

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS
FINAL BILL ANALYSIS**

BILL #: CS/HB 1203 Lakewood Ranch Stewardship District, Manatee and Sarasota Counties
SPONSOR(S): Local, Federal & Veterans Affairs Subcommittee; Gregory
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	13 Y, 0 N, As CS	Darden	Miller
2) Ways & Means Committee	16 Y, 0 N	Curry	Langston
3) State Affairs Committee	21 Y, 0 N	Darden	Williamson

FINAL HOUSE FLOOR ACTION: 113 **Y's** 0 **N's** **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

CS/HB 1203 passed the House on April 29, 2019, and subsequently passed the Senate on May 1, 2019.

Lakewood Ranch Stewardship District (District) is an independent special district created in 2005. It covers land in Manatee and Sarasota counties and provides community development systems, facilities, services, projects, improvements, and infrastructure to the area. The District is governed by a five-member board of supervisors who are elected on a one vote per acre basis. The District is authorized to impose ad valorem taxes and may levy user charges and fees, non-ad valorem maintenance taxes as authorized by general law, maintenance special assessments, and benefit special assessments.

The District was expanded in 2009 by approximately 200 additional acres and given additional power to pursue sustainable or green infrastructure improvements, facilities, and services within its boundaries with the exception that the District could not provide electric service to retail customers or otherwise impair electric utility franchise agreements.

The bill adds an additional 2,305 acres to the District's jurisdictional boundaries and removes 2 acres. The boundary expansion is subject to approval by a majority vote of the landowners within the district, including those in the areas to be added, who are present at a landowner's meeting (or their proxy) to be held within 90 days of the effective date of the act.

Infrastructure improvements in the additional acreage will be funded through the issuance of bonds and payable by the new homeowners residing therein through annual assessments.

The bill was approved by the Governor on May 23, 2019, ch. 2019-180, L.O.F., and sections 2 and 3 became effective on that date. Section 1 of the bill shall take effect subject to approval by a majority vote of the landowners voting in a referendum.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Special Districts

A "special district" is a unit of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary.¹ A special district may be created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.² A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the district's charter.³ Special districts provide specific municipal services in addition to, or in place of, those provided by a municipality or county.⁴

A "dependent special district" is 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 district's governing body are removable at will by the governing body of a single county or municipality, or the district's budget is subject to the approval of governing body of a single county or municipality.⁵ An "independent special district" is any district that is not a dependent special district or one that includes more than one county unless the district lies wholly within a single municipality.⁶

Lakewood Ranch Stewardship District

Lakewood Ranch Stewardship District (District) is an independent special district created in 2005 by special act.⁷ The District covers land in Manatee and Sarasota counties and its purpose is to provide sound planning, provision, acquisition, development, operation, maintenance, and related financing for public systems, facilities, services, improvements, projects, and infrastructure works as authorized by its charter.⁸ The District is authorized to provide these services extraterritorially upon execution of an interlocal agreement.⁹ The District is governed by a five-member board of supervisors elected to serve four-year terms either by the landowners or qualified electors residing in the District.¹⁰

¹ S. 189.012(6), F.S. The Legislature adopted ch. 189, F.S., in 1989 to provide uniform statutes for the definition, creation, and operation of special districts. *See* s. 189.011(1), F.S.

² S. 189.012(6), F.S.

³ *See* ss. 189.02(4)-(5) and 189.031(3), F.S. Counties and municipalities have "home rule" powers allowing them to enact ordinances not inconsistent with general or special law for governmental, corporate, or proprietary purposes. Special districts do not possess home rule powers and are permitted to impose only those taxes, assessments, or fees authorized by special or general law. *See* art. VIII, ss. 1(f) and (g), 2(b), s. 6(e), Fla. Const. and ss. 166.021 and 125.01, F.S. *See also* 2018 – 2020 *Local Gov't Formation Manual*, p. 70, at <https://www.myfloridahouse.gov/Sections/Documents/loadoc.aspx?PublicationType=Committees&CommitteeId=3025&Session=2019&DocumentType=General%20Publications&FileName=2018-2020%20Local%20Government%20Formation%20Manual%20Final.pdf> (last visited Mar. 18, 2019) (hereinafter *Local Government Manual*).

⁴ *Local Government Manual* at 64.

