

HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

BILL #: CS/HB 593 **FINAL HOUSE FLOOR ACTION:**

SPONSOR(S): Local Government Affairs 105 Y's 11 N's
Subcommittee; Beshears

COMPANION N/A **GOVERNOR'S ACTION:** Approved
BILLS:

SUMMARY ANALYSIS

CS/HB 593 passed the House on April 24, 2015, and subsequently passed the Senate on April 29, 2015. The bill creates the City of Panacea in Wakulla County and sets out the City's charter. The charter provides the following information, authority, powers, and duties of the City:

- Corporate name; purpose of the charter; creation and establishment of the City of Panacea;
- Powers of the City;
- Corporate boundaries of the City;
- A council-manager form of government;
- City council, mayor, and vice mayor; powers and duties, composition of the council, eligibility, terms, compensation, council meetings, vacancies, forfeitures, judge of qualifications, and investigations;
- Administration by City manager, provision for City attorney, clerk, departments, personnel, planning;
- Ordinances and resolutions;
- Financial management, including budget administration and amendment; capital program; public records; annual audits; shortfalls;
- Nominations and qualifications; nonpartisan elections; five at large council seats;
- Powers of initiative and referendum;
- Amendments to the charter; severability; and
- Referendum election; initial council election; transition provisions; eligibility for state-shared revenues; local revenue sources; local option gas tax revenues; contractual services and facilities, including existing solid waste contracts; municipal services district.

According to the Economic Impact Statement filed on March 3, 2015, the projected cost of funding the City government and municipal services will be \$144,929 for Fiscal Year 2015-2016 and \$147,828 for Fiscal Year 2016-2017.¹ Anticipated sources of combined local and state funding are projected to be \$239,965 for Fiscal Year 2015-2016 and \$244,764 for Fiscal Year 2016-2017.

The bill was approved by the Governor on May 14, 2015, ch. 2015-182. Subsection (1) of section 9 and section 12 of the bill became effective on that date but the remainder of the bill takes effect only upon the approval by a majority vote of qualified electors residing within the corporate limits of the proposed city.

I. SUBSTANTIVE INFORMATION

¹ The actual total of the itemized services and costs listed in the EIS filed on March 3, 2015 is \$199,168 for FY 2015-2016. Assuming the 2% cost increase for the following FY 2016-2017 as used in the EIS, the projected costs for that fiscal year would be \$203,151. On March 8, 2015, the proponents filed a revised EIS in which the total of the itemized costs now equals the stated total of \$144,929. The proponents attributed the inconsistency in the first EIS to a scrivener's error.

A. EFFECT OF CHANGES:

Present Situation

Provisions of Law Controlling Municipal Incorporation

Constitutional Provisions

The Florida Constitution states municipalities² may be established or abolished and their charters amended pursuant to general or special law. Municipalities are constitutionally granted all governmental, corporate, and proprietary powers necessary to conduct municipal government, perform municipal functions, and render municipal services. Additionally, municipalities are constitutionally authorized to exercise any power for municipal purposes except when expressly prohibited by general or special law.³ The power to tax is granted only by general law.⁴ The legislative body of a municipal government is constitutionally required to be elected.⁵

Municipal Home Rule Powers Act

The Municipal Home Rule Powers Act (Powers Act)⁶ acknowledges the constitutional grant of municipal powers and authorizations. Nothing in the Powers Act may be construed to permit any change in a special law or municipal charter without approval by referendum⁷ if the change affects any of the following:⁸

- The exercise of extraterritorial powers;
- An area that includes lands within and without a municipality;
- The creation or existence of a municipality;
- The terms of elected officers and their manner of election, except for the selection of election dates and qualifying periods for candidates and for changes in terms necessitated by change in election dates;
- The distribution of powers among elected officers;
- Matters prescribed by charter relating to appointive boards;
- Any change in form of government; or
- Any rights of municipal employees.

Formation of Municipalities Act

Florida law governing the formation and dissolution of municipal governments is found in the Formation of Municipalities Act (Formation Act).⁹ The stated purpose of the Formation Act is to provide standards, direction, and procedures for the incorporation, merger, and dissolution of municipalities so as to achieve the following:

- Orderly patterns of urban growth and land use;
- Adequate quality and quantity of local public services;
- Financial integrity of municipalities;
- The elimination or reduction of avoidable and undesirable differentials in fiscal capacity among neighboring local governmental jurisdictions; and

² Art. VIII, s. 2(a), Fla. Const. A municipality is a local government entity, located within a county that is created to perform additional functions and provide additional services for the particular benefit of the population within the municipality. The term "municipality" can be used interchangeably with the terms "city," "town," and "village."

³ Art. VIII, s. 2(b), Fla. Const.

⁴ Art. VII, s. 9(a), Fla. Const.

⁵ Art. VIII, s. 2(b), Fla. Const.

⁶ Chapter 166, F.S.

⁷ As provided in s. 166.031, F.S.

⁸ S. 166.021(4), F.S.

⁹ Chapter 165, F.S.

- Equity in the financing of municipal services.

Under the Formation Act, a municipal government may be established where no such government exists only if the Legislature adopts the municipal charter by special act after determining the appropriate standards have been met.¹⁰

Physical Requirements for Municipal Incorporation¹¹

The area proposed for incorporation must meet the following conditions in order to be eligible for incorporation:

- Be compact, contiguous, and amenable to separate municipal government.
- Have a total population, as determined in the latest official state census, special census or estimate of population, of at least 1,500 persons in counties with a population of 75,000 or less, and of at least 5,000 persons in counties with a population of more than 75,000.
- Have an average population density of at least 1.5 persons per acre or have extraordinary conditions requiring the establishment of a municipal corporation with less existing density.
- Have a minimum distance of at least two miles from the boundaries of an existing municipality within the county. Alternatively, it must have an extraordinary natural boundary that requires separate municipal governments.
- Have a proposed municipal charter that prescribes the form of government and clearly defines the responsibility for legislative and executive functions, and does not prohibit the legislative body from exercising its power to levy any tax authorized by the Florida Constitution or general law.
- Have a plan for incorporation honoring existing contracts for solid waste collection services in the affected areas for the shorter of five years or the remainder of the contract term.¹²

Procedural Requirements for Municipal Incorporation

Special Act

The Legislature has chosen to create the charter for a new municipality only by special act.¹³ Special acts are initiated as local bills in the House. A local bill is legislation relating to (or designed to operate only in) a specifically indicated part of the state or purporting to operate within classified territory when such classification is not permissible or legal in a general bill.¹⁴ To incorporate a municipality, the special act must include a proposed municipal charter prescribing the form of government and clearly defining the legislative and executive functions of city government. The special act may not prohibit or limit tax levies otherwise authorized by law.¹⁵

Unless conditioned to become effective only upon approval by qualified electors, no special act may be passed without prior publication of intent to seek such enactment.¹⁶ The notice of intent to file must be published in the manner provided by general law.¹⁷ The Legislature has required special acts creating

¹⁰ An exception to this principle is the home rule authority of Miami-Dade County, where the board of county commissioners has been granted the exclusive power to create municipalities within that county through the Florida Constitution. See s. 165.022, F.S., and Art. VIII, s. 6(e), Fla. Const. Adopted in 1957, the Miami-Dade County Home Rule Charter provides for the creation of new municipalities at Art. 6, s. 6.05.

