

## HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

**BILL #:** CS/CS/HB 785 St. Lucie County Fire District, St. Lucie County  
**SPONSOR(S):** Finance & Tax Committee, Local Government Affairs Subcommittee, Lee, Jr.  
**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local Government Affairs Subcommittee	9 Y, 0 N, As CS	Monroe	Miller
2) Finance & Tax Committee	14 Y, 2 N, As CS	Pewitt	Langston
3) Local & Federal Affairs Committee	10 Y, 2 N	Monroe	Kiner

### SUMMARY ANALYSIS

HB 785 revises the charter of the St. Lucie County Fire District to change the District's borrowing limit. Currently, the District may borrow up to \$1,500,000, unless an emergency is declared. If an emergency is declared the District may borrow up to \$4,000,000. Under HB 785, the District will be able to borrow an amount not to exceed 10% of their operating budget each year.

This bill will take effect upon becoming law.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Independent Special Fire Control Districts**

An independent special fire control district is a type of independent special district<sup>1</sup> created by the Legislature for the purpose of providing fire suppression and related activities within the territorial jurisdiction of the district.<sup>2</sup> Chapter 191, F.S., the “Independent Special Fire Control District Act,” is intended to provide standards, direction, and procedures for greater uniformity in the operation and governance of these districts, including financing authority, fiscally-responsible service delivery, and election of members to the governing boards for greater public accountability.<sup>3</sup> Chapter 191 controls over more specific provisions in any special act or general law of local application creating an independent fire control district’s charter.<sup>4</sup> The Chapter requires every independent fire control district be governed by a five-member board unless the board members are appointed<sup>5</sup> and provides for:

- General powers;<sup>6</sup>
- Special powers;<sup>7</sup>
- Authority and procedures for the assessment and collection of ad valorem taxes;<sup>8</sup>
- Authority and procedures for the imposition, levy, and collection of non-ad valorem assessments, charges, and fees;<sup>9</sup> and
- Issuance of district bonds and evidences of debt.<sup>10</sup>

As a type of independent special district,<sup>11</sup> independent special fire control districts are also subject to applicable provisions of ch. 189, F.S., the “Uniform Special District Accountability Act.”<sup>12</sup> That Act prohibits special laws or general laws of local application that:<sup>13</sup>

- Create special districts which do not conform with the minimum requirements for district charters under s. 189.031(3), F.S.;<sup>14</sup>

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<sup>1</sup> A “special district” is a local government unit of “special purpose, as opposed to general purpose, operat[ed] within a limited boundary and created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.” S. 189.012(6), F.S. An “independent special district” is any special district that is not a “dependent special district,” which is defined as a special district in which: the membership of the governing body is identical to the governing body of a single county or municipality, all members of the governing body are appointed by the governing body of a single county or municipality, members of the special district’s governing body are removable at will during their unexpired terms by the governing body of a single county or municipality, or the district’s budget is subject to the approval of the governing body of a single county or municipality. S. 189.012(3), F.S.

<sup>2</sup> Section 191.003(5), F.S.

<sup>3</sup> Section 191.002, F.S.

<sup>4</sup> Section 191.004, F.S. Provisions in other laws pertaining to district boundaries or geographical sub-districts for electing members to the governing board are excepted from this section. *Id.*

<sup>5</sup> Section 191.005(1)(a), F.S. A fire control district may continue to be governed by a three-member board if authorized by special act adopted in or after 1997.

<sup>6</sup> Section 191.006, F.S. (such as the power to sue and be sued in the name of the district, the power to contract, and the power of eminent domain).

<sup>7</sup> Section 191.008, F.S.

<sup>8</sup> Section 191.006(14); 191.009(1), F.S.

<sup>9</sup> Section 191.006(11), (15), 191.009(2)—(4), 191.011, F.S.

<sup>10</sup> Section 191.012, F.S.

<sup>11</sup> Section 191.014(1), F.S., providing that new districts are created by the Legislature pursuant to s. 189.031, F.S.

<sup>12</sup> Section 189.031, F.S.

<sup>13</sup> Article III, s. 11(a)(21), Fla. Const. (enabling the prohibition of any special law or general law of local application on a subject, if such prohibition is passed as a general law approved by three-fifths vote of the membership of each house. A general law passed in this manner may be amended or repealed by “like vote.” The “Uniform Special District Accountability Act” (ch. 89-169, s. 67, Laws of Fla.) was originally passed by a three-fifths majority in each the House and the Senate.

<sup>14</sup> Section 189.031(2)(a), F.S.

