

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 1171 St. Lucie and Martin Counties
SPONSOR(S): Local & Federal Affairs Committee and Harrell
TIED BILLS: **IDEN./SIM. BILLS:**

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|--------------------------------------|---------------------|----------|--|
| 1) Local & Federal Affairs Committee | 15 Y, 0 N, As CS | Nelson | Rojas |
| 2) Finance & Tax Subcommittee | 14 Y, 0 N | Aldridge | Langston |

SUMMARY ANALYSIS

In 2012, the Florida Legislature passed a bill that revised the boundaries of Martin and St. Lucie counties effective July 1, 2013, upon its approval by a majority vote of the qualified electors residing in the area affected. This legislation expanded the boundaries of Martin County and contracted the boundaries of St. Lucie County, thus transferring an enclave known as “Beau Rivage.”

The bill also provided for the transfer of all public roads and associated public rights-of-way within the subject property from St. Lucie County to Martin County. Additionally, the bill directed the governing bodies of the two counties to enter into an interlocal agreement no later than May 1, 2013, to provide a “financially feasible plan” for transfer of services, personnel and public infrastructure. This interlocal agreement also is required to include compensation for the value of infrastructure investments by St. Lucie County in the transferred property minus depreciation, if any. Until FY 2022-23, Martin County is required to distribute the tax and assessment revenue amount that would have been generated in Beau Rivage, with annual cumulative deductions of 10 percent, to St. Lucie County.

CS/HB 1171 revises provisions for the temporary distributions from Martin County to St. Lucie County of tax and assessment revenue collected in Beau Rivage as follows:

- Clarifies that the calculations will use the total tax and assessment revenue that would have been “collected” rather than “generated” in this area;
- Exempts non-ad valorem special assessments for solid waste collection from the distributions;
- Clarifies that payments made for non-county levies that pertain to the South Florida Water Management District or the Florida Inland Navigation District are excluded; and
- Changes distributions to St. Lucie County from within 30 days after the beginning of each calendar year, to June 30.

The bill is effective upon becoming a law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The 2012 Florida Legislature passed CS/SB 800, which was approved by the Governor on April 6, 2012.¹ Upon its approval by a majority vote of the qualified electors residing in the area affected,² this bill revised the boundaries of Martin and St. Lucie counties effective July 1, 2013. The bill also amended s. 7.43, F.S., to expand the boundaries of Martin County and s. 7.59, F.S., to contract the boundaries of St. Lucie County, thus transferring an area known as “Beau Rivage.”³ Additionally, the bill provided that all public roads and associated public rights-of-way within the subject property be transferred from the jurisdiction of St. Lucie County to that of Martin County.

Pursuant to the provisions of ch. 2012-45, L.O.F., the governing bodies of the two counties must enter into an interlocal agreement no later than May 1, 2013, to provide a “financially feasible plan” for transfer of services, personnel, and public infrastructure from St. Lucie County to Martin County. This interlocal agreement also is required to include compensation for the value of infrastructure investments by St. Lucie County in the transferred property minus depreciation, if any.

As of July 1, 2013, the effective date of the bill, the total tax and assessment revenue that would have been generated for FY 2013-14 by all St. Lucie County taxing authorities levying taxes or assessments within the area transferred to Martin County (Beau Rivage) less 10 percent is to be transmitted to St. Lucie County from Martin County for distribution to the county and all other affected taxing authorities.

Thereafter, through FY 2022-23, the tax and assessment revenue amount that would have been generated in Beau Rivage for FY 2013-14 serves as the base amount of tax and assessment revenue for further annual reductions of 10 percent before annual distributions to St. Lucie County. The base amount consequently will be reduced to zero by FY 2022-23, the last year for distributions.

For any fiscal year when the total taxes and assessments collected exceed the base amount by more than three percent, St. Lucie County receives the same percentage distribution from the tax and assessment revenue that exceeds the base amount as it would receive from the base amount. All distributions to St. Lucie County must occur within 30 days after the beginning of each calendar year.

Effect of Proposed Changes

CS/HB 1171 amends ch. 2012-45, L.O.F., revising provisions relating to the temporary distribution from Martin County to St. Lucie County of tax and assessment revenue collected in the Beau Rivage area of St. Lucie County, which will be incorporated into Martin County effective July 1, 2013. The bill clarifies that these calculations will use the total tax and assessment revenue that would have been “collected” rather than “generated” in this area. This provision will prevent Martin County from being liable for taxes and assessments that are in arrears.

The bill also exempts non-ad valorem special assessments for solid waste collection from the distributions to St. Lucie County. Beau Rivage currently receives its waste services via a St. Lucie County special assessment through the end of this fiscal year (September 30). At the beginning of the next fiscal year, these services will be provided by a Martin County special assessment. The counties

¹ *See*, ch. 2012-45, L.O.F.

² The Beau Rivage ballot question was considered on August 14, 2012, and passed by 94.39 percent, with 286 “yes” votes and 17 “no” votes.

³ The Beau Rivage area consists of 129 acres, which abut the north fork of the St. Lucie River in St. Lucie County. Beau Rivage’s 550-plus residents all have Stuart, Florida, addresses, and can only travel into the rest of the St. Lucie County via Martin County roads. Beau Rivage homeowners requested inclusion of their property in Martin County, citing concerns regarding the provision of emergency services.

determined that it did not make sense to require a transmittal to St. Lucie County in this instance, when the services at issue were no longer being provided by that entity.

Additionally, the bill clarifies that it does not apply to payments made for non-county levies that pertain to the South Florida Water Management District (SFWMD) or the Florida Inland Navigation District (FIND). These are the only non-county levies that have been identified in St. Lucie County.⁴

Distributions to St. Lucie County are changed in the bill from July 1 of this year, and thereafter within 30 days after the beginning of each calendar year, to June 30. This is to provide for uniformity and because counties generally have not collected taxes by January 1 of each year as these payments do not become delinquent until April 1.

The bill is effective upon becoming a law.

B. SECTION DIRECTORY:

Section 1: Amends s. 4 of ch. 2012-45, L.O.F., relating to St. Lucie and Martin counties, revising temporary distributions associated with the transfer of Beau Rivage.

Section 2: Provides an effective date.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 30, 2013

WHERE? The *St. Lucie News-Tribune*, a daily newspaper of general circulation published in St. Lucie County, and the *Stuart News*, a daily newspaper of general circulation published in Martin County.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

Because this bill impacts both St. Lucie and Martin counties, each of these legislative delegations conducted a public hearing on the subject of the bill, approved the bill, and provided a Local Bill Certification Form.

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

Because this bill impacts both St. Lucie and Martin counties, an Economic Impact Statement was filed by each county.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

⁴ March 14, 2012, e-mail from Mark Satterlee, Director of St. Lucie County Planning & Development Services.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 27, 2013, the Local & Federal Affairs Committee adopted an amendment, which clarifies that the annual distribution deadline is June 30. This analysis is drafted to the CS.