¹¹ S. 165.061, F.S.

¹² In accordance with Art. I, s. 10, Fla. Const.

¹³ S. 165.041(1)(a), F.S.

¹⁴ *State ex rel. Landis v. Harris*, 163 So. 237, 240 (Fla.1934).

¹⁵ S. 165.061(1)(e)2., F.S.

¹⁶ Art. III, s. 10, Fla. Const.

¹⁷ S. 11.02, F.S., specifies the publication of notice must occur one time, at least 30 days prior to introduction of the local bill in the Legislature.

municipal incorporations to be subject to a referendum. A bill proposing creation of a municipality will be reviewed based on the statutory standards for municipal incorporation.¹⁸

Local Bill Process

As a local bill, a proposed municipal incorporation also must meet the House of Representatives' Local Bill Policy, which provides that no local bill may be considered by the Local Government Affairs Subcommittee – or other House committees or subcommittees – prior to the receipt of an original Economic Impact Statement and a Local Bill Certification Form.¹⁹ The Economic Impact Statement should assess the cost of implementation, state who will bear such cost, and identify who will benefit from the passage of the special act. The Local Bill Certification Form certifies the purpose of the bill cannot be accomplished locally, a public hearing has been held, all statutory and constitutional requirements have been met, and a majority of the local legislative delegation²⁰ approves the bill.

Feasibility Study

A feasibility study and a local bill proposing the municipal government charter must be submitted for consideration of incorporation. The feasibility study is a survey of the proposed area to be incorporated. The purpose of the study is to enable the Legislature to determine whether (1) the area meets the statutory requirements for incorporation, and (2) incorporation is financially feasible. The feasibility study must be completed and submitted to the Legislature no later than the first Monday after September 1 of the year before the regular legislative session during which the municipal charter would be enacted.²¹

In 1999, the Legislature revised s.165.041, F.S., by adding new, detailed requirements for the preparation of the required feasibility study for any area requesting incorporation. Specifically, the study must include:

- The general location of territory subject to a boundary change and a map of the area that identifies the proposed change.
- The major reasons for proposing the boundary change.
- The following characteristics of the area:
 - A list of the current land use designations applied to the subject area in the county comprehensive plan.
 - A list of the current county zoning designations applied to the subject area.
 - A general statement of present land use characteristics of the area.
 - A description of development being proposed for the territory, if any, and a statement of when actual development is expected to begin, if known.
- A list of all public agencies, such as local governments, school districts, and special districts, whose current boundaries fall within the boundary of the territory proposed for the change or reorganization.
- A list of current services being provided within the proposed incorporation area, including, but not limited to, water, sewer, solid waste, transportation, public works, law enforcement, fire and rescue, zoning, street lighting, parks and recreation, and library and cultural facilities, and the estimated costs for each current service.
- A list of proposed services to be provided within the proposed incorporation area, and the estimated cost of such proposed services.
- The names and addresses of three officers or persons submitting the proposal.
- Evidence of fiscal capacity and an organizational plan that, at a minimum, includes:

¹⁸ S. 165.061, F.S.

¹⁹ Florida House of Representatives, Local Government Affairs Subcommittee, Local Bill Policies and Procedures Manual 2015-2016 (Tallahassee, Florida: The Florida House of Representatives, published annually).

²⁰ A legislative delegation is a group of legislators representing the same county.

²¹ Se. 165.041(1)(b), F.S. For any proposed incorporations to be considered during the 2015 Legislative Session, this deadline fell on September 8, 2014.

- Existing tax bases, including ad valorem taxable value, utility taxes, sales and use taxes, franchise taxes, license and permit fees, charges for services, fines and forfeitures, and other revenue sources, as appropriate.
- A five-year operational plan that, at a minimum, includes proposed staffing, building acquisition and construction, debt issuance, and budgets.
- Data and analysis to support the conclusion that incorporation is necessary and financially feasible, including population projections and population density calculations, and an explanation concerning methodologies used for such analysis.
- Evaluation of the alternatives available to the area to address its policy concerns.
- Evidence that the proposed municipality meets the standards for incorporation in s. 165.061, F.S.

In counties that have adopted a municipal overlay for municipal incorporation,²² such information must also be submitted to the Legislature. This information should be used to evaluate the feasibility of a proposed municipal incorporation in the geographic area.

The Proposed City of Panacea²³

Panacea is a historic fishing and tourist waterfront village on Florida's Gulf Coast. Located 28 miles southwest of Tallahassee in southwestern Wakulla County, Panacea is surrounded on the north and west by the St. Marks National Wildlife Refuge, to the east by Dickerson and Levy Bays, and to the south by marshlands merging into Ochlockonee Bay. According to the 2010 U.S. Census, the population of this Census Designated Place was 816.

Founded in 1895, Panacea takes its name from a number of small sulfurous mineral springs in the area purported to have healing properties. After a constitutional ban on fishing nets exceeding 500 square feet was adopted in 1994, the seafood industry in the area declined. After application was made by Wakulla County, in 2001 Panacea was designated a Waterfront Florida Partnership Community. Since that time interested parties have implemented the Partnership Committee as part of the Waterfront Florida designation, developed the Vision 2020 strategic document, and formed the current advocate for municipal incorporation, Panacea Waterfronts Florida Partnership, Inc.

The Panacea 2020 strategic planning document projected three economic engines for the community:

- Sustainable fishing village for commercial, sport, and recreational fishing/tourism;
- Ecological-friendly retirement/vacation community; and
- High value seafood.

Feasibility of the Proposed City of Panacea

Introduction

This section examines whether the proposed city meets the statutory criteria for the form and structure of the proposed municipal government and demonstrates sufficient fiscal integrity for self-governance.

The 2014 Feasibility Study: Evaluation and Responses

²² Pursuant to s. 163.3217, F.S.

²³ The information in this section is drawn from the feasibility study, A Study of Municipal Incorporation of Panacea, Florida (rev. Aug. 2014), prepared by the Conservation Clinic at the University of Florida, Levin College of Law; Waterfronts Florida Partnership Program, Community Case Studies (2009), 64-69, at <http://www.floridajobs.org/Search?q=waterfronts>, and that memorandum submitted to Subcommittee staff by the Dept. of Economic Opportunity dated 1/29/2015.

The proponents of municipal incorporation submitted their first feasibility study in 2013, which was found to contain a number of deficiencies. A revised feasibility study (2014 Study) was submitted timely in September 2014, evaluated by staff, and evaluations of the study were requested from the Departments of Revenue (DOR) and of Economic Opportunity (DEO) and from the Office of Economic and Demographic Research (EDR).

