, bonded and otherwise, and the
461 current value thereof;
462 i. Terms for the assumption and disposition of existing
463 assets, liabilities, and indebtedness of each component
464 independent special district, jointly, separately, or in defined

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465 proportions;

466 j. Terms for the common administration and uniform
467 enforcement of existing laws within the proposed merged
468 independent district;

469 k. The times and places for public hearings on the proposed
470 joint merger plan; and

471 1. The effective date of the proposed merger.

472 4. The resolution endorsing the proposed elector-initiated
473 merger plan must be approved by a majority vote of the governing
474 bodies of each component independent special district and must
475 be adopted at least 60 business days before any general or
476 special election on the proposed elector-initiated plan.

477 5. Within 5 business days after the governing bodies of
478 each component independent special district approve the proposed
479 elector-initiated merger plan, the governing bodies shall:

480 a. Cause a copy of the proposed elector-initiated merger
481 plan, along with a descriptive summary of the plan, to be
482 displayed and be readily accessible to the public for inspection
483 in at least three public places within the territorial limits of
484 each component independent special district, unless a component
485 independent special district has fewer than three public places,
486 in which case the plan must be accessible for inspection in all
487 public places within the component independent special district;

488 b. If applicable, cause the proposed elector-initiated
489 merger plan, along with a descriptive summary of the plan and a
490 reference to the public places within each component independent
491 special district where a copy of the merger plan may be
492 examined, to be displayed on a website maintained by each
493 district or otherwise on a website maintained by the county or

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494 municipality in which the districts are located; and

495 c. Arrange for a descriptive summary of the proposed
496 elector-initiated merger plan, and a reference to the public
497 places within the district where a copy may be examined, to be
498 published in a newspaper of general circulation within the
499 component independent special districts at least once each week
500 for 4 successive weeks.

501 6. The governing body of each component independent special
502 district shall set a time and place for one or more public
503 hearings on the proposed elector-initiated merger plan. Each
504 public hearing shall be held on a weekday at least 7 business
505 days after the day the first advertisement is published on the
506 proposed elector-initiated merger plan. The hearing or hearings
507 may be held jointly or separately by the governing bodies of the
508 component independent special districts. Any interested person
509 residing in the respective district shall be given a reasonable
510 opportunity to be heard on any aspect of the proposed merger at
511 the public hearing.

512 a. Notice of the public hearing on the proposed elector-
513 initiated merger plan must be published pursuant to the notice
514 requirements in s. 189.417 and must provide a descriptive
515 summary of the elector-initiated merger plan and a reference to
516 the public places within the component independent special
517 districts where a copy of the plan may be examined.

518 b. After the final public hearing, the governing bodies of
519 each component independent special district may amend the
520 proposed elector-initiated merger plan if the amended version
521 complies with the notice and public hearing requirements
522 provided in this subsection. The governing bodies must approve a

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523 final version of the merger plan within 60 business days after
524 the final hearing.

525 7. After the final public hearing, the governing bodies
526 shall notify the supervisors of elections of the applicable
527 counties in which district lands are located of the adoption of
528 the resolution by each governing body. The supervisors of
529 elections shall schedule a date for the separate referenda for
530 each district. The referenda may be held in each district on the
531 same day, or on different days, but no more than 20 days apart.

532 a. Notice of a referendum on the merger of the component
533 independent special districts must be provided pursuant to the
534 notice requirements in s. 100.342. At a minimum, the notice must
535 include:

536 (I) A brief summary of the resolution and elector-initiated
537 merger plan;

538 (II) A statement as to where a copy of the resolution and
539 petition for merger may be examined;

540 (III) The names of the component independent special
541 districts to be merged and a description of their territory;

542 (IV) The times and places at which the referendum will be
543 held; and

544 (V) Such other matters as may be necessary to call, provide
545 for, and give notice of the referendum and to provide for the
546 conduct thereof and the canvass of the returns.

547 b. The referenda must be held in accordance with the
548 Florida Election Code and may be held pursuant to ss. 101.6101-
549 101.6107. All costs associated with the referenda shall be borne
550 by the respective component independent special district.

551 c. The ballot question in such referendum placed before the

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552 qualified electors of each component independent special
553 district to be merged must be in substantially the following
554 form:

555
556 "Shall (...name of component independent special
557 district...) and (...name of component independent special
558 district or districts...) be merged into (...name of newly
559 merged independent district...)?

