

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 1575 Avalon Beach-Mulat Fire Protection District, Santa Rosa County

SPONSOR(S): Andrade and others

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

FINAL HOUSE FLOOR ACTION: 112 Y's 2 N's **GOVERNOR'S ACTION:** Pending

SUMMARY ANALYSIS

HB 1575 passed the House on February 28, 2024, and subsequently passed the Senate on March 7, 2024.

Independent special fire control districts are a type of independent special district created by the Legislature for the purpose of providing fire suppression and related activities within the territorial jurisdiction of the district. Independent special fire control districts are governed by both the Uniform Special District Accountability Act and the Independent Special Fire Control District Act. Independent special fire control districts may levy ad valorem taxes as provided in the special act creating the district, and may also levy non-ad valorem assessments subject to statutory limitations and referendum approval.

The Avalon Beach-Mulat Fire Protection District (District) is an independent special fire control district in Santa Rosa County, created in 1980. The District's charter, which was recodified in 2005, provides that the District's board may levy ad valorem tax within the District of up to one mill, unless increased by referendum. The District levied an ad valorem tax of two mills during the 2022-2023 Fiscal Year (FY), generating \$982,108 in revenue.

The bill amends the District's charter, effective October 1, 2024, to remove its authority to assess and levy ad valorem taxes. The bill also imposes restrictions on the District's ability to levy non-ad valorem assessments, imposing maximum rates in the following amounts:

- \$250 for residential properties up to 1,600 square feet, with an additional \$0.1544 per square foot in excess of 1,600 square feet.
- \$30.96 for vacant land.
- \$500 for commercial properties up to 950 square feet, with an additional \$0.1544 per square foot in excess of 950 square feet.
- \$30.96 for unimproved acreage up to three acres, with an additional \$10.32 cents per acre in excess of three acres.

The bill allows the District's board to adopt an initial levy of a non-ad valorem assessment, subject to the rate limits set forth in the bill, by resolution before July 1, 2024, without the need for a referendum. On or after that date, the District must conduct a referendum to approve the initial non-ad valorem assessment amount.

The Economic Impact Statement anticipates that the assessments authorized by the bill will generate approximately \$700,351 in revenue in the first FY, and that revenues will increase by \$84,123 the second FY.

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law, except as otherwise provided.

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 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 a 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

Independent Special Fire Control Districts

An independent special fire control district is a type of independent special district created by the Legislature for the purpose of providing fire suppression and related activities within the territorial jurisdiction of the district.⁸ The Independent Special Fire Control District Act (Act)⁹ is intended to provide standards, direction, and procedures for greater uniformity in the operation and governance of these districts, including financing authority, fiscally responsible service delivery, and election of members to the governing boards for greater public accountability.¹⁰ The Act controls over more specific provisions in any special act or general law of local application creating an independent special

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 s. 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 Feb. 1, 2024).

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), and 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 S. 191.003(5), F.S.

⁹ Ch. 191, F.S.

¹⁰ S. 191.002, F.S.

fire control district charter.¹¹ The Act requires every independent special fire control district be governed by a five-member board,¹² and provides for general powers, special powers, and issuance of district bonds and evidences of debt.¹³

An independent special fire control district may also levy non-ad valorem assessments to construct, operate, and maintain district facilities and services provided pursuant to the district's general powers, special powers, any applicable general laws of local application, and a district's enabling legislation.¹⁴ The initial assessment of such a levy must be approved by the electors of the district in a referendum. The rate of the assessment is set using an assessment apportionment methodology that meets fair apportionment standards.¹⁵ The rate set by the board may not exceed the maximum rates established by special act, county ordinance, the previous year's resolution, or referendum in an amount not to exceed the average annual growth rate in Florida personal income over the previous five years, unless a higher rate is approved by the voters in a referendum.¹⁶

Independent special fire control districts are authorized to cooperate and contract with other governmental agencies to provide effective mutual aid, including exercising powers outside the district's boundary in cooperation with another governmental agency that shares such powers in common with the district.¹⁷

As a type of independent special district,¹⁸ independent special fire control districts are subject to applicable provisions of ch. 189, F.S., the "Uniform Special District Accountability Act."¹⁹