As discussed in greater detail below, the 2014 Study provided information on each element required by statute.²⁴ However, while the draft municipal charter for the most part appeared to provide the elements required for municipal governance, one section providing for a private, non-profit entity to choose the interim city commission to serve from the date of incorporation until the general election of 2016 appeared problematic.²⁵ The timing of electing and seating the initial city commission affects the ability of DOR to distribute revenue sharing funds.²⁶

After the initial review by House staff, DOR, DEO, and EDR were requested to review and evaluate the 2014 Study and provide responses by February 1, 2015. Responses to the 2014 Study were received from DOR,²⁷ DEO,²⁸ and EDR.²⁹

The bill was filed on 2/4/2015 with a revised proposed charter providing for a special election of an interim city commission shortly after the referendum on incorporation. Because of the potential impact of this change on the evaluation of revenue sharing by DOR, a supplemental response was requested from the agency. DOR provided a supplement drawn to the filed bill³⁰ and a standard agency evaluation of pending legislation.³¹

After reviewing the agency responses and the initial Economic Impact Statement (First EIS) filed for the bill,³² the incorporation proponents were requested to provide additional information on the ability of the proposed City to meet its financial commitments and annual fiscal reporting obligations. The proponents' responses and additional materials were received by staff on 3/2, 3/4, and 3/5 and used in preparing this analysis.³³

Meeting the Statutory Criteria for Municipal Incorporation

The following chart summarizes the required statutory criteria for municipal incorporation and how each element is addressed in the 2014 Study.

Statute	Requirement	Provision in 2014 Feasibility Study	Page no.
165.041(1)(b)1.	The location of territory subject to boundary change and a map of the area which identifies the proposed change.	Full legal description of area proposed for incorporation, recited at lines 75-148 of the bill, together with boundary map. A copy of the general boundary map is attached to this analysis as Appendix B.	6-7
165.041(1)(b)2.	The major reasons for proposing the boundary change.	Due to its relatively isolated location in the county, the area seeks greater control over land use,	7-10

²⁴ Ss. 165.041(1)(b) & 165.061(1), F.S.

²⁵ Article III, section 11(a)(12), of the Florida Constitution prohibits any special law creating a private corporation or granting a privilege to a private corporation.

²⁶ S. 218.21(3), F.S.

²⁷ DOR Memorandum on Proposed Incorporation – City of Panacea (1/22/2015) (herein 2015 DOR Initial MM).

²⁸ Dept. of Economic Opportunity, Memorandum on Municipal Incorporation Feasibility Study for Panacea (1/29/2015) (herein 2015 DEO Response).

²⁹ Office of Economic and Demographic Research, Letter to Local and Federal Affairs Committee (2/2/2015, Feb. 1 having fallen on a Sunday) (herein 2015 EDR Response).

³⁰ DOR Supplemental Memorandum on Proposed Incorporation – City of Panacea (2/23/2015) (herein 2015 DOR Supplemental MM).

³¹ 2015 Department of Revenue Legislative Bill Analysis for HB 593 (2/27/2015) (herein 2015 DOR Bill Analysis).

³² Two EIS forms have been completed and filed. The First EIS on 3/3/2015 and the Second EIS on 3/8/2015.

³³ A list of materials received is attached as Appendix A to this Analysis.

Statute	Requirement	Provision in 2014 Feasibility Study	Page no.
		planning, zoning, and economic development decisions.	
165.041(1)(b)3.a.	A list of the current land use designations applied to the subject area in the county comprehensive plan.	As listed in the Wakulla County Comprehensive Plan, the area has property designated as Rural-2, Urban-1, Urban-2, and Public.	10
165.041(1)(b)3.b.	A list of the current county zoning designations applied to the subject area.	Land within the proposed boundaries is zoned as: Conservation (P-2) Agriculture (AG) Rural Residential (RR-5) Semi-Rural Residential (RR-1 or RSU-1) Single-Family Residential (R-1) Multifamily Residential (R-3) Mobile Home Residential (RMH-1) Travel Trailer Park Commercial (CTTP) General Commercial (C-2) Heavy Commercial (C-3) Downtown Commercial (C-4) Light Industrial (I-1) Planned Unit Development Dist. (PUD)	11
165.041(1)(b)3.c.	A general statement of present land use characteristics of the area.	Subdivided lands with existing roadways, utilities; primarily residential and low density urban/commercial development.	11
165.041(1)(b)3.d.	A description of development being proposed for the territory, if any, and a statement of when actual development is expected to begin, if known.	None at this time.	12
165.041(1)(b)4.	A list of all public agencies, such as local governments, school districts, and special districts, whose current boundary falls within the boundary of the territory proposed for the change or reorganization.	Wakulla County <ul style="list-style-type: none"> • Under County Commission: <ul style="list-style-type: none"> ➤ Emergency Medical Services ➤ Fire & Rescue ➤ Parks & Recreation ➤ Planning, Zoning, Development ➤ Solid Waste (Waste Pro) ➤ Road maintenance & repair ➤ Wastewater • Sheriff • Property Appraiser • Supervisor of Elections • Tax Collector • Clerk of Court • School District NW Fla. Water Management Dist. Opportunity Florida, Inc. Apalachee Regional Planning Council Capital Region Transportation Planning Agency Apalachee Region Metropolitan Planning Organization FWC Fla. DEP Fla. DOT	12
165.041(1)(b)5.	A list of current services being provided within the proposed incorporation area, including, but not limited to, water, sewer, solid waste, transportation, public works, law enforcement, fire and rescue, zoning, street lighting, parks and recreation, and library and cultural facilities, and the estimated costs for each current service.	The following services are, and will continue to be, provided by Wakulla County at no increased costs to residents or the City: EMS – Area annual cost \$21,402 Fire/Rescue – Volunteer, funded by County MSBU; annual rates \$75/residential unit, \$0.06/ft ² commercial, \$0.17/acre undeveloped land. Area annual cost \$40,275.	12-17

Statute	Requirement	Provision in 2014 Feasibility Study	Page no.
		<p>Law Enforc. – Sheriff’s Office; area annual cost \$265,824.</p> <p>Solid Waste – County contract with Waste Pro, annual County assessment of \$196/residential unit. Area annual cost \$102,252.</p> <p>Transportation – Road maintenance by County, area does not benefit from other transportation services such as transit. Area annual cost \$44,295.</p> <p>Wastewater – County-wide sewer system, paid through water bills. Area annual cost \$134,412.</p> <p>Potable Water – Panacea Area Water System, Inc. Area annual cost \$161,100.</p> <p>Services to be assumed by City:</p> <p>Parks & Recreation – Area annual cost \$15,590.</p> <p>Planning & Development – Area annual costs \$7,800.</p>	
165.041(1)(b)6.	A list of proposed services to be provided within the proposed incorporation area, and the estimated cost of such proposed services.	<p>Present services provided by County will continue with the exception of Parks & Recreation and Planning & Development. Proposed City services and projected annual costs:</p> <p>Parks & Recreation - \$24,000</p> <p>Planning & Development - \$7,800</p> <p>Part-time City Attorney - \$24,000</p> <p>City Manager - \$36,000</p> <p>General Operations</p> <ul style="list-style-type: none"> • PT admin. assistant - \$24,000 • Gen. Liab. Ins. - \$5,346 • Workers’ Comp Ins. - \$360 • Proposed City Hall (will use existing facility) <ul style="list-style-type: none"> ➢ Utilities/Communications - \$5,000 ➢ Website & records - \$2,100 ➢ Facility, furniture, supplies - \$7,000 <p>Equipment Lease/Purchase - \$18,000</p> <p>Elections - \$2,700 biennially</p>	17-22
165.041(1)(b)7	The names and addresses of three officers or persons submitting the proposal.	Information fully provided for Walter B. Dickson, Mark Mitchell, Fred Crum.	23
165.041(1)(b)8.a.	<p>Evidence of fiscal capacity and an organizational plan as it relates to the area seeking incorporation:</p> <p>-Existing tax bases, including ad valorem taxable value, utility taxes, sales and use taxes, franchise taxes, license and permit fees, charges for services, fines and forfeitures, and other revenue sources, as appropriate.</p>	<p>[Note: The following are estimates of annual revenues provided in the 2014 Study, projected to begin in FY 2015-2016 except as otherwise noted. Further analysis provided by DOR is discussed below.]</p> <p>State Shared Half-Cent Sales Taxes: \$26,283 <u>Participation will require waiver of reqs. of s. 218.63(1), F.S.</u></p> <p>Communications Services Tax: \$27,259 (beginning in FY 2016-2017; per DOR analysis these collections would begin in FY 2017-2018).</p> <p>Public Services Taxes: \$95,880</p> <p>Franchise Fees - \$64,442</p> <p>State Revenue Sharing: \$12,610</p> <p>Initial 3 mill levy of City ad valorem taxes: \$95,900</p> <p>Business Taxes - \$4,303</p> <p>Planning & Development Fees - \$7,687</p> <p>Gas Taxes – revenues to which City could be entitled would instead continue to go to Wakulla</p>	23-28

