

1 A bill to be entitled
 2 An act relating to local government capital recovery;
 3 creating s. 166.30, F.S.; providing definitions;
 4 requiring municipalities that meet certain thresholds
 5 for specified delinquent revenues to issue a
 6 procurement request to collect such revenues;
 7 requiring procurement requests to be sent to consumer
 8 collection agencies; providing requirements for the
 9 content of the procurement requests; providing that
 10 delinquent revenues are excluded from the threshold
 11 calculations under certain circumstances; providing
 12 that municipalities issuing procurement requests are
 13 not required to enter into a contract; requiring that
 14 copies of all bids received be filed with the
 15 Department of Financial Services; amending s. 218.39,
 16 F.S.; requiring that a discussion of capital recovery
 17 efforts be included in the management letter
 18 accompanying a municipality's annual financial audit
 19 report; providing an effective date.

20
 21 Be It Enacted by the Legislature of the State of Florida:

22
 23 Section 1. Section 166.30, Florida Statutes, is created to
 24 read:

25 166.30 Municipal capital recovery.—
 26 (1) As used in this section, the term:

27 (a) "Abatement fine" means an amount billed to an owner of
28 real property by a municipality after the municipality brings
29 such real property or a portion thereof into compliance with a
30 municipal ordinance or code by removing, repairing,
31 rehabilitating, demolishing, improving, remediating, storing,
32 transporting, or disposing of any portion of the real property
33 or any tangible personal property located thereon, regardless of
34 whether a lien was attached to the property related to such
35 fine.

36 (b) "Administrative fine" means an amount billed to an
37 individual for a violation of a municipal ordinance or code
38 unrelated to real property.

39 (c) "Delinquent" means unpaid after the due date listed on
40 the original billing of an abatement fine, administrative fine,
41 property fine, or utility charge, regardless of whether the
42 municipality has contracted with a collection agency pursuant to
43 s. 938.35 for the collection of the unpaid fines or charges.

44 (d) "Designated revenues" means abatement fines,
45 administrative fines, property fines, and utility charges.

46 (e) "Procurement request" means an invitation to bid, an
47 invitation to negotiate, or a request for proposals issued by a
48 municipality pursuant to its procurement policies.

49 (f) "Property fine" means an amount other than an
50 abatement fine billed to a property owner due to the property's
51 being out of compliance with a municipal ordinance or code,
52 regardless of whether a lien was attached to the property

53 related to such fine.

54 (g) "Utility charge" means an amount billed to a customer,
55 other than a government entity as defined in s. 768.295, by a
56 municipally owned utility for providing utility service.

57 (2) Beginning October 1, 2015, a municipality shall issue
58 a procurement request meeting the requirements of subsection (4)
59 if the municipality has designated revenues totaling at least:

60 (a) Ten million dollars which are more than 90 days
61 delinquent;

62 (b) Five million dollars which are more than 180 days
63 delinquent; or

64 (c) One million dollars which are more than 270 days
65 delinquent.

66 (3) A municipality that meets at least one of the criteria
67 in paragraphs (2) (a)-(c) 1 year after issuing a procurement
68 request pursuant to this section must issue one additional
69 procurement request meeting the requirements of subsection (4).

70 (4) A procurement request issued pursuant to this section
71 must be issued no later than 30 days after the criteria of
72 subsection (2) or subsection (3) are met and must seek bids from
73 consumer collection agencies registered pursuant to s. 559.553.
74 The procurement request shall require an up-front cash payment
75 and may allow a portion of the bid to be based on contingency
76 fees in exchange for the right of the consumer collection agency
77 to collect the municipality's delinquent designated revenues
78 that were delinquent on the date that the municipality issued

79 the procurement request. The procurement request must state that
80 bids based solely on contingency fees with no up-front cash
81 payment will not be accepted.

82 (5) Subsections (2) and (3) do not apply to a municipality
83 whose delinquent designated revenues are less than 20 percent of
84 the total designated revenues billed by the municipality in the
85 previous 12 months.

86 (6) A municipality is not required to enter into a
87 contract for services with any consumer collection agency that
88 responds to the procurement request.

89 (7) Any delinquent designated revenues that a consumer
90 collection agency has contracted to collect in response to a
91 procurement request issued pursuant to this section shall be
92 excluded from the calculation made by the municipality when
93 determining whether any of the criteria in paragraphs (2) (a)-(c)
94 are met.

95 (8) The municipality shall forward a copy of all bids that
96 it has received in response to any procurement request to the
97 Department of Financial Services. The Department of Financial
98 Services shall keep all of the bids on file for at least 5
99 years.

100 Section 2. Subsection (4) of section 218.39, Florida
101 Statutes, is amended to read:

102 218.39 Annual financial audit reports.—

103 (4) A management letter shall be prepared and included as
104 a part of each financial audit report. For municipal financial

HB 7139

2015

105 audit reports, the letter must include a discussion of the
106 current balance of the municipality's delinquent designated
107 revenues as defined in s. 166.30 and the efforts that the
108 municipality has undertaken to collect such revenues.

109 Section 3. This act shall take effect July 1, 2015.