560 YES

561 NO"

562
563 d. If the component independent special districts proposing
564 to merge have disparate millage rates, the ballot question in
565 the referendum placed before the qualified electors of each
566 component independent special district must be in substantially
567 the following form:

568
569 "Shall (...name of component independent special
570 district...) and (...name of component independent special
571 district or districts...) be merged into (...name of newly
572 merged independent district...) if the voter-approved maximum
573 millage rate within each independent special district will not
574 increase absent a subsequent referendum?

575 YES

576 NO"

577
578 e. In any referendum held pursuant to this paragraph, the
579 ballots shall be counted, returns made and canvassed, and
580 results certified in the same manner as other elections or

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581 referenda for the component independent special districts.

582 f. The merger may not take effect unless a majority of the
583 votes cast in each component independent special district are in
584 favor of the merger. If one of the component independent special
585 districts does not obtain a majority vote, the referendum fails,
586 and merger does not take effect.

587 g. If the merger is approved by a majority of the votes
588 cast in each component independent special district, the merged
589 district shall notify the Special District Information Program
590 pursuant to s. 189.418(2) and the local general-purpose
591 governments in which any part of the component independent
592 special districts is situated pursuant to s. 189.418(7).

593 h. If the referendum fails, the merger process under this
594 paragraph may not be initiated for the same purpose within 2
595 years after the date of the referendum.

596 8. Component independent special districts merged pursuant
597 to an elector-initiated merger plan shall continue to be
598 governed as before the merger until the effective date specified
599 in the adopted elector-initiated merger plan.

600 (d) Effective date.—The effective date of the merger shall
601 be as provided in the joint merger plan or elector-initiated
602 merger plan, as appropriate, and is not contingent upon the
603 future act of the Legislature.

604 1. However, as soon as practicable, the merged independent
605 district shall, at its own expense, submit a unified charter for
606 the merged district to the Legislature for approval. The unified
607 charter must make the powers of the district consistent within
608 the merged independent district and repeal the special acts of
609 the districts which existed before the merger.

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610 2. Within 30 business days after the effective date of the
611 merger, the merged independent district's governing body, as
612 indicated in this subsection, shall hold an organizational
613 meeting to implement the provisions of the joint merger plan or
614 elector-initiated merger plan, as appropriate.

615 (e) Restrictions during transition period.—Until the
616 Legislature formally approves the unified charter pursuant to a
617 special act, each component independent special district is
618 considered a subunit of the merged independent district subject
619 to the following restrictions:

620 1. During the transition period, the merged independent
621 district is limited in its powers and financing capabilities
622 within each subunit to those powers which existed within the
623 boundaries of each subunit and which were previously granted to
624 the component independent special district in its existing
625 charter before the merger. The merged independent district may
626 not, solely by reason of the merger, increase its powers or
627 financing capability.

628 2. During the transition period, the merged independent
629 district shall exercise only the legislative authority to levy
630 and collect revenues within the boundaries of each subunit which
631 was previously granted to the component independent special
632 district by its existing charter before the merger, including
633 the authority to levy ad valorem taxes, non-ad valorem
634 assessments, impact fees, and charges.

635 a. The merged independent district may not, solely by
636 reason of the merger, increase ad valorem taxes on property
637 within the original limits of a subunit beyond the maximum ad
638 valorem rate approved by the electors of the component

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639 independent special district. For purposes of s. 2, Art. VII of
640 the State Constitution, each subunit may be considered a
641 separate taxing unit. The merged independent district may levy
642 an ad valorem millage rate within a subunit, if applicable, only
643 up to the millage rate that was previously approved by the
644 electors of the component independent special district unless an
645 increase in the millage rate is approved pursuant to general
646 law.

647 b. The merged independent district may not, solely by
648 reason of the merger, charge non-ad valorem assessments, impact
649 fees, or other new fees within a subunit which were not
650 otherwise previously authorized to be charged.

651 3. During the transition period, each component independent
652 special district of the merged independent district must
653 continue to file all information and reports required under this
654 chapter as subunits until the Legislature formally approves the
655 unified charter pursuant to a special act.

656 4. The intent of this section is to preserve and transfer
657 to the merged independent district all authority that exists
658 within each subunit and was previously granted by the
659 Legislature and, if applicable, by referendum.

660 (f) *Effect of merger, generally.*—On and after the effective
661 date of the merger, the merged independent district shall be
662 treated and considered for all purposes as one entity under the
663 name and on the terms and conditions set forth in the joint
664 merger plan or elector-initiated merger plan, as appropriate.