Statute	Requirement	Provision in 2014 Feasibility Study	Page no.
		County for continued road maintenance, per proposed interlocal agreement.	
165.041(1)(b)8.b.	Evidence of fiscal capacity and an organizational plan as it relates to the area seeking incorporation: -A five-year operational plan that, at a minimum, includes proposed staffing, building acquisition and construction, debt issuance, and budgets.	Estimated revenues and expenses for first 5 years after incorporation project revenues to exceed expenses by at least \$100,000 annually, increasing City reserves each year.	28-30
165.041(1)(b)9	Data and analysis to support the conclusions that incorporation is necessary and financially feasible, including population projections and population density calculations, and an explanation concerning methodologies used for such analysis.	Sufficient detail provided. Projected area population for 2015 is 852 and population density is 0.36 person/acre. As discussed under s. 165.061(1)(b) & (c), F.S., below, and in the discussion, incorporation will require exemptions from these general legal reqs.	30-31
165.041(1)(b)10.	Evaluation of the alternatives available to the area to address its policy concerns.	The alternatives are to continue relying on the county to address local issues or to rely more on private entities to address these concerns. Neither provide the same degree of local control over fiscal and planning policies as does municipal incorporation.	31-32
165.041(1)(b)11./ 165.061(1)(a)	Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061: -New municipality is compact and contiguous and amenable to separate municipal government.	S. 165.041(1)(b)11., F.S., incorporates the statutory criteria for new municipal incorporations. As shown in the map attached as Appendix B, the area proposed for incorporation is contiguous and compact, with no outlying enclaves.	32
165.041(1)(b)11./ 165.061(1)(b)	Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061: -New municipality has a total population, as determined in the latest official state census, special census, or estimate of population, in the area proposed to be incorporated of at least 1,500 persons in counties with a population of 75,000 or less, and of at least 5,000 population in counties with a population of more than 75,000.	The area proposed for municipal incorporation does not meet this element, as the population is estimated at 852. The 2014 Study notes the population of Wakulla County overall is 30,776, and the proposed City of Panacea would have a population greater than the two present incorporated municipalities in the county. As of the 2010 U.S. Census, Sopchoppy had a population of 457 and St. Marks a population of 293. <u>Incorporation would require a waiver of this statutory requirement.</u>	33-34
165.041(1)(b)11./ 165.061(1)(c)	Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061: -New municipality has an average population density of at least 1.5 persons per acre or have extraordinary conditions requiring the establishment of a municipal corporation with less existing density.	The area proposed for municipal incorporation does not meet this element, as the population density of the area is 0.38 person/acre. The population density of the other two municipalities in the county is 0.48 person/acre for Sopchoppy, and 0.24 person/acre for St. Marks. <u>Incorporation would require a waiver of this statutory requirement.</u>	34
165.041(1)(b)11./ 165.061(1)(d)	Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061: -New municipality has a minimum distance of any part of the area proposed for incorporation from the boundaries of an existing municipality within the county of	The area is not within two miles of any existing municipality. The City of Sopchoppy is nearest and is over nine miles away.	35

Statute	Requirement	Provision in 2014 Feasibility Study	Page no.
	at least two miles or has an extraordinary natural boundary which requires separate municipal government.		
165.041(1)(b)11./ 165.061(1)(e)1.	Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061: -Proposed charter prescribes the form of government and clearly defines the responsibility for legislative and executive functions.	The 2014 Study incorporated a proposed charter as an appendix. The proposed municipal charter now is set out in the bill.	35
165.041(1)(b)11./ 165.061(1)(e)2.	Evidence that the proposed municipality meets the requirements for incorporation pursuant to s. 165.061: -Proposed charter does NOT prohibit the legislative body of the municipality from exercising its powers to levy any tax authorized by the Constitution or general law.	Neither the 2014 Study nor the bill prohibits the city commission of the proposed City from levying any authorized tax.	35
165.041(1)(b)11./ 165.061(1)(f)	Per s. 10, Art. I, Fla. Const., plan honors existing solid-waste contracts in the affected geographic area subject to incorporation. (May provide for existing contracts for solid-waste-collection services to be honored only for five years or the remainder of the contract term, whichever is less, and may require that a copy of the pertinent portion of the contract or other written evidence of the duration of the contract, excluding any automatic renewals or evergreen provisions, be provided to the municipality within a reasonable time after a written request to do so.)	As indicated in the sections on municipal services, the proposed City will continue to honor and rely upon the County's present contract for solid-waste services.	35
165.041(1)(c)	Incorporates information on county's municipal overlay adopted per s. 163.3217, F.S.	N/A ³⁴	N/A

To determine if the 2014 Study showed the proposed City would meet the necessary requirements for municipal incorporation, particularly as to sufficiency of revenue for services, DOR, DEO, and EDR were asked to evaluate the sufficiency and soundness of the proposal. Unless noted otherwise below, the responses of DEO³⁵ and EDR³⁶ indicated the provisions in the 2014 Study did not raise concerns and appeared to comply with the statute specified. For some cost components EDR was concerned the provisions of the 2014 Study were based on older data; the proponents were asked to address this concern and their responses are noted. The comments of DOR on the 2014 Study were limited to revenue issues;³⁷ on the bill, DOR commented primarily on bill sections 9 and 10.³⁸

³⁴ Wakulla County does not have a municipal overlay for the Panacea area. See Wakulla County Code of Ordinances at https://www.municode.com/library/fl/wakulla_county/codes/code_of_ordinances?nodeId=PTILADECO (accessed 3/7/2015). Apparently, a Special Municipal Overlay was considered for the area but not presently in effect. See, https://view.officeapps.live.com/op/view.aspx?src=http%3A%2F%2Fwww.mywakulla.com%2Fdocument_center%2F02_04_08_Panacea_Special_Overlay.doc (accessed 3/7/2015).

³⁵ 2015 DEO Response.

³⁶ 2015 EDR Response.

³⁷ 2015 DOR Initial MM; 2015 DOR Supplemental MM.

³⁸ 2015 DOR Bill Analysis.

