

**HOUSE OF REPRESENTATIVES  
FINAL BILL ANALYSIS**

**BILL #:** HB 1401

**FINAL HOUSE FLOOR ACTION:**

**SPONSOR(S):** Murphy

118 Y's

1 N's

**COMPANION  
BILLS:** N/A

**GOVERNOR'S ACTION:** Approved

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**SUMMARY ANALYSIS**

HB 1401 passed the House on April 25, 2014, and subsequently passed the Senate on April 29, 2014.

The Town of St. Leo is a small town located in Pasco County with a population of 1,369. The Legislature incorporated the Town of St. Leo in 1891, and has previously modified town boundaries in 1925, 1967, and 1974. The town is centered around St. Leo University, formerly St. Leo College, a catholic university founded by the Order of St. Benedict of Florida.

In 1998, Lake Jovita Joint Venture began construction on an 871-unit planned unit development called the Lake Jovita Golf and Country Club. The majority of the development is located in unincorporated Pasco County. However, 109 plats are located in the north east corner of the Town of St. Leo, 85 of which have been developed. The population of the Lake Jovita subdivision within the Town of St. Leo is approximately 196.

HB 1401 contracts a portion of the north east corner of the Town of St. Leo to exclude portions of land containing the Lake Jovita Golf and Country Club Development from the town boundaries. The town population after contraction will be approximately 1173. The bill provides authority to Pasco County over the contracted area, and provides for the protection of contracts between the town and third parties and for contracts between non-governmental entities.

According to the Economic Impact Statement, as a result of contraction and loss of tax base, the Town of St. Leo anticipates a revenue loss of approximately \$50,000 per year. The 85 households in the Lake Jovita Subdivision that are leaving St. Leo may anticipate a per household tax savings of approximately \$600.

The bill was approved by the Governor on May 12, 2014, and became effective on that date.

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

#### **Background on the Town of St. Leo**

The Town of St. Leo elected to become a municipality and was incorporated by the Legislature in 1891.<sup>1</sup> The Legislature amended the town boundaries several times in 1925, 1967 and 1974.<sup>2</sup>

Throughout most of the 20<sup>th</sup> century, a large majority of the population of the Town of St. Leo was associated with St. Leo College, now St. Leo University, and the Benedictine Monastery that founded the College. This remains true today, however events in 1998 and 1999 have shifted the demographics of the town in recent years.

In the 1998, Lake Jovita Joint Venture began construction on an 871-unit planned unit development called the Lake Jovita Golf and Country Club. The majority of the development is located in unincorporated Pasco County. However, 109 plats are located in the north east corner of the Town of St. Leo, 85 of which have been developed.<sup>3</sup> The population of the Lake Jovita subdivision within the Town of St. Leo is approximately 196.<sup>4</sup>

In 1999, St. Leo College became a University, increasing the number of resident students (but not registered voters) in the town.<sup>5</sup>

These changes caused the town population to increase from 595 in 2000 to 1,340 in 2010.<sup>6</sup> At the same time, the number of housing units in the town increased from 44 in 2000 to 140 in 2010.<sup>7</sup> Approximately 85 of the 96 housing units added in between 2000 and 2010 were added in the Lake Jovita subdivision. Presently, 75 percent of the town's population is comprised of students.<sup>8</sup>

#### **Budget**

The town generates 44.5 percent of its revenue from sources independent of population, 43.2 percent from sources dependent on population, and 12.3 percent from ad valorem tax. The town has a property tax of .75 mil and charges franchise fees to utilities, which are passed along to customers on their utility bill. Cumulatively, the average per household tax charged by the town is approximately \$600.<sup>9</sup>

In FY 2011-2012, the town generated \$340,769 in revenue, expended \$330,373, and was left with \$359,396 in reserves. The town expended \$204,843 on general government services, \$92,630 on public safety, \$24,000 on the physical environment, and the remaining \$8,900 on miscellaneous expenditures. The town also made a one-time special expenditure of \$170,500 on transportation and special projects, and spent \$93,000 in special revenue on other non-operating uses.<sup>10</sup>

### **Chapter 171, F.S., Contraction Procedures**

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<sup>1</sup> Ch. 4088, L.O.F., Articles of 1891.

<sup>2</sup> See Ch. 67-1989, L.O.F., and Ch. 74-599, L.O.F.

<sup>3</sup> Economic Impact Statement, February 14, 2014.

<sup>4</sup> Based on 2010 average household size in the Town of St. Leo of 2.3 times 85 households (2.3 x 85 = 195.5). Household size data retrieved from: [http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC\\_10\\_DP\\_DPDP1](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_DP_DPDP1)

<sup>5</sup> Memo prepared by Town of St. Leo, March 28, 2014. On file with Local & Federal Affairs Committee Staff.

<sup>6</sup> [http://factfinder2.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](http://factfinder2.census.gov/faces/nav/jsf/pages/community_facts.xhtml)

<sup>7</sup> Id.

<sup>8</sup> Economic Impact Statement, February 14, 2014.

