

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 915 Port of Palm Beach District, Palm Beach County
SPONSOR(S): Local Administration & Veterans Affairs Subcommittee, Willhite
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local Administration & Veterans Affairs Subcommittee	15 Y, 1 N, As CS	Darden	Miller
2) State Affairs Committee	20 Y, 0 N	Darden	Williamson

SUMMARY ANALYSIS

The Port of Palm Beach District (Port) is an independent special district located in Palm Beach County. The Port was created by special act in 1915 and its charter was re-codified in 1974 and 2017. The Port is the fourth busiest container port in Florida, the 18th busiest in the continental U.S., and is a major shipper of Florida goods such as bulk sugar and produce.

The Port is governed by a Board of Commissioners (Board), comprised of five members elected at-large to serve four-year terms. Commissioners receive \$9,500 per year as compensation, with no provision for increases or cost of living adjustments, and must post a surety bond of \$25,000 upon taking office. The Board may hire a port manager to direct the day-to-day operations of the Port.

The bill:

- Provides that newly elected commissioners take office in the January following the general election at which they are elected.
- Repeals the requirement that each commissioner must execute a \$25,000 surety bond upon taking office and the additional \$25,000 surety bond required of the commissioner selected as secretary-treasurer of the Board.
- Increases the compensation of commissioners from \$9,500 to \$12,500 annually.
- Revises the term "port manager" to "port director" and makes conforming changes throughout the charter.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

The Port of Palm Beach District (Port) is an independent special district located in Palm Beach County. The Port was created by special act in 1915,¹ with its charter re-codified in 1974 and 2017.² The Port is the fourth busiest container port in Florida, the 18th busiest in the continental U.S., and is a major shipper of Florida goods such as bulk sugar and produce.³

There are 15 deep-water seaports⁴ in Florida that collectively generate more than 900,000 direct and indirect jobs and contribute over \$117.6 billion in economic value to the state, accounting for approximately 13 percent of Florida's Gross Domestic Product and \$4.2 billion in state and local taxes.⁵ The most recent financial statement shows that the Port derives most of its revenues from rents, royalties, and service charges. In 2020, the Port had revenues of \$17 million against expenses of \$9.8 million.⁶ The Port has not assessed ad valorem taxes in over 45 years.⁷

The Port is governed by the Board of Commissioners of Port of Palm Beach District (Board), which is comprised of five members elected at-large to serve four-year terms.⁸ Each Board member originally was compensated at a rate of \$2,400/year and the rate has been adjusted periodically by the Legislature.⁹ The most recent increase, in 1999, set the compensation level for Board members to \$9,500/year, with no provision for increases or cost of living adjustments.¹⁰ Of Florida's 15 deep-water seaports, three have elected commissioners: the Port of Palm Beach, Port Canaveral, and Port of Fernandina.¹¹

The Board is required to meet as soon as practicable following the election and qualification of new commissioners.¹² At the first meeting, the Board must elect officers, including a chair, vice chair, and a secretary-treasurer.¹³

Within 30 days of taking office, commissioners must execute and deliver to the Port a surety bond of \$25,000 conditioned upon the commissioner's faithful performance of his or her duties.¹⁴ If the commissioner fails to provide a surety bond, the commissioner is considered to have resigned from office. In addition to this surety bond, the secretary-treasurer of the District must execute and deliver a surety bond of \$25,000 conditioned upon the commissioner's faithful performance of the duties of the role.¹⁵

The board is authorized to hire a port manager, who manages the operations of the port marine facilities.¹⁶ The port manager is responsible for hiring employees of the Port, subject to rules and

¹ Ch. 7081, Laws of Fla. (1915).

² Chs. 74-570 and 2017-199, Laws of Fla.

³ Port of Palm Beach, *General Information*, <http://www.portofpalmbeach.com/121/General-Information> (last visited Mar. 22, 2021).

⁴ See s. 311.09(1), F.S.

⁵ Florida Ports Council, *The Florida System of Seaports*, <http://flaports.org/about/the-florida-system-of-seaports/> (last visited Mar. 22, 2021).

⁶ Port of Palm Beach Adopted FY 2021 Operating Budget, p. 1-1, available at <https://www.portofpalmbeach.com/Archive.aspx?AMID=37> (last visited Mar. 22, 2021).

⁷ Port of Palm Beach, *General Information*, <http://www.portofpalmbeach.com/121/General-Information> (last visited Mar. 22, 2021).

⁸ Ch. 2017-199, s. 3, art. V, s. 1, Laws of Fla.

⁹ Ch. 74-570, Laws of Fla.

¹⁰ Ch. 99-457, Laws of Fla.

¹¹ See Fla. Dept. of Economic Opportunity, *Official List of Special Districts Online*, at <http://www.floridajobs.org/community-planning-and-development/special-districts/special-district-accountability-program/official-list-of-special-districts> (last visited Mar. 22, 2021).

¹² Ch. 2017-199, s. 3, art. VI, s. 1, Laws of Fla.

¹³ Ch. 2017-199, s. 3, art. VI, ss. 1 and 2, Laws of Fla.

¹⁴ Ch. 2017-199, s. 3, art. V, s. 6, Laws of Fla.

¹⁵ Ch. 2017-199, s. 3, art. VI, s. 4, Laws of Fla.

¹⁶ Ch. 2017-199, s. 3, art. VII, s. 11 and art. XII, s. 1, Laws of Fla.

regulations adopted by the Board. The port manager is also responsible for disbursing funds from certain accounts created by the Board and must be bonded with a fidelity bond for at least the amount of funds that would be held in the accounts at any one time.¹⁷ Members of the Board may not serve as the port manager.¹⁸

Effect of Proposed Changes

The bill provides that newly elected members of the District's board take office in the January following the general election at which they are elected. The bill repeals the requirement that each commissioner must execute a \$25,000 surety bond upon taking office and repeals the additional \$25,000 surety bond required of the commissioner selected as secretary-treasurer of the board. It also increases the compensation of the commissioners from \$9,500 per year to \$12,500 per year.

The bill revises the term "port manager" to "port director" and makes conforming changes throughout the charter.

B. SECTION DIRECTORY:

Section 1: Amends ch. 2017-199, Laws of Fla., clarifying the term of office for port commissioners, increasing compensation of commissioners, removing surety bond requirements, revising terms, and making conforming changes.

Section 2: Provides an effective date of upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 23, 2020.

WHERE? The *Palm Beach Post*, a daily newspaper of general circulation published in Palm Beach County, Florida.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes No

D. ECONOMIC IMPACT STATEMENT FILED? Yes No

¹⁷ Ch. 2017-199, s. 3, art. XVII, Laws of Fla.

¹⁸ Ch. 2017-199, s. 3, art. XII, s. 1, Laws of Fla.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

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

C. DRAFTING ISSUES OR OTHER COMMENTS:

The notice published for the bill states the bill would amend ch. 74-570, Laws of Fla., as amended by ch. 2017-199, Laws of Fla. The 2017 law actually codified all existing special laws relating to the Port.¹⁹ Although the reference to the 1974 law was unnecessary, the notice sufficiently stated the “dominant nature and purpose” of the bill is to amend the charter of the Port.²⁰

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On April 1, 2021, the Local Administration & Veterans Affairs Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment increased the annual compensation of commissioners from \$9,500 to \$12,500.

This analysis is drafted to the committee substitute as passed by the Local Administration & Veterans Affairs Subcommittee.

¹⁹ Ch. 2017-199, ss. 1, 2, and 4, Laws of Fla.

²⁰ See *State ex rel. Landis v. Reardon*, 154 So. 868, 869 (Fla. 1934).