Section 165.041(1)(b)1., F.S. – Location and Boundaries

DEO and EDR concluded the 2014 Study adequately addressed this requirement and DOR had no comment.

Section 165.041(1)(b)2., F.S. – Major Reasons for Boundary Change

DEO concluded the 2014 Study adequately addressed this requirement, EDR found no significant issue, and DOR had no comment.

Section 165.041(1)(b)3., F.S. – Land Use, Zoning Designations

DEO concluded the 2014 Study adequately addressed this requirement, EDR deferred to DEO's evaluation, and DOR had no comment.

Section 165.041(1)(b)4., F.S. – Public Entities Currently Within the Incorporation Area

DEO and EDR concluded the list in the 2014 Study appeared complete and adequately addressed this requirement, and DOR had no comment.

Section 165.041(1)(b)5., F.S. – Current Services and Costs

DEO concluded the 2014 Study adequately addressed this requirement and DOR had no comment. EDR expressed concern that the cost data appeared out of date and possibly unreliable.

Responding to a staff request for additional information based on EDR's concerns,³⁹ the proponents reviewed the data sources suggested by EDR and revised the cost of services information for the proposed City based on 2014-2015 Wakulla County Budget data, as follows:

Service	2014 Study Estimate	3/2/2015 Estimate	Net Change
Emergency Medical	\$21,402	\$24,421	+ \$3,019
Fire/Rescue	\$40,275	\$34,447	- \$5,828
Law Enforcement	\$265,655	\$268,655	+ \$3,000
Parks & Recreation	\$15,549	\$14,608	- \$941
Planning & Development	\$7,800	\$7,909	+ \$109
Solid Waste Collection	\$105,252	\$104,761	- \$490
Transportation/Road Maintenance	\$44,295	\$49,332	+ \$5,037

The changes in the updated figures are attributed to an increase in overall county population and the impact of that change on per capita expenses for each item. Although the revised amounts indicate an overall increase of \$3,906 for the delivery of services in the Panacea area, the resulting adjustment in costs for those services the new City will take over responsibility (Parks & Recreation, Planning & Development) was actually lower by \$832 annually.⁴⁰

EDR also noted the 2014 Study presumed the majority of public services currently provided by the county would continue after incorporation with no additional cost to the Panacea residents. Unless and

³⁹ Letter from Jon C. Moyle, Attorney for the Proponents (3/2/2015), including "Updated Financial Information from Wakulla County's 2014-5 Budget."

⁴⁰ Id.

until the residents approve creation of the City and elect a board of city commissioners, there is no basis for an interlocal agreement⁴¹ for continuing provision of services.

Section 165.041(1)(b)6., F.S. – Proposed Services and Costs

DEO concluded the 2014 Study adequately addressed this requirement and DOR had no comment. EDR expressed concern that the cost data appeared out of date and possibly unreliable.

The First EIS, dated 3/3/2015, and the Second EIS, dated 3/8/2015, both attached to this analysis, state the following projected cost budgets for the indicated services:

Service	Budgeted Cost in First EIS	Budgeted Cost in Second EIS
Legal	\$24,000	\$24,000
Managerial	\$36,000	\$36,000
Planning	\$7,603	\$7,603
Parks & Recreation	\$46,314	\$24,000
General Operation	\$24,000	\$24,000
Utilities	\$49,931	\$4,931
Record Maintenance	\$2,081	\$2,081
Services & Supplies	\$1,040	\$1,040
Insurance	\$5,598	\$5,598
Elections	\$2,601	\$2,601
Contingency Fund	\$0	\$13,075
Total	\$199,168⁴²	\$144,929

For the following listed services or operations of the proposed City, the 2014 Study and the First EIS state different estimates, while the Second EIS estimates slightly lower costs than the 2014 Study:

Service	2014 Study Actual Present Cost	2014 Study Projected City Cost	3/2/2015 Response Actual Present Cost	First EIS Projected City Cost	Second EIS Projected City Cost
Admin. Assistant	N/A ⁴³	\$24,000	N/A	--	
General Operation	N/A	--	N/A	\$24,000	\$24,000
Parks & Recreation	\$15,549	\$24,000	\$14,608	\$46,314	\$24,000
Planning	\$7,800	\$7,800	\$7,909	\$7,603	\$7,603
Utilities	N/A	\$5,000	N/A	\$49,931	\$4,931
Total Projected City Costs for These Services	--	\$60,800	--	\$127,848	\$60,534

Section 165.041(1)(b)7., F.S. – Names of 3 Persons Submitting the Proposal

⁴¹ An interlocal agreement is one entered into by a local government with one or more other agencies or local governments to provide services and facilities on the basis of mutual advantage and the most efficient use of their respective powers. S. 163.01(2), (3)(a), F.S. Such an agreement requires a duly authorized and existing local government exists to negotiate and enter such an agreement.

⁴² As explained above in note 1, the EIS stated the total costs for the City in FY 2015-2016 would be \$144,929, but the actual total of the itemized services and costs listed in the EIS is \$199,168.

⁴³ "N/A" = not applicable because the City does not yet exist.

Other than an apparent misspelling, DEO and EDR concluded the list in the 2014 Study appeared complete and adequately addressed this requirement, and DOR had no comment.

Section 165.041(1)(b)8.a. & 8.b., F.S. – Fiscal Capacity and Organizational Plan

DEO concluded the 2014 Study adequately addressed this requirement as to both components. EDR deferred to DOR to comment on the revenue projections⁴⁴ but expressed concern that the cost data appeared out of date and possibly unreliable. EDR also noted the proposed five-year plan in the 2014 Study did not clearly show funding directed to local control over future economic growth and other stated goals for the proposed incorporation:

The Study (p. 2) also states that one of the important conclusions is that “the overarching catalyst for Panacea residents seeking formal municipal incorporation is to more directly influence and increase local authority over the future economic growth and community viability of Panacea, including waterfront and other small business development, expansion of tourism-based industries, significant infrastructure and other capital improvements, and community beautification efforts.” ***Funding for these community goals does not seem to be reflected in the five-year operational plan. An indication of which goals the community will attempt to achieve within the first five years and the associated expenses would help alleviate this concern. Further, an indication of the additional revenues that would be imposed and collected to pay for these expenses is necessary, if they are included in the operational plan. Absent answers to these questions, the validity of the revenue and expense figures presented in this element cannot be substantiated. The incorporation proponents and/or the Study’s authors should consider correcting these deficiencies.***⁴⁵

DOR extensively analyzed the fiscal capacity of the proposed City. The initial response focused on potential conflicts between the initial dates of eligibility for state revenue sharing and other tax distributions and when DOR could actually transmit such funds to the proposed City.⁴⁶ DOR also provided a table of estimated revenue sharing distributions to which the City would be entitled upon meeting (or waiving) the requirements of s. 218.23, F.S., as well as the impact of these distributions on the revenues of Wakulla County and the cities of St. Marks and Sopchoppy.⁴⁷

Revenue Sharing

To be eligible for revenue sharing, a municipality not only must exist but must have elected and seated its legislative body.⁴⁸ As a unit of local government, the municipality also must comply with the requirements of s. 218.23, F.S., including reporting its finances for its most recently completed fiscal year⁴⁹ and either levied ad valorem taxes of at least 3 mills or collected revenue from specified other sources equivalent to what would be raised by such an ad valorem assessment.⁵⁰

DOR noted the bill provides for the City to be eligible for revenue sharing beginning July 1, 2015, and waives the requirements of s. 218.23(1), F.S., through December 31, 2019. The bill also waives the financial reporting and annual audit of City financial accounts through fiscal year 2015-2016.⁵¹

⁴⁴ 2015 EDR Response, p. 4.

