

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 345 County Boundaries

SPONSOR(S): Ways & Means Committee, Hogan Johnson and others

TIED BILLS: **IDEN./SIM. BILLS:**

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|---|---------------------|---------|--|
| 1) Local, Federal & Veterans Affairs Subcommittee | 12 Y, 0 N | Rivera | Miller |
| 2) Ways & Means Committee | 14 Y, 0 N, As CS | Keller | Langston |
| 3) State Affairs Committee | | | |

SUMMARY ANALYSIS

The Florida Constitution provides for the state to be divided by law into political subdivisions called counties. Counties may be created, abolished or changed by law, with provision for the payment or apportionment of the public debt. The boundary lines for Florida's 67 counties are described by the Florida Statutes. Since 1925, approximately 33 general laws revising existing county boundaries have passed the Florida Legislature.

Indian River and St. Lucie Counties are contiguous, non-charter counties located on the southeastern coast of Florida. As of 2018, St. Lucie County had a population of 302,432 and Indian River County had a population of 151,825.

Owners of a parcel of land located in both counties requested the entire parcel of land be placed within Indian River County. The counties agreed in 1991 to the construction of a home on the portion of the property within St. Lucie County and divided the taxes and fees between them, but there was no agreement made regarding the provision of services to the property.

After discussions about the boundary change, the counties agreed to place the .65-acre plot of land currently within the boundaries of St. Lucie County to Indian River County in exchange for a 5.56-acre plot currently within Indian River County to St. Lucie County.

The bill revises the boundary between Indian River and St. Lucie Counties to place 5.56 acres of land currently within Indian River County to within the St. Lucie County boundary and .65 acres currently within St. Lucie County to within the Indian River County boundary.

St. Lucie County may lose approximately \$7,000 in ad valorem tax income because the 5-acre plot is undeveloped land. However, the county expects to earn more than the lost revenue upon completion of the planned land development. Indian River County assessed taxes on the property to be transferred at little over \$1000 in 2019.

The bill takes effect upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Constitutional and Statutory Provisions Relating to Counties

While the provisional government and territorial councils provided for county forms of government in Florida, the Florida Constitution of 1861 gave counties constitutional status for the first time.¹ The Florida Constitution of 1885 first recognized counties as legal subdivisions of the state and granted the Legislature the power to create new counties and alter county boundaries. The last of Florida's current 67 counties, Gilchrist County, was created in 1925 through a special act of the Legislature under the provisions of the amended 1885 Florida Constitution.²

The 1968 Florida Constitution revised the provision in the 1885 Constitution relating to county formation. Section 1(a), Art. VIII of the State Constitution, provides that:

[t]he state shall be divided by law into political subdivisions called counties. Counties may be created, abolished or changed by law, with provision for payment or apportionment of the public debt.

The 1968 Florida Constitution also authorized the passage of local ordinances consistent with the idea of home rule.³

Article VIII of the Florida Constitution establishes the authority for home rule by counties and municipalities in Florida. The legislature is required to divide the state into counties⁴ and has the authority to choose to create municipalities.⁵ The Florida Constitution recognizes two types of county government in Florida: those operating under a county charter and those without a charter. Specifically, non-charter county governments may exercise those powers of self-government that are provided by general or special law.⁶ Counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by the vote of the electors.⁷ Chapter 125, F.S., outlines the powers and duties of Florida counties. Chapter 7, F.S., describes the boundary lines for Florida's 67 counties.

Changes in County Boundaries⁸

¹ Art. IV, s. 27, and art. V, ss. 6, 8, 9, Fla. Const. (1861).

² See ch. 1925-11371, L.O.F.

³ State Affairs Committee and Local, Federal & Veterans Affairs Subcommittee, The Florida House of Representatives, *2018 -2020 Local Government Formation Manual*, available at <https://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 Feb. 4 2020)(hereinafter Local Government Manual).

⁴ Art. VIII, s. 1(a), Fla. Const.

⁵ Art. VIII, s. 2(a), Fla. Const.

⁶ Art. VIII, s. 1(f), Fla. Const.

⁷ Art. VIII, s. 1(g), Fla. Const.

⁸ See supra note 3.

Since 1925, approximately 33 general laws revising existing county boundaries have passed the Legislature. Adjusting the legal descriptions of one or more counties requires an amendment to general law. The Legislature has passed several acts through amendment to the appropriate section of ch. 7, F.S. A bill seeking to alter county boundaries should include an accurate legal description of the affected real property. Proper description of the subject area enables effective notice to those whose interests are affected substantially by the proposed governmental change.