665 1. All rights, privileges, and franchises of each component
666 independent special district and all assets, real and personal
667 property, books, records, papers, seals, and equipment, as well

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668 as other things in action, belonging to each component
669 independent special district before the merger shall be deemed
670 as transferred to and vested in the merged independent district
671 without further act or deed.

672 2. All property, rights-of-way, and other interests are as
673 effectually the property of the merged independent district as
674 they were of the component independent special district before
675 the merger. The title to real estate, by deed or otherwise,
676 under the laws of this state vested in any component independent
677 special district before the merger may not be deemed to revert
678 or be in any way impaired by reason of the merger.

679 3. The merged independent district is in all respects
680 subject to all obligations and liabilities imposed and possesses
681 all the rights, powers, and privileges vested by law in other
682 similar entities.

683 4. Upon the effective date of the merger, the joint merger
684 plan or elector-initiated merger plan, as appropriate, is
685 subordinate in all respects to the contract rights of all
686 holders of any securities or obligations of the component
687 independent special districts outstanding at the effective date
688 of the merger.

689 5. The new registration of electors is not necessary as a
690 result of the merger, but all elector registrations of the
691 component independent special districts shall be transferred to
692 the proper registration books of the merged independent
693 district, and new registrations shall be made as provided by law
694 as if no merger had taken place.

695 (g) Governing body of merged independent district.—

696 1. From the effective date of the merger until the next

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697 general election, the governing body of the merged independent
698 district shall be comprised of the governing body members of
699 each component independent special district, with such members
700 serving until the governing body members elected at the next
701 general election take office.

702 2. Beginning with the next general election following the
703 effective date of merger, the governing body of the merged
704 independent district shall be comprised of five members. The
705 office of each governing body member shall be designated by
706 seat, which shall be distinguished from other body member seats
707 by an assigned numeral: 1, 2, 3, 4, or 5. The governing body
708 members that are elected in this initial election following the
709 merger shall serve unequal terms of 2 and 4 years in order to
710 create staggered membership of the governing body, with:

711 a. Member seats 1, 3, and 5 being designated for 4-year
712 terms; and

713 b. Member seats 2 and 4 being designated for 2-year terms.

714 3. In general elections thereafter, all governing body
715 members shall serve 4-year terms.

716 (h) Effect on employees.—Except as otherwise provided by
717 law and except for those officials and employees protected by
718 tenure of office, civil service provisions, or a collective
719 bargaining agreement, upon the effective date of merger, all
720 appointive offices and positions existing in all component
721 independent special districts involved in the merger are subject
722 to the terms of the joint merger plan or elector-initiated
723 merger plan, as appropriate. Such plan may provide for instances
724 in which there are duplications of positions and for other
725 matters such as varying lengths of employee contracts, varying

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726 pay levels or benefits, different civil service regulations in
727 the constituent entities, and differing ranks and position
728 classifications for similar positions. For those employees who
729 are members of a bargaining unit certified by the Public
730 Employees Relations Commission, the requirements of chapter 447
731 apply.

732 (i) Effect on debts, liabilities, and obligations.—

733 1. All valid and lawful debts and liabilities existing
734 against a merged independent district, or which may arise or
735 accrue against the merged independent district, which but for
736 merger would be valid and lawful debts or liabilities against
737 one or more of the component independent special districts, are
738 debts against or liabilities of the merged independent district
739 and accordingly shall be defrayed and answered to by the merged
740 independent district to the same extent, and no further than,
741 the component independent special districts would have been
742 bound if a merger had not taken place.

743 2. The rights of creditors and all liens upon the property
744 of any of the component independent special districts shall be
745 preserved unimpaired. The respective component districts shall
746 be deemed to continue in existence to preserve such rights and
747 liens, and all debts, liabilities, and duties of any of the
748 component districts attach to the merged independent district.

749 3. All bonds, contracts, and obligations of the component
750 independent special districts which exist as legal obligations
751 are obligations of the merged independent district, and all such
752 obligations shall be issued or entered into by and in the name
753 of the merged independent district.

754 (j) Effect on actions and proceedings.—In any action or

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755 proceeding pending on the effective date of merger to which a
756 component independent special district is a party, the merged
757 independent district may be substituted in its place, and the
758 action or proceeding may be prosecuted to judgment as if merger
759 had not taken place. Suits may be brought and maintained against
760 a merged independent district in any state court in the same
761 manner as against any other independent special district.

762 (k) Effect on annexation.—Chapter 171 continues to apply to
763 all annexations by a city within the component independent
764 special districts' boundaries after merger occurs. Any moneys
765 owed to a component independent special district pursuant to s.
766 171.093, or any interlocal service boundary agreement as a
767 result of annexation predating the merger, shall be paid to the
768 merged independent district after merger.