⁴⁵ 2015 EDR Response, p. 4 (emphasis in original).

⁴⁶ 2015 DOR Initial Response, p. 2-4.

⁴⁷ A copy of the table is attached to this analysis as Appendix C. In its supplemental response DOR affirmed the continuing accuracy of these estimates. 2015 DOR Supplemental Response, p. 4.

⁴⁸ S. 218.21(3), F.S.

⁴⁹ S. 218.23(1)(a), F.S. This report is submitted to the Dept. of Financial Services. S. 218.32, F.S.

⁵⁰ S. 218.23(1)(c), F.S.

⁵¹ 2015 DOR Supplemental Response, p. 2. DOR noted its uncertainty whether the bill referred to the fiscal year of the state or the City, since the City’s fiscal year would run Oct. 1 – Sept. 30. As s. 218.23(1)(a), F.S., requires a local government report “for its most recently completed fiscal year,” it would seem this waiver would be through September 30, 2016.

Half-Cent Sales Tax

A newly-incorporated municipality not only must meet the statutory requirements for revenue sharing to participate in the local government half-cent sales tax distribution but also all applicable criteria for incorporation under s. 165.061, F.S.⁵² Although the proposed City does not meet the minimum levels for population⁵³ and population density,⁵⁴ DOR interprets the waivers of these requirements in the bill as meeting the criteria for the City to receive this distribution.

Gas Tax Revenues

A newly-created municipality entitled to receive distributions under ch. 218, Parts II (Revenue Sharing) and VI (Half-Cent Sales Tax), F.S., is entitled to receive distributions of certain gas taxes if levied by the county.⁵⁵ These distributions cannot begin until the new municipality's first full fiscal year.⁵⁶ Wakulla County imposes local option gas taxes⁵⁷ in which the City would be entitled to share. The 2014 Study states revenue from gas taxes is not estimated because the intent of the City would be for the County to retain all such funds and continue to perform all road maintenance and repair. However, DOR noted a potential problem because the bill provides for the City to be entitled to receive such revenues beginning July 1, 2015. As the City otherwise would not be entitled to receive distributions until October 1, 2015, and as the city council will not be elected and seated until September 15, rather than create uncertainties as to what funds may accrue and be distributed DOR suggested the bill be revised to provide the entitlement to local option gas taxes begins on October 1, 2015. (This suggestion was accepted and the bill amended on March 10, 2015, by the Local Government Affairs Subcommittee to change the date to October 1, 2015.)

Local Communications Services Tax

Counties and municipalities by ordinance may levy a tax on communication services⁵⁸ which applies to taxable services after January 1 of a given year.⁵⁹ A municipality adopting, repealing, or changing such a tax must notify DOR by September 1 preceding the January 1 in which the change would go into effect.⁶⁰ Because of these requirements, and because the initial City commission meeting is scheduled for September 15, 2015, the City may not be able to adopt an ordinance imposing the tax in time to qualify for the tax to go into effect on January 1, 2016. If so, the earliest the City could begin to receive revenues from a communications services tax imposed by City ordinance would be after January 1, 2017.⁶¹ However, in the past DOR has accommodated municipalities adopting a taxing ordinance even in September because the necessary data would be updated effective as of the following January 1. If so, a tax ordinance adopted in September 2015 could be effective as of January 1, 2016.

DOR further noted the bill provides for the present tax imposed by Wakulla County to be shared with the City in proportion of the projected population of the City to the population of the unincorporated portion of the county before the incorporation took effect. For such an arrangement the county and City must update data on service addresses with DOR by September 1, 2015.⁶² However, because the

⁵² S. 218.63(1), F.S.

⁵³ S. 165.061(1)(b), F.S., requires a minimum population of 1,500 for municipal incorporation in counties with a population less than 75,000.

⁵⁴ S. 165.061(1)(c), F.S., requires a minimum population density of 1.5 person/acre.

⁵⁵ S. 336.025(4)(b), F.S.

⁵⁶ *Id.*

⁵⁷ Wakulla County Code of Ordinances, Ch. 29, Art. II.

⁵⁸ S. 202.19(1), F.S. "Communication services" are defined by s. 202.11(1), F.S., with a number of exclusions such as one for internet access, electronic mail, or similar online computer services. S. 202.11(1)(h), F.S.

⁵⁹ S. 202.21, F.S.

⁶⁰ *Id.*

⁶¹ 2015 DOR Supplemental MM, p. 3.

⁶² 2015 DIR Supplemental MM, p. 3.

present rate imposed in unincorporated Wakulla County is .0582 and the rate for the City likely would be .0060 because of the applicable statutory conversion rate,⁶³ the sharing plan in the bill could actually result in lower revenues both for the City and the unincorporated area.⁶⁴

Discretionary Sales Surtax

DOR noted neither the 2014 Study nor the proposed charter discussed the 1% Infrastructure Sales Surtax imposed by Wakulla County, which tax expires in December 2017 and currently is shared with the two existing cities, St. Marks and Sopchoppy.

The following table summarizes DOR's estimates of revenue sharing distributions to which the City would be entitled in state fiscal year 2014-2015:⁶⁵

Type of Distribution	Estimated Amount
Municipal Revenue Sharing	\$15,903
Half-Cent Sales Tax	\$27,933
Total	\$43,836

The First EIS projected combined local and state funding for FY 2015-2016 to be \$239,965 and for FY 2015-2016 to be \$244,764. The Second EIS projected combined local and state funding for FY 2015-2016 to be \$239,965 and for FY 2015-2016 to be \$244,724.

Section 165.041(1)(b)9, F.S. – Data and Analysis Showing Incorporation is Necessary and Feasible

DEO concluded the 2014 Study included sufficient data and analysis to show incorporation was both necessary and feasible. EDR generally concurred but again noted the reliance on older data in other calculations called into question the reliability of this analysis. DOR had no opinion.

Section 165.041(1)(b)10. – Evaluation of Alternatives to Incorporation

DEO found the 2014 Study adequately met this requirement, EDR took no position because this was a determination subject to the opinion of the reader,⁶⁶ and DOR took no position.

Section 165.041(1)(b)11., F.S. – Evidence the Proposed Municipality Meets the Requirements for Incorporation under s. 165.061(1), F.S.

Section 165.061(1)(a), F.S. – Compact, Contiguous, Amenable to Municipal Gov't.

DEO and EDR concurred the area proposed for incorporation met this requirement. DOR took no position.

Section 165.061(1)(b), F.S. – Minimum Population

A municipality created in a county with a population less than 75,000 must have a minimum population of 1,500 under this statute. As of April 1, 2014, the estimated population of Wakulla County was 31,285.⁶⁷ The 2014 Study estimates the population of the proposed City at 862. DEO, EDR, and DOR concur that the proposed City does not meet this requirement. A waiver will be required in order for the City to access certain revenue sharing distributions, as explained above.

⁶³ Ss. 212.054 & 212.055, F.S.