County boundary changes within the past 35 years include those involving:

- Franklin and Wakulla counties in 1986,⁹
- Escambia and Santa Rosa counties in 1991,¹⁰
- Citrus and Levy counties in 1994,¹¹
- Broward and Palm Beach counties in 2007,¹² and
- St. Lucie and Martin counties in 2012.¹³

Property Taxes in Florida

The Florida Constitution reserves ad valorem, or property, taxation to local governments and prohibits the state from levying ad valorem taxes on real and tangible personal property.¹⁴ The ad valorem tax is an annual tax levied by counties, cities, school districts, and some special districts based on the value of real and tangible personal property as of January 1 of each year.¹⁵ The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes¹⁶ and provides for specified assessment limitations, property classifications and exemptions.¹⁷ After the property appraiser considers any assessment limitation or use classification affecting the just value of a property, an assessed value is produced. The assessed value is then reduced by any exemptions to produce the taxable value.¹⁸

Determination of Millage

Each county property appraiser must complete an assessment of the value of all property within the appraiser's jurisdiction and certify to the taxing authorities the taxable value of such property no later than July 1 of each year, unless the Department of Revenue (DOR) grants an extension.¹⁹ The taxable value of a parcel includes both the value of structures and other improvements on the parcel and the value of the land on which those structures and improvements sit.²⁰ The property appraiser also ensures that all real property is listed on the real property assessment roll.²¹ The certification from the

⁹ Ch. 1986-288, L.O.F.

¹⁰ Ch. 1991-310, L.O.F.

¹¹ Ch. 1994-313, L.O.F.

¹² Ch. 2007-222, L.O.F.

¹³ Ch.2012-45, L.O.F.

¹⁴ Art. VII, s. 1(a), Fla. Const.

¹⁵ S. 192.001(12), F.S., defines "real property" as land, buildings, fixtures, and all other improvements to land. The terms "land," "real estate," "realty," and "real property" may be used interchangeably. Section 192.001(11)(d), F.S., defines "tangible personal property" as all goods, chattels, and other articles of value (but does not include the vehicular items enumerated in article VII, section 1(b) of the Florida Constitution and elsewhere defined) capable of manual possession and whose chief value is intrinsic to the article itself.

¹⁶ Art. VII, s. 4, Fla. Const.

¹⁷ Art. VII, ss. 3, 4, and 6, Fla. Const.

¹⁸ S. 196.031, F.S.

¹⁹ S. 193.023(1), F.S. An extension can only be granted for good cause.

²⁰ See *The Appraisal Process and Your Taxes*, Hillsborough County Property Appraiser, available at <http://www.hcpafl.org/Property-Info/The-Appraisal-Process-Your-Taxes> (last visited January 24, 2020) (process for calculating property tax values).

²¹ S. 193.085(1), F.S.

property appraiser to each taxing authority must include the procedure for calculating the “rolled-back rate”²² as well as the maximum millage rate.²³

Each taxing authority uses the taxable value provided by the property appraiser to prepare a proposed millage rate that is levied on each parcel’s taxable value.²⁴ Every taxing authority must compute proposed or final millage rates based on utilizing at least 95 percent of the taxable value of the property within the boundaries of the taxing authority. Each taxing authority must prepare and submit its tentative budget as prescribed by law.²⁵

Within 35 days of the property appraiser’s certification, each taxing authority must inform the property appraiser of its proposed millage rate, its rolled-back rate, and the date, time, and location of the public hearing²⁶ which will consider the proposed millage rate and tentative budget.²⁷ From this information, the property appraiser prepares notices of proposed property taxes, commonly referred to as TRIM Notices.²⁸ A taxing authority that fails to provide timely notice to the property appraiser is prohibited from levying a millage rate higher than the rolled-back rate for the upcoming fiscal year.²⁹

Indian River and St. Lucie Counties

St. Lucie and Indian River Counties are contiguous, non-charter counties located in southeastern Florida. St. Lucie County was established in 1844 and Indian River County was carved out of St. Lucie County in 1925.³⁰ In 2018, Indian River County reported a population of 151,825.³¹ Its county seat is Vero Beach. In 2018, St. Lucie County reported a population of 302,432.³² Fort Pierce serves as its county seat.³³

Indian River County Special Districts

The Indian River County Mosquito Control District (IRMCD) is an independent special taxing district created by special act in 1925.³⁴ The IRMCD is authorized to do any and all things necessary for the

²² S. 200.065(1), F.S., defines “rolled-back rate” as “[A] millage rate which, exclusive of new construction, additions to structures, deletions, increases in the value of improvements that have undergone a substantial rehabilitation which increased the assessed value of such improvements by at least 100 percent, property added due to geographic boundary changes, total taxable value of tangible personal property within the jurisdiction in excess of 115 percent of the previous year’s total taxable value, and any dedicated increment value, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year less the amount, if any, paid or applied as a consequence of an obligation measured by the dedicated increment value.”

