

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #: HB 525

FINAL HOUSE FLOOR ACTION:

SPONSOR(S): Beshears and others

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**COMPANION SB 444
BILLS:**

GOVERNOR'S ACTION: Approved

SUMMARY ANALYSIS

HB 525 passed the House on February 24, 2016, and subsequently passed the Senate on March 2, 2016.

The Small Community Sewer Construction Assistance Act (Act) assists financially disadvantaged small communities with their needs for adequate sewer facilities. Currently, the Act defines the term "financially disadvantaged small community" as a municipality that has a population of 10,000 or less, according to the latest decennial census, and a per capita annual income less than the state per capita annual income, as determined by the United States Department of Commerce.

The bill expands the definition of the term "financially disadvantaged small community" to include a county or special district that falls under the same population and per capita annual income parameters as currently required under the Act. Additionally, the bill provides that a special district may only be eligible under the Act if its public purpose includes water and sewer services, utility systems and services, or wastewater systems and services.

The bill expands eligibility to include certain counties and special districts that will be eligible to receive funds under the Act. However, this expansion does not require an increase or decrease of the annual appropriation made available under the Act.

The bill does not appear to have a fiscal impact on state government, but may have a positive fiscal impact on those counties and special districts eligible for grant funding assistance under the Act.

The bill was approved by the Governor on March 10, 2016, ch. 2016-55, L.O.F., and will become effective on July 1, 2016.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

The Small Community Sewer Construction Assistance Act¹ (Act) assists financially disadvantaged small communities with their needs for adequate sewer facilities.² The Department of Environmental Protection (DEP) awards grants using funds specifically appropriated for this purpose.³ For purposes of the Act, the term “financially disadvantaged small community” means a municipality that has a population of 10,000 or less, according to the latest decennial census, and a per capita annual income less than the state per capita annual income, as determined by the United States Department of Commerce.⁴

DEP may provide grants for up to 100 percent of the costs of planning, designing, constructing, upgrading, or replacing wastewater collection, transmission, treatment, disposal, and reuse facilities, including necessary legal and administrative expenses.⁵ DEP is required to perform adequate overview of each grant, including technical review, regular inspections, disbursement approvals, and auditing.⁶ DEP is authorized to use up to 2 percent of the grant funds made available each year toward the cost of administering the Act.⁷

Effect of the Bill

The bill expands the definition of the term “financially disadvantaged small community” to include a county or special district that falls within the same population and per capita annual income parameters as currently required under the Act. The bill also defines a “special district” as having the same meaning as provided in s. 189.012, F.S.,⁸ and includes only those special districts whose public purpose includes water and sewer services, utility systems and services, or wastewater systems and services.

The bill appears to expand eligibility for grant assistance under the Act to two counties, Liberty and Lafayette, and six special districts, Big Bend Water Authority, Cedar Key Special Water and Sewer District, Immokalee Water and Sewer District, Eastpoint Water and Sewer District, Suwannee Water and Sewer District, and Taylor Coastal Water and Sewer District.⁹

¹ Section 403.1838(1), F.S.

² Section 403.1838(2), F.S.

³ Section 403.1838(2)-(3), F.S.

⁴ Section 403.1838(2), F.S.

⁵ Section 403.1838(3)(a), F.S.

⁶ Section 403.1838(3)(c), F.S.

⁷ Section 403.1838(3)(d), F.S.

⁸ Section 189.012(6), F.S., defines the term “special district” as a unit of local government created for a special purpose, as opposed to a general purpose, which has jurisdiction to operate within a limited geographic boundary and is created by general law, special act, local ordinance, or by rule of the Governor and Cabinet. It does not include a school district, a community college district, a special improvement district created pursuant to s. 285.17, F.S., a municipal service taxing or benefit unit as specified in s. 125.01, F.S., or a board which provides electrical service and which is a political subdivision of a municipality or is part of a municipality.

⁹ DEP’s analysis of SB 444 (2016), on file with the Agriculture & Natural Resources Subcommittee.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill expands eligibility to include certain counties and special districts that will be eligible to receive funds under the Act. However, this expansion does not require an increase or decrease for the annual appropriation made available under the Act.

DEP's Clean Water State Revolving Fund (CWSRF) loan program collects fees that are used to fund grants under the Act.¹⁰ DEP received an appropriation of \$16 million in fiscal year 2015-2016.¹¹ DEP's current legislative budget request estimates that the CWSRF will be \$21 million in the coming year.¹²

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The bill may provide a positive fiscal impact for those counties and special districts that are eligible for grant funding assistance under the Act.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

¹⁰ DEP's 2016-2017 legislative budget request, on file with the Agriculture & Natural Resources Appropriations Subcommittee.

¹¹ DEP's analysis of SB 444 (2016), on file with the State Affairs Committee.

¹² DEP's 2016-2017 legislative budget request, on file with the Agriculture & Natural Resources Appropriations Subcommittee.