Avalon Beach-Mulat Fire Protection District

The Avalon Beach-Mulat Fire Protection District (District) is an independent special fire control district in Santa Rosa County created in 1980,²⁰ and is the descendent of a volunteer fire department founded in 1964.²¹ The charter of the District was re-codified in 2005.²²

The District provides emergency and non-emergency services for the preservation of life, property, and the environment, through professional development and dedication.²³ The District is governed by an elected five-member board that serves four-year terms.²⁴

The District's charter provides that the board may levy ad valorem tax within the District of up to one mill, unless increased by referendum.²⁵ The District levied an ad valorem tax of two mills during the 2022-2023 Fiscal Year (FY), generating \$982,108 in revenue.²⁶ The District's charter gives the District

¹¹ S. 191.004, F.S. Provisions in other laws pertaining to district boundaries or geographical sub-districts for electing members to the governing board are excepted from this section. *Id.*

¹² S. 191.005(1)(a), F.S. A fire control district may continue to be governed by a three-member board if authorized by special act adopted on or after 1997.

¹³ Ss. 191.006, 191.008, and 191.012, F.S.

¹⁴ S. 191.009(2)(a), F.S.

¹⁵ See s. 191.011(1), F.S.

¹⁶ S. 191.009(2)(a), F.S.

¹⁷ S. 191.006(13), F.S.

¹⁸ S. 191.014(1), F.S., providing that new districts are created by the Legislature pursuant to s. 189.031, F.S.

¹⁹ S. 189.031, F.S.

²⁰ Ch. 80-608, Laws of Fla.

²¹ Avalon Fire Rescue, *Our Story*, <http://www.avalonfirerescue.com/History.html> (last visited Feb. 1, 2024).

²² Ch. 2005-347, Laws of Fla.

²³ Avalon Fire Rescue, *Avalon Fire Rescue District*, <http://www.avalonfirerescue.com/District.html> (last visited Feb. 1, 2024)

²⁴ Ch. 2005-347, s. 3(2)(1), Laws of Fla. See also s. 191.005(1)(a), F.S.

²⁵ Ch. 2005-347, s. 3(3)(2), Laws of Fla. A referendum to increase the millage was approved by the electors of the District during the 2012 primary election. See Avalon Fire Rescue, *History*, <http://www.avalonfirerescue.com/History.html> (last visited Feb. 12, 2024) and Santa Rosa County Supervisor of Elections, *2012 Primary Election Precinct Summary*, available at <https://www.votesantarosa.com/Historical-Information/Historical-Results/2012-Elections> (last visited Feb. 12, 2024).

²⁶ Avalon Fire Rescue, *Budget Summary Avalon Fire Rescue District, Fiscal Year 2022-2023*, <http://www.avalonfirerescue.com/District.html> (last visited Feb. 1, 2024).

the authority to levy non-ad valorem assessments; however, the first-time levy must be approved by a referendum.²⁷

Effect of the Bill

The bill amends the District's charter, effective October 1, 2024, to remove its authority to assess and levy ad valorem taxes. The bill also imposes restrictions on the ability of the District's board to levy non-ad valorem assessments imposing maximum rates as follows:

- \$250 for residential properties up to 1,600 square feet, with an additional \$0.1544 per square foot in excess of 1,600 square feet.
- \$30.96 for vacant land.
- \$500 for commercial properties up to 950 square feet, with an additional \$0.1544 per square foot in excess of 950 square feet.
- \$30.96 for unimproved acreage up to three acres, with an additional \$10.32 cents per acre in excess of three acres.

The bill allows the District's board to adopt an initial levy of a non-ad valorem assessment, subject to the rate limits set forth in the bill, by resolution before July 1, 2024, without the need for a referendum. On or after that date, the District must conduct a referendum to approve the initial non-ad valorem assessment amount.

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 Economic Impact Statement indicates the assessments authorized by the bill will generate approximately \$700,351 in revenue for the first FY and that revenues will increase by \$84,123 the second FY.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? November 16, 2023

²⁷ Ch. 2005-347, s. 3(2)(1), Laws of Fla. See s. 191.009(2)(a), F.S.

WHERE?

Navarre Press, a weekly newspaper published in Santa Rosa County.

E. REFERENDUM(S) REQUIRED? Yes No