⁶⁴ 2015 DOR Bill Analysis, p. 5-6.

⁶⁵ From Appendix C.

⁶⁶ 2015 EDR Response, p. 5.

⁶⁷ Bureau of Economic and Business Research, University of Florida, *Florida Estimates of Population 2014*, p. 21, at <http://edr.state.fl.us/Content/population-demographics/reports/index.cfm> (accessed 3/8/2015).

Section 165.061(1)(c), F.S. – Minimum Population Density

Barring extraordinary circumstances, a proposed municipality must have an average population density of 1.5 persons/acre. The Panacea area has an estimated population density of 0.38 persons/acre. Both DEO and EDR note the proposed area does not meet the population density requirement. DEO observes “a community’s commitment to improving its economy, especially based on its existing assets ... could be considered ‘extraordinary conditions.’” A waiver will be required in order for the City to access certain half-cent sales tax distributions, as explained above.

Section 165.061(1)(d), F.S. – Minimum Distance from Existing Municipalities

DEO and EDR concurred the Panacea area is greater than two miles from an existing municipality. DOR took no position.

Section 165.061(1)(e)1. & (e)2. – Proposed Municipal Charter

DEO concluded the proposed charter both prescribed the form of government and did not prohibit the City commission from exercising its power to levy any tax authorized by the Florida Constitution or general law. EDR deferred to DEO; DOR took no position.

It appears the proposed charter established by the bill complies with this requirement.

Section 165.061(1)(f), F.S. – Solid Waste Contracts

Concerning existing contracts for solid waste disposal, the statute expressly incorporates the constitutional prohibition against any law impairing contracts.⁶⁸ The 2014 Study stated existing solid waste contracts would be honored and the bill takes no action to impair such contracts.

Section 165.041(1)(c), F.S. – Information on County Municipal Overlay

Wakulla County does not have a municipal overlay for the Panacea area.⁶⁹

Ability of Proposed City to Meet Annual Financial Reporting Requirements

As a local government entity, the City will be required to file with the Dept. of Financial Services a copy of its annual financial report for the previous fiscal year.⁷⁰ If the City’s total revenues, or total expenditures and expenses, exceed \$250,000, it will have to have an annual financial audit by an independent certified public accountant.⁷¹

The proponents were asked to provide information on the proposed City’s ability to meet its annual financial reporting obligations. The proponents state sufficient funds are included within the general operation expense item reported on the EIS (amount of \$24,000) to pay for the expenses necessary to prepare and file the annual financial report.⁷²

Effect of the Bill

⁶⁸ Art. I, s. 10, Fla. Const.

⁶⁹ See, n. 34, supra.

⁷⁰ S. 218.32(1)(a), F.S.

⁷¹ S. 218.39(1), F.S.

⁷² Letter of Jon Moyle, Esq. (3/4/2015).

The bill creates the City of Panacea in a previously unincorporated area of Wakulla County, Florida, and provides a charter structuring the city government, providing powers and authority, and providing for a transition to the fully-functioning city government.

The charter provides for a council-manager form of government, with 5 city council members serving 4 year terms, elected in non-partisan elections. After each election the council will select two of their members to serve 2 year terms as mayor and vice-mayor, respectively. Council members are elected to 5 at large seats.

The council is the sole judge of the qualifications of the members, including forfeiture of office. Procedures are provided for determining and filling vacancies on the council. Council members are entitled to reimbursement as provided in general law for travel and per diem expenses. No compensation is established initially but the council is authorized to provide for compensation of its members; however, no such compensation may take effect until after the terms of members elected at the next regular election.

The council will employ a city manager, who serves as the chief administrative officer of the City, serves at the pleasure of the council, and who may also serve as city clerk. The city manager acts under the supervision of the council. The administrative section of the charter also provides for the office and duties of the city clerk, authorizes expenditures of City funds only on due appropriation, and authorizes the council to create or terminate boards and agencies.

The legislative power of the City is vested in the council. The city council is to conduct regular public meetings on due notice. Special meetings may be conducted on the call of the mayor or a majority of council members. Meetings of the council may not begin before 7:00 a.m. or after 10:00 p.m. The council exercises this authority through the adoption of ordinances and resolutions.

The charter provides for a fiscal year of October 1 – September 30. Under the City budget process, a minimum of 2 public hearings on the budget must be held before the council may adopt it. The City is authorized to issue bonds and revenue bonds, and is required to perform an annual independent audit of all financial accounts.

The charter provides for an initial special election on August 18, 2015, to elect 5 council members. Those elected to seats 1, 3, and 5 will serve the remainder of 2 year terms ending in November 2016. Those elected to seats 2 and 4 will serve the remainder of 4 year terms ending in November 2018. Beginning with the general election in November 2016 city council members will be elected to full 4 year terms.

The referendum on creating the City will be held on June 30, 2015. If approved, the City is created and incorporated effective July 1, 2015.

The bill provides the following waivers of general law necessary to complete the incorporation and for the operation of this City:

- Waives the requirements of s. 218.23(1), F.S., from the date of incorporation (7/1/2015) to December 31, 2019, in order for the City to be eligible to receive revenue sharing funds.
- Waives the requirements of s. 218.23(1), F.S., for the purpose of auditing and financial reporting for fiscal year 2015-2016.
- Waives the minimum population requirement of s. 165.061(1)(b), F.S., based on the historic coastal character of the area.
- Waives the minimum population density requirement of s. 165.061(1)(c), F.S., for the same purpose.

The bill will result in new distributions of communications services tax, revenue sharing, local option gas tax, and half-cent sales tax funds to the new City, reducing certain amounts currently distributed to

Wakulla County and the cities of St. Marks and Sopchoppy (see Appendix C). The bill is silent on the city's authority to levy ad valorem taxes. The Florida Constitution authorizes municipalities to levy 10 mills. The Florida Constitution and general law will control the city's ability to levy ad valorem taxes. The City plans to impose ad valorem taxes of 3 mills within its boundaries to fund operations. The 2014 Study relies on imposing and collecting such additional tax revenues to support the financial viability of the proposed city.⁷³

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:

According to the feasibility study and the economic impact statement, the bill will result in new distributions of communications services tax, revenue sharing, local option gas tax, and half-cent sales tax funds to the new City, reducing certain revenues currently distributed to Wakulla County and the cities of St. Marks and Sopchoppy. The Department of Revenue estimates the new City would receive \$43,836 in state revenue sharing for state FY 2014-2015.

2. Expenditures:

The proposed initial budget for the new City estimates expenses for the 2015-2016 FY of \$144,929.