²³ S. 200.065(5), F.S., defines “maximum millage rate” is the millage rate a local government may levy by a simple majority vote of its governing body.

²⁴ S. 200.065(2)(a)1., F.S.

²⁵ See s. 200.065(2)(a)2.-4., F.S., requiring county commissions to prepare and submit budgets in accordance with s. 129.03, F.S., requiring school districts to prepare and submit budgets in accordance with Ch. 1011, F.S., and requiring other taxing authorities to prepare and consider budgets in accordance with s. 200.065 and other provisions of law.

²⁶ During the public hearing, the governing body of the taxing authority may recompute the proposed millage rate and publicly announce the percentage (if any) by which the recomputed millage rate exceeds the rolled-back rate. If the recomputed millage rate exceeds the rolled-back rate, the percentage difference is included in the notice of proposed tax increase issued pursuant to s. 200.065(3)(a), F.S. See s. 200.065(2)(c), F.S.

²⁷ S. 200.065(2)(b), F.S.

²⁸ In 1980, the Florida Legislature passed the Truth in Millage (TRIM) Act which required property appraiser to send Truth-in-Millage or TRIM notices to property owners detailing important tax information. See s. 200.069, F.S.

²⁹ S. 200.065(2)(b), F.S.

³⁰ See Ch. 10148, s. 1, L.O.F. (1925).

³¹ Office of Economic & Demographic Research (OEDR), *County Profile: Indian River County*, available at <http://edr.state.fl.us/Content/area-profiles/county/indianriver.pdf> (last visited January 24, 2020).

³² OEDR, *County Profile: St. Lucie County*, <http://edr.state.fl.us/Content/area-profiles/county/stlucie.pdf> (last visited January 24, 2020).

³³ *Supra* note 3, Appendix B.

³⁴ Ch. 2006-344, L.O.F.

control and eradication of all species of mosquitoes and sandflies and the diseases carried by them. The district is authorized to levy an ad valorem tax up to 10 mills.³⁵ The boundaries of the IRMCD are described through township and range measurements using the county boundary lines as reference points.³⁶ The boundaries of the district may adjust automatically when the county boundary lines are modified.

The Indian River Hospital District (IRHD) is an independent special taxing district created by special act in 1961.³⁷ The IRHD is authorized to establish, construct, purchase, operate, maintain, and lease facilities in or through which the district provides health and medical services deemed necessary and desirable for the use of the people of the district. The district is authorized to levy an ad valorem tax up to 5 mills.³⁸ The boundaries of the IRHD are described in township and range measurements using the county boundary lines as reference points.³⁹ The district boundaries may automatically adjust when the county boundary lines are changed.

The Indian River County Emergency Services District (IRCEMS) is a special taxing district created by local ordinance in 1990.⁴⁰ The IRCEMS is wholly located within the county and has the same governing board as the Indian River Board of County Commissioners. Therefore, it is a dependent special district.⁴¹ The district provides fire, rescue, emergency medical services, and other emergency services to property and persons within the district boundaries. The district is authorized to levy an ad valorem tax up to 3.5 mills. The boundaries of the district are coterminous with the boundaries of the county, except for that property located within the Town of Indian River Shores.⁴²

St. Lucie County Special Districts

The St. Lucie County Mosquito Control District (SLMCD) is a special taxing district created by special act in 1953.⁴³ The SLMCD is wholly located within the county and has the same governing board as the St. Lucie Board of County Commissioners. Therefore, it is a *dependent* special district.⁴⁴ The SLMCD provides services to reduce the mosquito population, monitor viruses carried by mosquitos, as well as analyze environmental information and oversee public use of impounded wetland parks.⁴⁵ The boundaries of the SLMCD are described by township and range and survey call measurements. The boundary description does not use the county boundary lines as reference points and the boundaries of the district do not automatically change when the county boundary lines change.⁴⁶ The SLMCD is authorized to levy ad valorem taxes up to 10 mills.⁴⁷

³⁵ *Id.*

³⁶ Ch. 2003-382, L.O.F.

³⁷ Ch. 2003-382, L.O.F.

