

## HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

**BILL #:** HB 1371 St. Augustine-St. Johns County Airport Authority

**SPONSOR(S):** Stevenson

**TIED BILLS:** None **IDEN./SIM. BILLS:** None

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local Government Affairs Subcommittee	11 Y, 0 N	Walker	Miller
2) Transportation & Ports Subcommittee	12 Y, 0 N	Hancock	Vickers
3) Local & Federal Affairs Committee			

### SUMMARY ANALYSIS

The bill amends sections ch. 2002-347, Laws of Fla., to rename the St. Augustine-St. Johns County Airport Authority the St. John's County Airport Authority (Authority). The bill also specifies that the Authority may conduct airport operations under the name "Northeast Florida Regional Airport."

The bill provides that the Authority shall compensate the members of its Board for their services up to, but not exceeding, \$7,500 per year only if the Authority levies ad valorem taxes of 0.00 mills. If the Authority imposes ad valorem taxes at a rate greater than 0.00 mills, the Board members may not receive compensation. Board members currently receive only reimbursements for verified travel and other expenses. The bill was unanimously approved by the St. Johns Legislative County Delegation.

The fiscal impact of this bill at the local level is indeterminate. The maximum increase in annual financial obligations of the district for the compensation of Board members is \$37,500. However, this compensation is tied to an ad valorem assessment of 0.00 mills and, therefore, may incentivize the Board members to decrease costs to receive compensation.

The bill shall take effect upon becoming law.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Present Situation**

The St. Augustine-St. Johns County Airport Authority (Authority), originally known as the St. Augustine Airport Authority, is an independent special district created in 1963<sup>1</sup> and its enabling law has been amended several times.<sup>2</sup> In 2002, the Legislature enacted ch. 2002-347, Laws of Fla., codifying all prior special acts relating to the Authority into a single charter.<sup>3</sup>

The Authority is governed by the St. Augustine-St. Johns County Airport Authority Board (Board), which is comprised of five elected members residing within St. Johns County. Board members serve staggered four year terms with vacancies appointed by the Governor and confirmed by the Senate.<sup>4</sup>

The Board has the power to hire employees, acquire property, maintain and operate airport facilities, enter into contracts, own aviation vehicles and equipment, conduct aviation related research and development, and to issue revenue and general obligation bonds.<sup>5</sup> The Board may levy ad valorem taxes in order to pay for interest and principle of issued bonds, and for general purposes, at a rate not to exceed 0.5 mills.<sup>6</sup>

The Board members currently are uncompensated but are authorized to be reimbursed for verified travel and other expenses, which are to be paid from the Authority funds.<sup>7</sup> This provision in the charter prevents the Authority from providing the Board members with benefits otherwise authorized in general law, such as insurance<sup>8</sup> or retirement benefits.<sup>9</sup>

The financial statements filed with the Department of Financial Services show the Authority currently derives most of its revenue from federal grants, service charges, and rents and royalties, with a small amount of revenue coming from ad valorem taxes (in 2014, this amounted to \$2,497.00 out of \$6,279,472 total revenues). In 2010 the Authority collected \$ 3,150,143 in ad valorem taxes but since then reduced such collections to less than \$10,000 annually.<sup>10</sup>

##### **Effect of Proposed Changes**

The bill amends ch. 2002-347, ss. 1 – 3 of s. 3, Laws of Fla., to rename the St. Augustine-St. Johns County Airport Authority the St. John's County Airport Authority (Authority). The bill also specifies that the Authority is authorized to conduct airport operations under the name "Northeast Florida Regional Airport."

The bill also requires that Board members receive compensation for their services as set by the Authority up to, but not exceeding, \$7,500 per year so long as the Authority levies ad valorem taxes of 0.00 mills. This compensation is in addition to the currently authorized reimbursements for verified travel and other expenses.

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<sup>1</sup> Ch. 63-1853, Laws of Fla.

<sup>2</sup> See generally, chs. 65-2169, 65-2172, 65-2175, 67-1983, 69-1535, 69-1541, 82-374, 83-507, 83-508, and 89-496, Laws of Fla.

<sup>3</sup> Ch. 2002-347, Laws of Fla.

<sup>4</sup> Ch. 2002-347, s. 3(3) of s. 3, Laws of Fla.

<sup>5</sup> Ch. 2002-347, s. 3(4)-(10) of s. 3, Laws of Fla.

<sup>6</sup> Ch. 2002-347, s. 3(11) of s. 3, Laws of Fla.

<sup>7</sup> Ch. 2002-347, s. 3(3) of s. 3, Laws of Fla.

<sup>8</sup> Section 112.08, F.S.

<sup>9</sup> Section 112.048, F.S.

<sup>10</sup> Department of Financial Services, LOCAL GOVERNMENT GENERAL AD HOC REPORT 2010-2015, *available at* <http://www.myfloridacfo.com/Division/AA/LocalGovernments/default.htm> (last accessed Jan. 19, 2016). Ad valorem tax receipts reported since 2010 include \$6,399 (2011), \$7,528 (2012), \$602 (2013), and \$2,497 (2014).

The fiscal impact of this bill at the local level is indeterminate. The maximum increase in financial obligations of the district for the compensation of Board members is \$37,500.<sup>11</sup> However, the compensation provided is tied to an ad valorem assessment of 0.00 mills and therefore, may incentivize the Board members to decrease costs to receive compensation.

**B. SECTION DIRECTORY:**

Section 1 Amends ch. 2002-347, ss. 1 – 3 of s. 3,, Laws of Fla., to rename the St. Augustine-St. Johns County Airport Authority the St. Johns County Airport Authority and to provide for compensation of board members.

Section 2 Provides that the bill shall take effect upon becoming law.

**II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS**

A. NOTICE PUBLISHED? Yes  No

IF YES, WHEN? December 10, 2015

WHERE? *St. Augustine Record*, a daily newspaper published in St. Johns County, Florida.

B. REFERENDUM(S) REQUIRED? Yes  No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached  No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached  No

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

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<sup>11</sup> Based on five Board members receiving the maximum compensation level provided by the bill, \$7,500/per year.