

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 1571 Florida Keys Aqueduct Authority, Monroe County
SPONSOR(S): Local Administration, Federal Affairs & Special Districts Subcommittee, Mooney and others
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local Administration, Federal Affairs & Special Districts Subcommittee	16 Y, 0 N, As CS	Roy	Darden
2) Infrastructure Strategies Committee	23 Y, 0 N	Guy-Hudson	Harrington
3) State Affairs Committee			

SUMMARY ANALYSIS

A “special district” is a unit of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary. Special districts are created by general law, special act, local ordinance, or rule of the Governor and Cabinet. A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the district’s charter.

The Florida Keys Aqueduct Authority (Authority) was created in 1937 and operates under a charter adopted in 1976. The primary purpose of the Authority is to obtain, supply, and distribute an adequate water supply and collect, treat, and dispose of wastewater for the Florida Keys. The Authority is governed by a five-member board appointed by the Governor.

The Authority is responsible for managing and maintaining water and sewer systems within the boundaries of the Authority. The Authority may issue bonds and other obligations to pay for projects but is prohibited from combining water and sewer systems for the purposes of financing.

The bill removes the prohibition on combining a water system with a sewer system for the purpose of financing.

The Economic Impact Statement indicates that the bill will not have a fiscal impact.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED 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 Special districts are created by general law, special act, local ordinance, or 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. Special districts provide specific municipal services in addition to, or in place of, those provided by a municipality or county.³ Special districts are funded through the imposition of ad valorem taxes, fees, or charges on the users of those services as authorized by law.⁴

Special districts may be classified as dependent or independent based on their relationship with local general-purpose governments. A special district is classified as “dependent” if the governing body of a single county or municipality:

- Serves as governing body of the district;
- Appoints the governing body of the district;
- May remove members of the district’s governing body at-will during their unexpired terms; or
- Approves or can veto the budget of the district.⁵

A district is classified as “independent” if it does not meet any of the above criteria or is located in more than one county, unless the district lies entirely within the boundaries of single municipality.⁶

Special districts do not possess “home rule” powers and may impose only those taxes, assessments, or fees authorized by special or general law. The special act creating an independent special district may provide for funding from a variety of sources while prohibiting others. For example, ad valorem tax authority is not mandatory for a special district.⁷

Florida Keys Aqueduct Authority

The Florida Keys Aqueduct Authority (Authority) was originally created as the Florida Keys Aqueduct Commission in 1937.⁸ The Authority currently operates under a charter adopted in 1976.⁹ The primary purpose of the Authority is to obtain, supply, and distribute an adequate water supply and collect, treat, and dispose of wastewater for the Florida Keys.¹⁰ The governing body of the Authority is a five-member board appointed by the Governor.¹¹

¹ See *Halifax Hospital Medical Center v. State of Fla., et al.*, 278 So. 3d 545, 547 (Fla. 2019).

² See ss. 189.02(1), 189.031(3), and 190.005(1), F.S. See generally ss. 189.012(6), F.S.

³ Local Administration, Federal Affairs & Special Districts Subcommittee, *The Local Government Formation Manual*, 62, available at <https://myfloridahouse.gov/Sections/Committees/committeesdetail.aspx?CommitteeId=3227> (last visited Dec. 5, 2023).

⁴ The method of financing a district must be stated in its charter. Ss. 189.02(4)(g), 189.031(3), F.S. Independent special districts may be authorized to impose ad valorem taxes as well as non-ad valorem special assessments in the special acts comprising their charters. See, e.g., ch. 2023-335, s. 6 of s. 1, Laws of Fla. (East River Ranch Stewardship District). See also, e.g., ss. 190.021 (community development districts), 191.009 (independent fire control districts), 197.3631 (non-ad valorem assessments), 298.305 (water control districts), and 388.221, F.S. (mosquito control). See also ch. 2004-397, s. 27 of s. 3, Laws of Fla. (South Broward Hospital District).

⁵ S. 189.012(2), F.S.

⁶ S. 189.012(3), F.S.

⁷ See, e.g., ch. 2006-354, Laws of Fla. (Argyle Fire District may impose special assessments, but has no ad valorem tax authority).

⁸ Ch. 18530, Laws of Fla. (1937).

⁹ Ch. 76-441, Laws of Fla.

¹⁰ Ch. 76-441, s. 1, Laws of Fla., as amended by ch. 98-519, s. 1, Laws of Fla.

¹¹ Ch. 76-441, s. 4(1), Laws of Fla., as amended by ch. 84-484, s. 2, Laws of Fla.

The powers of Authority include, but are not limited to:

- Owning, acquiring, constructing, reconstructing, equipping, operating, maintaining, extending, and improving water systems;
- Regulating the use of and supply of water, including by rationing, within the Authority's boundaries;
- Issuing bonds or other obligations to pay all or part of the cost of the acquisition or construction, reconstruction, extension, repair, improvement, maintenance, or operation of any project or combination of projects; and
- Purchasing, constructing, or otherwise acquiring a sewage disposal system or systems and operating such systems in accordance with the Authority's purpose.¹²

The charter authorizes the Authority to impose fees and charges sufficient for obtaining bonds to finance sewer system projects.¹³ These projects may be combined into a single system for purposes of financing or operation and administration.¹⁴ However, the Authority is prohibited from combining a water system with any sewer system for purposes of financing.¹⁵

Effect of Proposed Changes

The bill removes the prohibition on combining a water system with a sewer system for the purpose of financing.

The Economic Impact Statement indicates that the bill will not have a fiscal impact.

B. SECTION DIRECTORY:

Section 1: Amends ch. 76-441, Laws of Fla., relating to the Florida Keys Aqueduct Authority.

Section 2: Provides an effective date of July 1, 2024.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? November 16, 2023.

WHERE? The *Weekly Newspapers*, a weekly newspaper published in Monroe County.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes No

D. ECONOMIC IMPACT STATEMENT FILED? Yes No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

¹² Ch. 76-441, s. 9, Laws of Fla.

¹³ Ch. 76-441, s. 9(9)(b), Laws of Fla.

¹⁴ Ch. 76-441, s. 9(9)(i), Laws of Fla.

¹⁵ *Id.*

B. RULE-MAKING AUTHORITY:

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

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On January 25, 2024, the Local Administration, Federal Affairs & Special Districts Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment revised the effective date of the bill.

This analysis is drafted to the committee substitute as approved by the Local Administration, Federal Affairs & Special Districts Subcommittee.