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *See* s. 125.01(5)(a), F.S.

⁴¹ S. 189.012(2)(a), F.S.

⁴² Indian River County, *Code of Ordinances*, Ordinance 90-25, available at https://www.ircgov.com/Boards/ESD/90_25.pdf (last visited February 21, 2020).

⁴³ Ch. 2003-365, L.O.F.

⁴⁴ S. 189.012(2)(a), F.S.

⁴⁵ Ch. 2003-365, L.O.F.

⁴⁶ *See* ch. 2013-255, L.O.F., changing the boundaries of the St. Lucie Mosquito Control District to reflect the change in the boundaries between St. Lucie and Martin counties made during the previous session. *See* ch. 2012-45, L.O.F.

⁴⁷ *See* ch. 2003-365, L.O.F., and s. 388.221, F.S.

The St. Lucie County Erosion District (SLED) is a dependent special taxing district created by special act in 1967.⁴⁸ The SLED provides means to alleviate soil and beach erosion problems in St. Lucie County. The governing board of SLED consists of the five members of the Board of County Commissioners. The boundaries of the SLED are coterminous with the boundaries of the county.⁴⁹ The SLED is authorized to levy ad valorem taxes without limitation to pay for bond principal and interest issued for the purposes of its enabling act or operation and maintenance of erosion prevention facilities or corporate district purposes.⁵⁰

The St. Lucie County Fire District (SLCFD) is an independent special district created by special act in 1959.⁵¹ The purposes of the SLCFD are fire prevention, fire suppression, emergency medical services, rescue, and other duties and responsibilities in St. Lucie County, as may be directed by the County Fire District Board of Commissioners. The boundaries of the SLCFD are coterminous with the boundaries of the county.⁵² According to the 2019 St. Lucie County TRIM Notice for one specific property, the SLCFD levied a tax rate of 3.000 mills and collected \$1,147.10 in 2018 for the property.⁵³

The Children's Services Council of St. Lucie County (Council) is an independent special taxing district created by local ordinance in 1990.⁵⁴ The council provides funding for children's services throughout the county. The Council is authorized to levy an ad valorem tax up to 0.5 mills. The boundaries are coterminous with the boundaries of the county.⁵⁵

St. John's Water Management District

The St. Johns River Water Management District (SJWMD) is an independent taxing district created by statute in 1972.⁵⁶ The District's duties and responsibilities under ch. 373, F.S., and certain delegated portions of ch. 403, F.S., encompass four general areas of subject matter responsibility: water supply, water quality, flood protection and floodplain management, and natural systems. The district serves all or part of 18 Florida counties: Alachua, Baker, Bradford, Clay, Duval, Flagler, Indian River, Lake, Marion, Nassau, Okeechobee, Orange, Osceola, Putnam, Seminole, St. Johns, and Volusia.⁵⁷

The boundaries of the district are statutorily defined using township and range measurements with county boundaries as reference points. The SJWMD describes the boundary applicable to the properties described in HB 345 as coinciding with the "St. Lucie-Indian River County Line."⁵⁸

⁴⁸ Ch. 2004-409, L.O.F.

⁴⁹ Ch. 2004-409, L.O.F.

⁵⁰ Ch. 2004-409, s.7, L.O.F.

⁵¹ Ch. 2004-407, L.O.F.

⁵² Ch. 2004-407, L.O.F.

⁵³ St. Lucie County Board of County Commissioners, TRIM notice for parcel no. 1403-120-0001-020-2, at *Resolution No. 19-196, TRIM Notices*, <https://stluciecofl.civicclerk.com/Web/GenFile.aspx?ad=1765> (last visited February 11, 2020).

⁵⁴ See s. 125.901, F.S.

⁵⁵ St. Lucie County, *Code of Ordinances*, Ordinance 90-41, available at https://library.municode.com/fl/st_lucie_county/codes/code_of_ordinances?nodeId=CO_CH40SPDIMUSETAUNMSMUSEBEUNM_SOTDI_ARTIICHSEINSPDI (last visited February 11, 2020).

⁵⁶ S. 373.069(1)(c), F.S.

⁵⁷ St. Johns River Water Management District, *Statement of Agency Organization and Operation*, available at <https://www.sjrwmd.com/static/Statement-of-Agency-Organization-and-Operation.pdf> (last visited February 11, 2020).

⁵⁸ S. 373.069(2)(c), F.S.

Any areas within a water management district may be designated by the governing board as subdistricts or basins by resolution of the board. Subdistricts and basins in the SJRWMD must be approved by the Legislature.