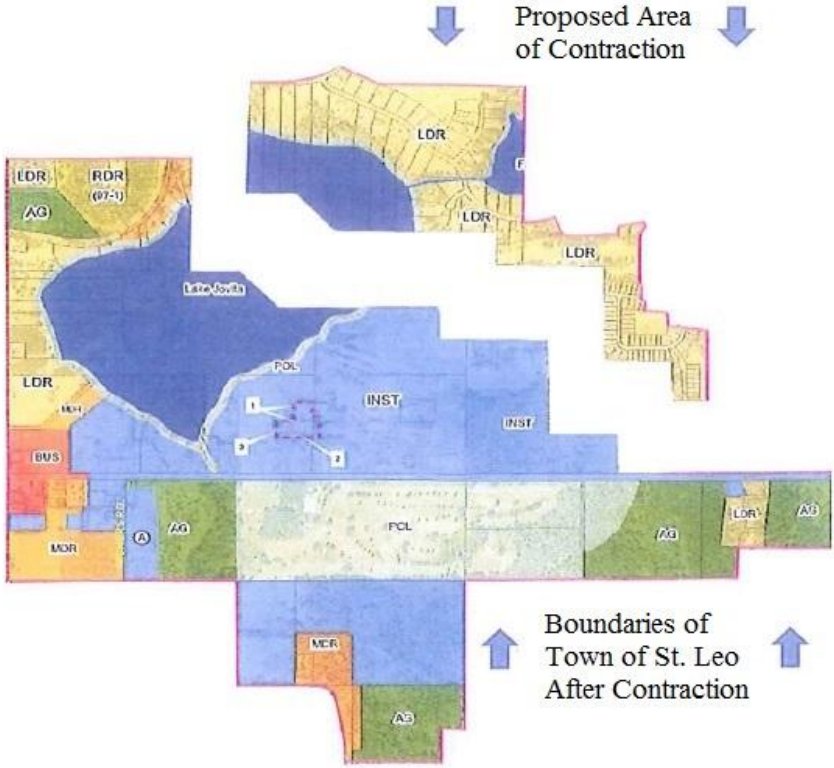
<sup>9</sup> Id.

<sup>10</sup> Budget Summary, Town of St. Leo, FY 2011-2012.

Florida law provides procedures enabling municipalities to contract locally, without having to seek passage of a special act.<sup>11</sup> To be eligible to use these local contraction procedures, the area to be contracted must not be contiguous to the municipality's boundaries and must not be developed for urban purposes.<sup>12</sup> The area seeking contraction in the Town of St. Leo does not qualify to use the local procedures for contraction set out in Florida law because it is contiguous in nature and is developed for urban purposes.

Effect of the Bill

HB 1401 contracts the boundaries of the Town of St. Leo to exclude all of Lake Jovita Golf and Country Club Phase One. The bill provides a detailed land survey of the lands to be contracted, which are generally those lands encompassing the Lake Jovita subdivision, consisting of approximately 85 developed homes in the Town of St. Leo, and an additional 24 lots that may be developed. The following map shows the approximate boundaries contracted by the bill.



The population of the area to be contracted is approximately 196.<sup>13</sup> The town population after contraction will be approximately 1173, and the percentage of students composing the town population will increase.<sup>14</sup>

As a result of contraction and loss of tax base, the Town of St. Leo anticipates a revenue loss of approximately \$50,000 per year. The 85 households in the Lake Jovita subdivision that are leaving the Town of St. Leo may anticipate a per household tax savings of approximately \$600. The bill states that following the effective date of the act, Pasco County is responsible for and embodied with all powers granted in ch. 125, F.S., over the territory to be excluded by the act from the Town of St. Leo.

<sup>11</sup> Ch. 171.051, F.S.

<sup>12</sup> Ch. 171.052, F.S. referencing ch. 171.043, F.S.

<sup>13</sup> Based on 2010 average household size in the Town of St. Leo of 2.3 times 85 households (2.3 x 85 = 195.5). Household size data retrieved from: [http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC\\_10\\_DP\\_DPDP1](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_DP_DPDP1)

<sup>14</sup> Based on 2013 population estimate of 1,369 minus the estimated population of area to be contracted (1369 – 196=1173).

The bill states that the act does not affect or abrogate the rights of parties to any contracts in effect before the effective date of the act, whether such contracts are between the Town of St. Leo and a third party or between nongovernmental entities.

## II. FISCAL ANALYSIS, ECONOMIC IMPACT STATEMENT, & NOTICE/REFERENDUM

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

As a result of contraction and loss of tax base, the Town of St. Leo anticipates a revenue loss of approximately \$50,000 per year. The 85 households in the Lake Jovita Subdivision that are leaving St. Leo may anticipate a per household tax savings of approximately \$600.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED?      Yes     No

D. NOTICE PUBLISHED?    Yes     No

IF YES, WHEN?      February 1, 2014

WHERE?              *Tampa Bay Times (Pasco Times Edition)*, a daily newspaper published at Port Richey in Pasco County, Florida.

E. REFERENDUM(S) REQUIRED?    Yes     No