- Exempt district elections from the requirements of s. 189.04, F.S.;<sup>15</sup>
- Exempt a district from the requirements for bond referenda under s. 189.042, F.S.;<sup>16</sup>
- Exempt a district from the requirements for reporting, notice, or public meetings under ss. 189.015, 189.016, 189.051, or 189.08, F.S.;<sup>17</sup>
- Create a district for which a statement documenting the following is not submitted to the Legislature:
  - The purpose of the proposed district;
  - The authority of the proposed district;
  - An explanation of why the district is the best alternative; and
  - A resolution or official statement from the local general-government jurisdiction where the proposed district will be located stating that the proposed district is consistent with approved local government plans and the local government does not object to creation of the district.<sup>18</sup>

An independent special district, as an entity created by the Legislature, only possesses the powers granted by the authorizing law.<sup>19</sup> Therefore, any boundary expansion must be approved by the Legislature.<sup>20</sup> A special district may not levy ad valorem taxes without approval by the effected voters in a referendum.<sup>21</sup>

An independent special fire control district is authorized to borrow, via bonding or other methods, provided that the total amount of annual debt service does not exceed 50% of its annual operating budget.

### **St. Lucie County Fire District**

The St. Lucie Fire District was created in 1959 and its Charter was codified by Chapter 2004-407, Laws of Florida. The District is governed by an appointed board consisting of:

- Two members from the Board of County Commissioners of St. Lucie County,
- Two members from the City Commission of the City of Ft. Pierce,
- Two members from the City Commission of the City of Port St. Lucie, and
- One member appointed by the Governor.

The District may borrow up to \$1,500,000 per year, unless an emergency is declared. If an emergency is declared the District may borrow up to \$4,000,000.<sup>22</sup>

### **Effect of Proposed Changes**

HB 785 revises the charter of the St. Lucie County Fire District<sup>23</sup> to change the District's borrowing limit. Under the bill, the District will be able to borrow an amount not to exceed 10% of its operating budget each year. The funds borrowed must be spent in accordance with a supermajority vote of the District's board and the funds cannot be spent on normal operating expenses. The District's operating budget for 2015 is approximately \$63 million<sup>24</sup> and their total budget is \$87,104,738.<sup>25</sup>

## **B. SECTION DIRECTORY:**

<sup>15</sup> Section 189.031(2)(b), F.S.

<sup>16</sup> Section 189.031(2)(c), F.S.

<sup>17</sup> Section 189.031(2)(d), F.S.

<sup>18</sup> Section 189.031(2)(e), F.S.

<sup>19</sup> *Bd. of Comm'rs of Jupiter Inlet Dist. v. Thibadeau*, 956 So. 2d 529, 531 (Fla. 4th DCA 2007).

<sup>20</sup> Section 191.014(2), F.S. ("The territorial boundaries of [an independent special fire control] district may be modified, extended, or enlarged with the approval or ratification of the Legislature.").

<sup>21</sup> Article VII, s. 9(b), Fla. Const.

<sup>22</sup> Section 6(2) of Section 3 Chapter 2004-407, Laws of Florida

<sup>23</sup> Ch. 2004-407, Laws of Florida.

<sup>24</sup> September 8, 2015 letter from Buddy Emerson, Fire Chief, attached as a supplement to the Economic Impact Statement which can be found in the February 17, 2016 meeting package of the Local and Federal Affairs Committee at [http://www.myfloridahouse.gov/Sections/Documents/publications.aspx?CommitteeId=2833&PublicationType=Committees&DocumentType=Meeting Packets&SessionId=80](http://www.myfloridahouse.gov/Sections/Documents/publications.aspx?CommitteeId=2833&PublicationType=Committees&DocumentType=Meeting%20Packets&SessionId=80)

<sup>25</sup> Accessible at [http://www.slcfcd.com/assets/documents/2015\\_2016\\_budget.pdf](http://www.slcfcd.com/assets/documents/2015_2016_budget.pdf). Last accessed on February 1, 2016.

**Section 1** revises the charter of the St. Lucie County Fire District to change the District's borrowing limit. It provides that the District will be able to borrow an amount not to exceed 10% of its operating budget. The borrowed funds may only be expended through a supermajority vote of the District's board.

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

## II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes  No

IF YES, WHEN? October 21, 2015

WHERE? Treasure Coast Newspapers

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 authority or require implementation by administrative agency rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

## IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 13, 2016, the Local Government Affairs Subcommittee adopted an amendment to remove the definition of the term "emergency" in the District's Charter. Since the bill as filed removed the only use of this term in the Charter the definition was superfluous.

On February 3, 2016, the Finance and Tax Committee adopted an amendment to clarify that the 10% cap applies to the amount that may be borrowed annually.

This analysis was written to the bill as amended.