SJRWMD is authorized to levy ad valorem taxes up to 0.6 mills.⁵⁹

South Florida Water Management District

The South Florida Water Management District (SFWMD) is an independent taxing district created by statute in 1949.⁶⁰ SFWMD's duties and responsibilities under ch. 373, F.S., and certain delegated portions of ch. 403, F.S., encompass four general areas of subject matter responsibility: water supply, water quality, flood protection and floodplain management, and natural systems. The district serves all or part of 16 Florida counties: Broward, Charlotte, Collier, Glades, Hendry, Highlands, Lee, Martin, Miami-Dade, Monroe, Okeechobee, Orange, Osceola, Palm Beach, Polk, St. Lucie.⁶¹ The boundaries of SFWMD are statutorily defined using township and range measurements with county boundaries as reference points. The SFWMD describes the boundary applicable to the properties described in HB 345 as coinciding with the "St. Lucie-Indian River County Line."⁶²

SFWMD is authorized to levy ad valorem taxes up to 0.8 mills.⁶³

Any areas within a water management district may be designated by the governing board as subdistricts or basins through resolution of the board.⁶⁴ Taxes may be separated by the governing board into a millage necessary for the purposes of the district and a millage necessary for financing basin functions specified.⁶⁵ A basin tax up to 1 mill may be levied by a district for the basin.⁶⁶

SFWMD also administers the Everglades Trust Fund which fund the Everglades Construction Project, the largest environmental cleanup and restoration program of its type ever undertaken.⁶⁷ SFWMD implements the Everglades Construction Project as well and is authorized to levy an ad valorem tax up to 0.1 mill within the Okeechobee Basin for design, construction, and implementation of the project.⁶⁸

Highway A1A Boundary Line for Indian River County and St. Lucie County⁶⁹

Land owners, Oskar and Gretchen Szentirmai, own the property located at 2498 S. Highway A1A, which is located on the east side of Highway A1A in Vero Beach (the "Szentirmai property"). Over half of the Szentirmai property is in Indian River County; however, .65 acres is in St. Lucie County. In 1991,

⁵⁹ S. 373.503(3)(a)3., F.S.

⁶⁰ S. 373.069(1)(e), F.S.

⁶¹ Department of Economic Opportunity, *Official List of Special Districts Online*, available at <http://specialdistrictreports.floridajobs.org/webreports/criteria.aspx> (last visited February 21, 2020).

⁶² S. 373.069(2)(e), F.S.

⁶³ S. 373.503(3)(a)5., F.S.

⁶⁴ S. 373.06939(1)(a), F.S.

⁶⁵ S. 373.503(3), F.S.

⁶⁶ S. 373.0697(1), F.S.

⁶⁷ S. 373.4926, F.S.

⁶⁸ See s. 373.4592(4)(a), F.S.

⁶⁹ See Indian River County Administrator, *Resolution Requesting the Legislature Enact a General Bill Amending Boundary Line between Indian River County and St. Lucie County* (Oct. 9, 2019) and County Attorney, St. Lucie County, *County Commission Agenda Request on Resolution No. 19-196* (Sep. 11, 2019).

both counties entered into an agreement regarding the construction of a home on the St. Lucie and Indian River County Line that addressed issues related to the development of the Szentirmai property, including permitting, the division of impact fees and taxes, and concurrency. The agreement, however, did not address issues relating to the provision of services to the Szentirmai property. In 2019, the Szentirmas contacted both counties seeking to have the county boundary line changed to place the entire Szentirmai property within Indian River County.⁷⁰

After discussions between county officials, the counties agreed to an equitable boundary change to accommodate the request. Property located on the west side of Highway A1A, owned by SBM Associates, LLC, within Indian River County (the "SBM property") will be exchanged for the Szentirmai property. The property is 5.56 acres of undeveloped land located on the west side of Highway A1A in Indian River County that is part of a proposed residential development, the bulk of which is located in St. Lucie County.⁷¹ Currently, the portion of the proposed development located in Indian River County can only be accessed from St. Lucie County.⁷² In addition, water and sewer utilities to the entire development are to be provided by St. Lucie County Utilities.⁷³

Owners of the affected parcels indicated their support for the boundary change and each county passed a resolution requesting the Florida Legislature enact a bill altering the legal descriptions of both counties.⁷⁴