769 (l) Determination of rights.—If any right, title, interest,
770 or claim arises out of a merger or by reason thereof which is
771 not determinable by reference to this subsection, the joint
772 merger plan or elector-initiated merger plan, as appropriate, or
773 otherwise under the laws of this state, the governing body of
774 the merged independent district may provide therefor in a manner
775 conforming to law.

776 (m) Exemption.—This subsection does not apply to
777 independent special districts whose governing bodies are elected
778 by district landowners voting the acreage owned within the
779 district.

780 (n) Preemption.—This subsection preempts any special act to
781 the contrary.

782 (6) INVOLUNTARY MERGER OF INDEPENDENT SPECIAL DISTRICTS.—If
783 a local general-purpose government seeks to merge an active

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784 independent special district or districts created and operating
 785 pursuant to a special act whose governing body or governing
 786 bodies object by resolution to the merger, the merger of the
 787 active independent special district or districts is not
 788 effective until the special act of the Legislature is approved
 789 at separate referenda of the impacted local governments by a
 790 majority of the resident electors or landowners voting in the
 791 same manner by which each independent special district's
 792 governing body is elected. The special act shall include a plan
 793 of merger that addresses transition issues such as the effective
 794 date of the merger, governance, administration, powers,
 795 pensions, and assumption of all assets and liabilities.

796 (a) The political subdivisions proposing the involuntary
 797 merger of an active independent special district shall be
 798 responsible for payment of any expenses associated with the
 799 referendum required under this subsection.

800 (b) An independent special district that meets any criteria
 801 for being declared inactive, or that has already been declared
 802 inactive, pursuant to s. 189.4044 may be merged by special act
 803 without a referendum.

804 (7) (3) EXEMPTIONS. The provisions of This section does
 805 shall not apply to community development districts implemented
 806 pursuant to chapter 190 or to water management districts created
 807 and operated pursuant to chapter 373.

808 Section 2. Section 191.014, Florida Statutes, is amended to
 809 read:

810 191.014 District creation and, expansion, and merger.-

811 (1) New districts may be created only by the Legislature
 812 under s. 189.404.

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813 (2) The boundaries of a district may be modified, extended,
814 or enlarged upon approval or ratification by the Legislature.

815 ~~(3) The merger of a district with all or portions of other~~
816 ~~independent special districts or dependent fire control~~
817 ~~districts is effective only upon ratification by the~~
818 ~~Legislature. A district may not, solely by reason of a merger~~
819 ~~with another governmental entity, increase ad valorem taxes on~~
820 ~~property within the original limits of the district beyond the~~
821 ~~maximum established by the district's enabling legislation,~~
822 ~~unless approved by the electors of the district by referendum.~~

823 Section 3. Paragraph (a) of subsection (1) and subsection
824 (4) of section 189.4044, Florida Statutes, are amended to read:

825 189.4044 Special procedures for inactive districts.—

826 (1) The department shall declare inactive any special
827 district in this state by documenting that:

828 (a) The special district meets one of the following
829 criteria:

830 1. The registered agent of the district, the chair of the
831 governing body of the district, or the governing body of the
832 appropriate local general-purpose government notifies the
833 department in writing that the district has taken no action for
834 2 or more years;

835 2. Following an inquiry from the department, the registered
836 agent of the district, the chair of the governing body of the
837 district, or the governing body of the appropriate local
838 general-purpose government notifies the department in writing
839 that the district has not had a governing board or a sufficient
840 number of governing board members to constitute a quorum for 2
841 or more years or the registered agent of the district, the chair

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842 of the governing body of the district, or the governing body of
843 the appropriate local general-purpose government fails to
844 respond to the department's inquiry within 21 days;

845 3. The department determines, pursuant to s. 189.421, that
846 the district has failed to file any of the reports listed in s.
847 189.419; ~~or~~

848 4. The district has not had a registered office and agent
849 on file with the department for 1 or more years; or

850 5. The governing body of a special district provides
851 documentation to the department that it has unanimously adopted
852 a resolution declaring the special district inactive. The
853 special district shall be responsible for payment of any
854 expenses associated with its dissolution.

855 (4) The entity that created a special district declared
856 inactive under this section must dissolve the special district
857 by repealing its enabling laws or by other appropriate means.
858 Any special district declared inactive pursuant to subparagraph
859 (1)(a)5. may be dissolved without a referendum.

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