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

E. REFERENDUM(S) REQUIRED? Yes No

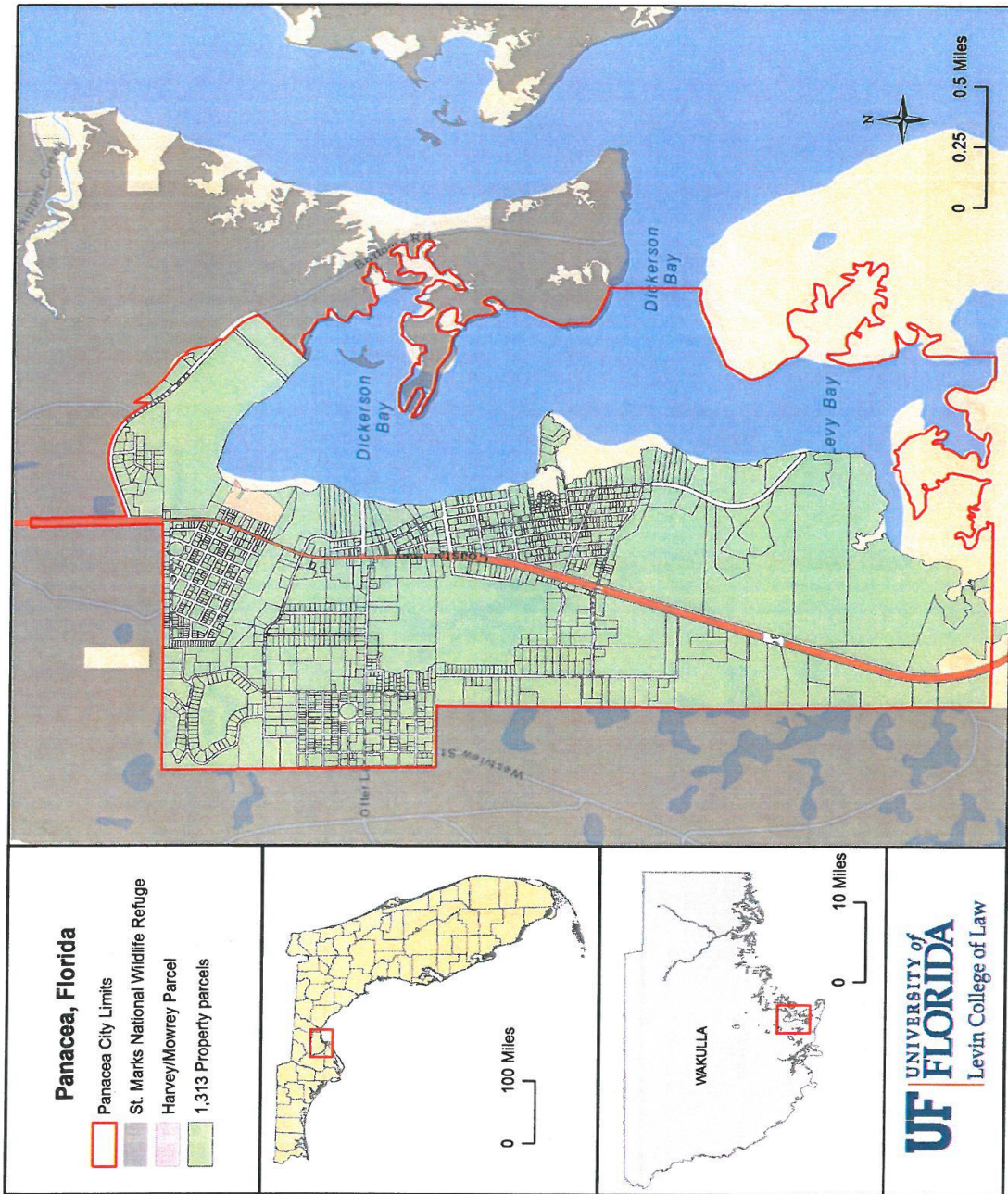
⁷³ 2014 Study, p. 26.

APPENDIX A
MATERIALS RECEIVED

Document	Date	Author
A Study of Municipal Incorporation of Panacea, Florida (rev. 8/2014)	8/2014	Conservation Clinic at the University of Florida, Levin College of Law
Memorandum: Proposed Incorporation – City of Panacea, Wakulla County	1/22/2015	Dept. of Revenue
Memorandum: Municipal Incorporation Feasibility Study for Panacea	1/29/2015	Dept. of Economic Opportunity
Response to Request for Evaluation of 2014 Study	2/2/2015	Office of Economic and Demographic Research
Memorandum: Proposed Incorporation – City of Panacea, Wakulla County (Requested Supplement)	2/23/2015	Dept. of Revenue
2015 Department of Revenue Legislative Bill Analysis – HB 593	2/27/2015	Dept. of Revenue
Response to Comments Regarding HB 593	3/2/2015	Jon C. Moyle, Esq. Counsel for Proponents
First Economic Impact Statement	3/3/2015	Panacea Waterfronts Partnership, Inc.
Response to Questions Regarding HB 593	3/4/2015	Jon C. Moyle, Esq. Counsel for Proponents
Statement supporting incorporation fiscal feasibility	3/4/2015 (rec'd 3/5/2015)	William F. Underwood, II
Second Economic Impact Statement	3/8/2015	Panacea Waterfronts Partnership, Inc.

APPENDIX B
Map of Proposed City of Panacea (From 2014 Feasibility Study)

Panacea, Florida



Conservation Clinic / Levin College of Law / University of Florida

Appendix C
DOR Incorporation of Panacea Revenue Sharing Estimates

Any projections of state shared revenues beyond the current state fiscal year (2014-2015), are based on assumptions or projections independent of the Department of Revenue.

Incorporation of Panacea Revenue Sharing Estimates (Subject to meeting requirements of 218.23, F.S.)
State Fiscal Year - 2014-2015 (Annual Estimates)

	4/1/2013 Revenue Sharing Population			Estimated 2014-2015 1/2 Cent Distributions			Estimated 2014-15 Discretionary Surtax 1%		
	Before Incorporation*	After Incorporation	Diff.	Before Incorporation*	After Incorporation	Diff.	Before Incorporation*	After Incorporation	Diff.
Wakulla									
County's Share	26,668	25,825	-843	\$918,028	\$890,585	(\$27,443)	\$2,079,908	\$2,079,908	\$0
Unincorporated									
St. Marks	285	285	0	\$9,634	\$9,444	(\$190)	\$0	\$0	\$0
Sopchoppy	450	450	0	\$15,211	\$14,911	(\$300)	\$0	\$0	\$0
Panacea	0	843	843	\$0	\$27,933	\$27,933	\$0	\$0	\$0
Totals	27,403	27,403	0	\$942,873	\$942,873	\$0	\$2,079,908	\$2,079,908	\$0

	Estimated 2014-15 Municipal Revenue Sharing			Estimated 2014-15 County Revenue Sharing			Total of Revenue Sources Estimated 2014-15		
	Before Incorporation*	After Incorporation	Diff.	Before Incorporation*	After Incorporation	Diff.	Before Incorporation	After Incorporation	Diff.
Wakulla									
County's Share	n/a	n/a	n/a	\$602,179	\$591,158	(\$11,021)	\$1,520,207	\$1,481,743	(\$38,464)
Unincorporated									
St. Marks	\$25,816	\$25,816	(\$0)	n/a	n/a	n/a	\$35,450	\$35,260	(\$190)
Sopchoppy	\$34,165	\$34,165	(\$0)	n/a	n/a	n/a	\$49,376	\$49,076	(\$300)
Panacea	\$0	\$15,903	\$15,903				\$0	\$43,836	\$43,836
Totals	\$59,982	\$75,884	\$15,902	\$602,179	\$591,158	(\$11,021)	\$1,605,034	\$1,609,915	\$4,881

Assumptions provided by Feasibility Study
 population = Panacea 843
 taxable value = 33351806

* Source: Local Government Information Handbook 2014