According to the 2019 TRIM Notices, Indian River County assessed \$1,091.23 on the SBM property and St. Lucie County assessed \$8,097.54 on the Szentirmai property. Although St. Lucie calculates its net loss of tax income at \$7,006.31, it expects to gain substantially more tax income from the SBM property after development.⁷⁵ Indian River County expects its financial impact to be minimal.⁷⁶

Effect of Proposed Bill

The bill revises the boundaries of Indian River and St. Lucie counties. It amends s. 7.31, F.S., to place 5.56 acres of land currently in Indian River County within the St. Lucie County boundary and .65 acres of land currently in St. Lucie County within the Indian River County boundary. The Indian River County School District and the St. Lucie County School District will experience similar impacts.⁷⁷

The boundaries of the St. Lucie Mosquito Control District (SLMCD) will not change automatically when the county boundary lines change. Therefore, following the county boundary revision, the 5.56 acres of land moved from Indian River County to St. Lucie County will fall within the county boundaries, but may remain outside of the SLMCD boundaries. Additionally, the 0.65 acres of land moved from St. Lucie County to Indian River County may still remain within the SLMCD boundaries despite being located in Indian River County.

⁷⁰ *Id.*

⁷¹ St. Lucie County Resolution No. 19-196 (Oct. 1, 2019)

⁷² *Id.*

⁷³ *Id.*

⁷⁴ St. Lucie County Resolution No. 19-196 (Oct. 1, 2019) and Indian River County Resolution No. 2019-092 (Oct. 15, 2019).

⁷⁵ See St. Lucie County Attorney, *Board of County Commissioners Agenda Request 10.A.1*, available at <https://stluciecofl.civicclerk.com/Web/GenFile.aspx?ar=661> (last visited January 24, 2020).

⁷⁶ See Indian River County Legislative Affairs & Communications Manager, *19-0939 Staff Report*, available at <https://ircgov.legistar.com/LegislationDetail.aspx?ID=4164482&GUID=CF35D42C-AE9E-4FC6-8A2E-9F037DB3A5D0&Options=&Search=> (last visited January 24, 2020).

⁷⁷ FLA. CONST. Art. IX, s. 4, provides that each county constitutes a school district.

The boundaries of the Children's Services Council of St. Lucie County, the St. Lucie County Erosion District, and the St. Lucie County Fire District will automatically adjust when the county boundary lines are changed.

The boundaries of the Indian River County Mosquito Control District and the Indian River County Emergency Services District will automatically adjust when the county boundary lines are changed. The boundaries of the Indian River County Hospital District may automatically adjust when the county boundary lines are changed.

The revision of the boundaries of St. Lucie and Indian River counties will automatically adjust the boundary between the St. Johns Water Management District and the South Florida Water Management District.

The bill takes effect upon becoming law.⁷⁸

B. SECTION DIRECTORY:

Section 1. Amends s. 7.31, F.S., revising Indian River County boundaries.

Section 2. Amends s. 7.59, F.S., revising St. Lucie County boundaries.

Section 3. Provides an effective date upon becoming law.

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:

The fiscal impacts are limited to Indian River and St. Lucie Counties. See Fiscal Comments Section.

2. Expenditures:

The counties will no longer have the current expenditures associated with their transferred properties, but may assume expenditures associated with their newly acquired properties.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The transferred properties will be under different taxing authorities which may effect on their current taxing schemes. In 2018, Indian River County had a population of 151,825⁷⁹ and a taxable value of

⁷⁸ See Appendix A, Indian River County Board of County Commissioners, *IRC-SLC Parcel Swap Map*, available at <https://ircgov.legistar.com/View.ashx?M=F&ID=7704977&GUID=511519BA-D924-4ABA-951D-960B94C977D6> (last visited January 24, 2020).

⁷⁹ Office of Economic & Demographic Research (OEDR), *County Profile: Indian River County*, <http://edr.state.fl.us/Content/area-profiles/county/indianriver.pdf> (last visited January 24, 2020).

\$17,381,933,356.⁸⁰ Total taxes levied per capita were \$718.⁸¹ St. Lucie County had an estimated 302,432⁸² residents and a taxable value of \$20,444,235,500.⁸³ Total taxes levied per capita in St. Lucie County were \$602.⁸⁴

Ad valorem millage rates in the two counties for 2018 were as follows:

| <u>St. Lucie County</u> ⁸⁵ | | <u>Indian River County</u> ⁸⁶ | |
|---------------------------------------|--------|--|--------------------------|
| County | | County | |
| | 7.6540 | | 3.7431 |
| School | 6.3350 | School | 6.7930 |
| Special Districts | 3.8021 | Special Districts | 3.4155 (Non County-wide) |

D. FISCAL COMMENTS:

Revenue Sharing

A number of taxes are distributed to counties pursuant to an allocation formula including the Constitutional Fuel Tax, County Fuel Tax, County Revenue Sharing Program and Local Government Half-Cent Sales Tax Program. Components of the allocation formulas are often a county's land area or population.

