

HB 7009

2016

1 A bill to be entitled

2 An act relating to local government capital recovery;
3 creating ss. 125.575 and 166.30, F.S.; providing
4 definitions; requiring counties and municipalities
5 that meet certain thresholds for specified delinquent
6 revenues to issue a procurement request to collect
7 such revenues; requiring procurement requests to be
8 sent to consumer collection agencies; providing
9 requirements for the content of the procurement
10 requests; providing that counties and municipalities
11 issuing procurement requests are not required to enter
12 into a contract; authorizing a county executive, the
13 county clerk of court, or a mayor of a municipality to
14 enter into a contract under certain circumstances;
15 excluding certain delinquent revenues from threshold
16 calculations under certain circumstances; requiring
17 that copies of all bids received be filed with the
18 Department of Financial Services; amending s. 218.39,
19 F.S.; requiring that a discussion of capital recovery
20 efforts be included in the management letter
21 accompanying a county's or municipality's annual
22 financial audit report; providing an effective date.

23
24 Be It Enacted by the Legislature of the State of Florida:

25
26 Section 1. Section 125.575, Florida Statutes, is created

27 | to read:

28 | 125.575 County capital recovery.-

29 | (1) As used in this section, the term:

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

38 | (b) "Administrative fine" means an amount billed to an
 39 | individual for a violation of a county ordinance or code
 40 | unrelated to real property.

41 | (c) "Delinquent" means unpaid after the due date listed on
 42 | the original billing of an abatement fine, administrative fine,
 43 | property fine, or utility charge, regardless of whether the
 44 | county has contracted with a collection agency pursuant to s.
 45 | 938.35 for the collection of the unpaid fines or charges.

46 | (d) "Designated revenues" means abatement fines,
 47 | administrative fines, property fines, and utility charges.

48 | (e) "Procurement request" means an invitation to bid, an
 49 | invitation to negotiate, or a request for proposals issued by a
 50 | county pursuant to its procurement policies.

51 | (f) "Property fine" means an amount, other than an
 52 | abatement fine, billed to a property owner due to the property

53 owner's property being out of compliance with a county ordinance
54 or code, regardless of whether a lien was attached to the
55 property related to such fine.

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

59 (2) Beginning October 1, 2016, a county shall issue a
60 procurement request meeting the requirements of subsection (4)
61 if the county has designated revenues totaling at least:

62 (a) Ten million dollars which are more than 90 days
63 delinquent;

64 (b) Five million dollars which are more than 180 days
65 delinquent; or

66 (c) One million dollars which are more than 270 days
67 delinquent.

68 (3) A county that meets at least one of the criteria in
69 subsection (2) 1 year after issuing a procurement request
70 pursuant to this section must issue one additional procurement
71 request meeting the requirements of subsection (4).

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

79 collection agency to collect the county's delinquent designated
80 revenues that were delinquent on the date that the county issued
81 the procurement request. The procurement request must state that
82 bids based solely on contingency fees with no up-front cash
83 payment will not be accepted.

84 (5) Subsections (2) and (3) do not apply to a county whose
85 delinquent designated revenues are less than 20 percent of the
86 total designated revenues billed by the county in the previous
87 12 months.

88 (6) A county is not required to enter into a contract for
89 services with any consumer collection agency that responds to
90 the procurement request. However, if the governing body of the
91 county has not begun negotiations to enter into a contract for
92 services with a consumer collection agency that responded to the
93 procurement request within 60 days after the receipt of all bids
94 submitted pursuant to the procurement request, negotiations and
95 a contract may be entered into by the county executive in a
96 county operating under a county charter or the clerk of court in
97 a county that is not operating under a county charter.

98 (7) Any delinquent designated revenues that a consumer
99 collection agency has contracted to collect in response to a
100 procurement request issued pursuant to this section shall be
101 excluded from the calculation made by the county when
102 determining whether any of the criteria in subsection (2) are
103 met.

104 (8) The county shall forward a copy of all bids that it

105 has received in response to any procurement request to the
106 Department of Financial Services. The Department of Financial
107 Services shall keep all of the bids on file for at least 5
108 years.

109 Section 2. Section 166.30, Florida Statutes, is created to
110 read:

111 166.30 Municipal capital recovery.-

112 (1) As used in this section, the term:

113 (a) "Abatement fine" means an amount billed to an owner of
114 real property by a municipality after the municipality brings
115 such real property or a portion thereof into compliance with a
116 municipal ordinance or code by removing, repairing,
117 rehabilitating, demolishing, improving, remediating, storing,
118 transporting, or disposing of any portion of the real property
119 or any tangible personal property located thereon, regardless of
120 whether a lien was attached to the property related to such
121 fine.

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

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

130 (d) "Designated revenues" means abatement fines,

131 administrative fines, property fines, and utility charges.

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

135 (f) "Property fine" means an amount, other than an
136 abatement fine, billed to a property owner due to the property
137 owner's property being out of compliance with a municipal
138 ordinance or code, regardless of whether a lien was attached to
139 the property related to such fine.

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

143 (2) Beginning October 1, 2016, a municipality shall issue
144 a procurement request meeting the requirements of subsection (4)
145 if the municipality has designated revenues totaling at least:

146 (a) Ten million dollars which are more than 90 days
147 delinquent;

148 (b) Five million dollars which are more than 180 days
149 delinquent; or

150 (c) One million dollars which are more than 270 days
151 delinquent.

152 (3) A municipality that meets at least one of the criteria
153 in subsection (2) 1 year after issuing a procurement request
154 pursuant to this section must issue one additional procurement
155 request meeting the requirements of subsection (4).

156 (4) A procurement request issued pursuant to this section

157 must be issued no later than 30 days after the criteria set
158 forth in subsection (2) or subsection (3) are met and must seek
159 bids from consumer collection agencies registered pursuant to s.
160 559.553. The procurement request shall require an up-front cash
161 payment and may allow a portion of the bid to be based on
162 contingency fees in exchange for the right of the consumer
163 collection agency to collect the municipality's delinquent
164 designated revenues that were delinquent on the date that the
165 municipality issued the procurement request. The procurement
166 request must state that bids based solely on contingency fees
167 with no up-front cash payment will not be accepted.

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

172 (6) A municipality is not required to enter into a
173 contract for services with any consumer collection agency that
174 responds to the procurement request. However, if the governing
175 body of the municipality has not begun negotiations to enter
176 into a contract for services with a consumer collection agency
177 that responded to the procurement request within 60 days after
178 the receipt of all bids submitted pursuant to the procurement
179 request, negotiations and a contract may be entered into by the
180 mayor of the municipality.

181 (7) Any delinquent designated revenues that a consumer
182 collection agency has contracted to collect in response to a

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183 procurement request issued pursuant to this section shall be
184 excluded from the calculation made by the municipality when
185 determining whether any of the criteria in subsection (2) are
186 met.

187 (8) The municipality shall forward a copy of all bids that
188 it has received in response to any procurement request to the
189 Department of Financial Services. The Department of Financial
190 Services shall keep all of the bids on file for at least 5
191 years.

192 Section 3. Subsection (4) of section 218.39, Florida
193 Statutes, is amended to read:

194 218.39 Annual financial audit reports.—

195 (4) A management letter shall be prepared and included as
196 a part of each financial audit report. For each county and
197 municipal financial audit report, the letter must include a
198 discussion of the current balance of the county's or
199 municipality's delinquent designated revenues as defined in ss.
200 125.575 and 166.30 and the efforts that the county or
201 municipality has undertaken to collect such revenues.

202 Section 4. This act shall take effect July 1, 2016.