

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

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|----------------------------|--|----------------------------------|--------------|------------|
| BILL #: | HB 1313 | FINAL HOUSE FLOOR ACTION: | | |
| SUBJECT/SHORT TITLE | Cold Springs Improvement District, Marion County | 115 | Y's 1 | N's |
| SPONSOR(S): | Stone | GOVERNOR'S ACTION: | | Approved |
| COMPANION BILLS: | N/A | | | |

SUMMARY ANALYSIS

HB 1313 passed the House on April 27, 2017, and subsequently passed the Senate on May 4, 2017.

The bill amends the boundaries of the Cold Springs Improvement District (district) to remove the road envelope property from the legal boundaries of the district. This parcel of property is currently in foreclosure and removing the parcel from the district will allow the district to convey by Special Warranty Deed to the original owners of the property in question, in a deed in lieu of foreclosure.

The Cold Springs Improvement District is an independent special district created for the purpose of assisting in financing the construction of site improvements, including roads and utilities, needed for the development of Cold Springs Village in Marion County, Florida.

The Economic Impact Statement submitted with the bill states that it is projected to have no fiscal impact.

The bill was approved by the Governor on June 6, 2017, ch. 2017-217, L.O.F., and became effective on that date.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Special Districts

A “special district” is a “local unit of special purpose...government within a limited boundary, created by special law, special act, local ordinance, or by rule of the Governor and Cabinet.”¹ Special districts are created to provide a variety of services, such as mosquito control,² children’s services,³ fire control and rescue,⁴ or drainage control.⁵

An “independent special district” is characterized by having a governing board comprised of members which are not identical in membership to, nor all appointed by, nor any removable at will by, the governing body of a single county or municipality, and the district budget cannot be affirmed or vetoed by the governing body of a single county or municipality.⁶ Additionally, a district that includes more than one county is an independent special district unless the district lies wholly within the boundaries of a single municipality.

Cold Springs Improvement District

The Cold Springs Village project began in the early 1980’s. As part of the assembly of land for the project, the landowner obtained, in the form of a property exchange under an Exchange Agreement, a road envelope for the purpose of constructing a roadway from Cold Springs Village south to a connection with County Road 336, west of Dunnellon. The obligation to construct the road was secured by a Mortgage encumbering the property; however, construction of the road was never initiated or completed.⁷

In 1994, the Cold Springs Improvement District (district), an independent special district, was created for the purpose of assisting in financing the construction of site improvements, including roads and utilities, needed for the development of Cold Springs Village.⁸ The district is governed by a five member board, all of whom are elected by the landowners of the district.⁹ The district also is authorized to levy ad valorem taxes and impose non-ad valorem assessments¹⁰ and impose and foreclose tax and non-ad valorem assessment liens pursuant to ch. 197, F.S.¹¹

In May 2004, the Cold Springs Village property was purchased and the new landowner entered into negotiations with the owners of the road envelope property to purchase approximately 5,000 additional acres of land adjacent to the district. A Purchase Agreement for the transaction was finalized, but due to the economic downturn of the mid-2000’s, the sale and purchase were never completed. There were

¹ Section 189.012(6), F.S.

² See s. 388.021, F.S.

³ See s. 125.901, F.S.

⁴ See ch. 191, F.S.

⁵ See ch. 298, F.S.

⁶ Section 189.012(3), F.S.

⁷ Letter to Rep. Charlie Stone (District 22) from Steven Gray, re: Request to Introduce Bill to Release Property from Cold Springs Improvement District, dated August 29, 2016. (on file with the Local, Federal and Veterans Affairs Subcommittee).

⁸ Chapter 94-452, Laws of Fla.

⁹ Chapter 94-452, s. 6, Laws of Fla.

¹⁰ Chapter 94-452, s. 4n., Laws of Fla.

¹¹ Chapter 94-452, s. 4o, Laws of Fla.

subsequent communications regarding smaller landlocked parcels located within the boundaries of the district, but no transactions were ever completed.¹²

In 2011, the owners of the road envelope property sued to foreclose the mortgage encumbering the property.¹³

Following the purchase of the land in 2004, the owners decided that the Cold Springs Improvement District would maintain active status under current law, to allow for future development of the property. All the property currently is owned by a single landowner who therefore, holds all the property owner votes in the district. The district has agreed to adopt a resolution prohibiting assessment of the roadway envelope property for any district assessments. Additionally, the district agreed to remove the road envelope property from the district to allow for the district to convey by Special Warranty Deed to the original owners the property in question, in a deed in lieu of foreclosure.¹⁴

Effect of the Bill

The bill amends chapter 94-452, Laws of Florida, to remove the road envelope property from the legal boundaries of the district.

The Economic Impact Statement submitted with the bill projects it will have no fiscal impact.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? February 1, 2017

¹² Letter to Rep. Charlie Stone (District 22) from Steven Gray, re: Request to Introduce Bill to Release Property from Cold Springs Improvement District, dated August 29, 2016. (on file with the Local, Federal and Veterans Affairs Subcommittee).

¹³ *Id.*

¹⁴ *Id.*

WHERE? *Star Banner*, a daily newspaper published in Ocala, in Marion County, Florida.

E. REFERENDUM REQUIRED? Yes No

IF YES, WHEN?