Constitutional Fuel Tax

| | | |
|---|---|--|
| ¼ | X | <u>County Area</u> State Area |
| ¼ | X | <u>County Population</u> State Population |
| ½ | X | <u>Total Tax Collected Countywide during the previous fiscal year</u> Total Tax Collected Statewide during the previous fiscal year |

The Department of Revenue (DOR) calculated St. Lucie County's estimated distribution of the Constitutional Fuel Tax for the local fiscal year ending September 30, 2020 will be \$3,057,264. Indian River County's estimated distribution was calculated to be \$1,892,419.⁸⁷

County Fuel Tax

| | | |
|---|---|----------------------------------|
| ¼ | X | <u>County Area</u> State Area |
| ¼ | X | <u>County Population</u> |

⁸⁰ OEDR, 2018 Florida County Ad Valorem Tax Profile: County Government Levies ONLY, <http://edr.state.fl.us/Content/local-government/data/data-a-to-z/advaltxco.xls> (last visited January 24, 2020).

⁸¹ *Id.*

⁸² OEDR, County Profile: St. Lucie County, <http://edr.state.fl.us/Content/area-profiles/county/stlucie.pdf> (last visited January 24, 2020).

⁸³ OEDR, 2018 Florida County Ad Valorem Tax Profile: County Government Levies ONLY, <http://edr.state.fl.us/Content/local-government/data/data-a-to-z/advaltxco.xls> (last visited January 24, 2020).

⁸⁴ *Id.*

⁸⁵ OEDR, County Profile: St. Lucie County, <http://edr.state.fl.us/Content/area-profiles/county/stlucie.pdf> (last visited January 24, 2020).

⁸⁶ OEDR, County Profile: Indian River County, <http://edr.state.fl.us/Content/area-profiles/county/indianriver.pdf> (last visited January 24, 2020).

⁸⁷ Department of Revenue (DOR), Constitutional Fuel Tax Revenue Estimates for the Local Fiscal Year Ending September 30, 2020, available at <http://edr.state.fl.us/Content/local-government/data/county-municipal/index.cfm> (last visited January 24, 2020).

State Population

$$\frac{1}{2} \times \frac{\text{Total Tax Collected County Retail Sales and Use in the Prior FY}}{\text{Total Tax Collected Statewide on Retail Sales and Use in the Prior FY}}$$

DOR calculated St. Lucie County’s estimated distribution of the County Fuel Tax for the local fiscal year ending September 30, 2020 will be \$1,344,967. Indian River County’s estimated distribution was calculated to be \$832,024.⁸⁸

County Revenue Sharing Program

| | | | | | |
|---------------------------|--------------------------------|---|--|---|---|
| | County Population Factor | + | Unincorporated County Population Factor | + | County Sales Tax Collection Factor |
| Apportionment Factor = | 3 | | | | |

DOR calculated St. Lucie County’s estimated distribution from the County Revenue Sharing Program for the local fiscal year ending September 30, 2020 will be \$5,150,208. Indian River County’s estimated distribution was calculated to be \$3,884,590.

Local Government Half-Cent Sales Tax Program

DOR calculated St. Lucie County’s countywide distribution of the Local Government Half-Cent Sales Tax will be \$21,408,006 for the local fiscal year ending September 30, 2020. DOR calculated Indian River County’s share will be \$14,528,086.⁸⁹

Taxes and Assessments

St. Lucie County will lose \$8,097.54 in revenue associated with taxes and assessments paid on the Szentirmai property transferred to Indian River County, while Indian River County will gain any such revenues. Indian River County will lose \$1, 091.23 in revenue associated with taxes and assessments paid on the SBM property transferred to St. Lucie County.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill neither provides authority nor requires rulemaking by executive branch agencies.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

⁸⁸ DOR, *County Fuel Tax Revenue Estimates for the Local Fiscal Year Ending September 30, 2020*, available at <http://edr.state.fl.us/Content/local-government/data/county-municipal/index.cfm> (last visited January 24, 2020).

⁸⁹ DOR, *Local Government Half-Cent Sales Tax Revenue Estimates for the Local Fiscal Year Ending September 30, 2020*, available at <http://edr.state.fl.us/Content/local-government/data/county-municipal/index.cfm> (last visited January 24, 2020).