⁵ S. 189.012(2), F.S.

⁶ S. 189.012(3), F.S. Independent special districts are created by the Legislature unless otherwise authorized by general law. The charter of a newly-created district must meet minimum statutory requirements which includes a statement that it is an independent special district.

⁷ Ch. 2005-338, Laws of Fla.

⁸ Ch. 2005-338, s. 3(4), Laws of Fla. as amended by ch. 2009-263, Laws of Fla.

⁹ *Id.*

¹⁰ Ch. 2005-338, s. 5, Laws of Fla. As qualified electors move into the District, more members are chosen in an election of the qualified electorate rather than a landowners' meeting. Once 45,000 qualified electors reside within the District all five members will be elected by the qualified electorate. Ch. 2005-338, s.5(3)(a)2.a.(V), Laws of Fla.

The District is authorized to impose ad valorem taxes and may levy user charges and fees, non-ad valorem maintenance taxes as authorized by general law, maintenance special assessments, and benefit special assessments.¹¹ In 2009, the District was also authorized to provide sustainable or green infrastructure improvements, facilities, and services, including recycling of natural resources, reduction of energy demands, development and generation of alternative or renewable energy sources and technologies. The District was also authorized to enter into joint ventures or other agreements necessary to accomplish sustainable or green goals.¹² The District is not authorized to provide electric service to retail customers or otherwise take action to impair electric utility franchise agreements.¹³ In the same act, the District was expanded by approximately 200 acres to a total acreage of approximately 23,255 acres.¹⁴ The District was expanded by an additional 47 acres in 2018, bringing the total acreage to approximately 23,302 acres.¹⁵

Effect of the Bill

The bill amends the boundaries of the District to annex two areas of approximately 2,264 and 41 acres into the District, and to remove an area of approximately 2 acres. The bill increases the total acreage from 23,302 acres to 25,605 acres.

The addition of lands to the District is subject to a referendum of landowners, including those in the areas to be annexed. For the purposes of the referendum, each assessable acre, or fraction thereof, must be counted as one vote, pursuant to the terms of the District's charter. The bill states that the landowners meeting to vote on the annexation must be held within 90 days of the effective date of the act. Landowners otherwise eligible to vote at the meeting may assign a proxy to vote in their place.

According to the Economic Impact Statement, infrastructure in the additional acreage will cost \$11 million and will be funded through the issuance of bonds, payable by the new homeowners residing in the additional acreage acres through annual assessments. The annual assessments are estimated to generate \$1 million in revenue per year.¹⁶

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

¹¹ Ch. 2005-338, s.6(6), Laws of Fla. The District currently does not levy ad valorem taxes. The District may only levy ad valorem taxes subject to approval at a referendum held after the complete transition of the District's board to election by the qualified electors of the District. Ch. 2005-338, s. 8, Laws of Fla.

¹² Ch. 2005-338, s.6(6), as amended by ch. 2009-263, s.2, Laws of Fla.

¹³ *Id.*

¹⁴ Ch. 2005-338, as amended by ch. 2009-263, s.1, Laws of Fla.

¹⁵ Ch. 2018-178, Laws of Fla.

¹⁶ See Economic Impact Statement for HB 1203 (2019).

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Economic Impact Statement (EIS) projects non-ad valorem special assessments levied by the District will generate approximately \$1 million per year in revenues starting in FY 2020-21.¹⁷

2. Expenditures:

The EIS projects the District will expend approximately \$1 million in FY 2019-20 and \$10 million in FY 2020-21 to install and expand District infrastructure to cover the areas added to the District by the bill.¹⁸

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 24, 2018 and January 22, 2019

WHERE? The *Bradenton Herald*, a daily newspaper of general circulation published in Manatee County, Florida and the *Sarasota Herald-Tribune*, a daily newspaper of general circulation published in Sarasota County, Florida, respectively.

E. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN? A landowners referendum held within 90 days after the effective date of the bill.

¹⁷ See 2019 Economic Impact Statement, at <https://myfloridahouse.gov/Sections/Documents/loadoc.aspx?FileName=EconomicImpactStatement.pdf&DocumentType=localbilldocuments&Session=2019&BillNumber=1203> (last visited May 6, 2019).

¹⁸ *Id.*