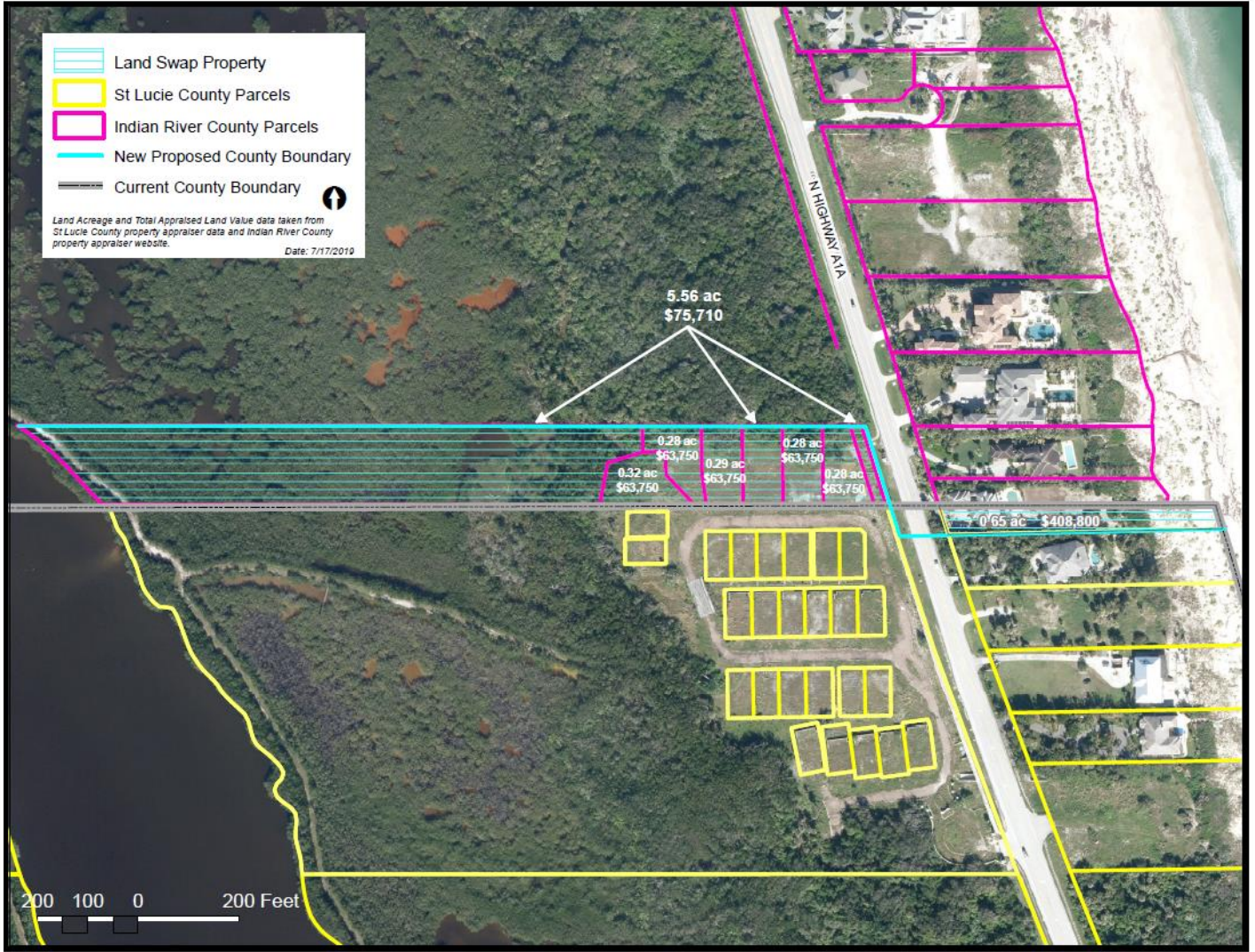
IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 25, 2020, the Ways and Means Committee adopted an amendment and reported the bill favorably as a committee substitute. The amendment:

- Adds the word “feet,” used as a unit of measurement, to line 35 and line 112.

This analysis is written to the committee substitute as reported favorably by the Ways & Means Committee.

APPENDIX A⁹⁰



⁹⁰ See Indian River County Board of County Commissioners, *IRC-SLC Parcel Swap Map*, available at <https://ircgov.legistar.com/View.ashx?M=F&ID=7704977&GUID=511519BA-D924-4ABA-951D-960B94C977D6> (last visited January 24, 2020).