FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: CS/HB 4061

TITLE: West Villages Improvement District, Sarasota

County

SPONSOR(S): Nix

COMPANION BILL: None LINKED BILLS: None RELATED BILLS: None

Committee References

Intergovernmental Affairs

13 Y, 0 N, As CS

Government Operations 16 Y. 0 N

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State Affairs

SUMMARY

Effect of the Bill:

The bill revises the charter of the West Villages Improvement District to add a process for transitioning from a landowner-elected board to one elected by the qualified electors of the district. The bill removes provisions requiring the district to obtain approval from the City of North Port or Sarasota County for obtaining fee simple title in real property or exercising the power of eminent domain.

Fiscal or Economic Impact:

The Economic Impact Statement submitted for the bill projects the district will incur costs of approximately \$10,000 related to updating records and administrative processes.

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EFFECT OF THE BILL:

The bill amends the charter of the <u>West Villages Improvement District</u> (District), an independent <u>special district</u> in Sarasota County.

The bill adds a <u>process for transitioning</u> from a landowner-elected board to one elected by the electors of the district. The district's board is currently subject to the provisions of general law concerning transition from a landowner-elected to a popularly elected board. The bill provides instead that the number of board members elected by qualified electors is to be based on the number of qualified electors residing in the District on the following schedule:

Number of Qualified Electors	Number of Board Members Elected by Landowners	Number of Board Members Elected by Qualified Electors	
0-17,597	4	1	
17,598-26,396	3	2	
26,397-35,195	2	3	
35,196-39,594	1	4	
39.595 or more	0	5	

The bill further provides that board members elected by qualified electors must be elected at-large in non-partisan races held at a general election. Board members elected by the qualified electors must be residents of the District. (Section 1)

The bill also revises the District's eminent domain powers and District's ability to obtain fee simple title in real property within the District to remove a requirement that the district receive authorization from the City of North Port, for portions of the District inside that municipality, or Sarasota County, for portions of the District in the

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unincorporated area of the county. The bill also removes a requirement that the District receive approval from another governmental entity or agency before acquiring real property if such approval is otherwise required. The district's charter limits its exercise of eminent domain power to water, sewer, water management, and district roads. (Section 1)

The bill provides an effective date of upon becoming a law. (Section 2)

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The Economic Impact Statement submitted for the bill projects the district will incur costs to update records and revise administrative processes and forms. The district estimates this cost will be approximately \$10,000.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

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 are governed generally by the Uniform Special District Accountability Act (USDAA).⁷ The USDAA centralizes provisions governing special districts and applies to the formation,⁸ governance,⁹ administration,¹⁰

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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 Intergovernmental Affairs Subcommittee, *Local Government Formation Manual*, p. 56 (last visited Mar. 22, 2025).

⁴ The method of financing a district must be stated in its charter. Ss. 189.02(4)(g) and 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. 1(6), 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. 3(27), Laws of Fla. (South Broward Hospital District).

⁵ S. <u>189.012(2)</u>, F.S.

⁶ S. <u>189.012(3)</u>, F.S.

⁷ S. <u>189.01, F.S.</u>, *but see* ch. 190, F.S. (community development districts), ch. 191, F.S. (independent special fire control districts), ch. 298, F.S. (water control districts), ch. 388, F.S. (mosquito control districts), and ch. 582, F.S. (soil and water conservation districts).

⁸ See ss. 189.02 (creation of dependent special districts) and 189.031, F.S. (creation of independent special districts).

⁹ See <u>s. 189.0311, F.S.</u> (charter requirements for independent special districts).

¹⁰ See <u>s. 189.019, F.S.</u> (requiring codification of charters incorporating all special acts for the district).

supervision, 11 merger, 12 and dissolution 13 of special districts, unless otherwise expressly provided in law. 14 The USDAA requires notice and publication of tentative budgets and final budgets. 15 Certain budget amendments are allowed up to 60 days following the end of the fiscal year. 16

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.¹⁷

The ability of special districts to exercise eminent domain is limited to the authority granted to the district by general or special law.18

Transition from a Landowner-Elected Board to a Popularly-Elected Board

Members of a special district board are generally elected by the qualified electors of the district.¹⁹ Some district boards, however, are elected according to a one-acre/one-vote methodology.²⁰

Section 189.041, F.S., provides a process for transitioning a special district governing board elected by the landowners on a one-acre/one-vote basis to election by the qualified electors of the district. The governing body of the district is required to call a referendum of the qualified electors of the district upon receipt of a petition signed by 10 percent of the qualified electors filed at any time once the district has at least 500 qualified electors.²¹ Upon verification of the petition, the governing board of the district must call for a referendum at the earlier of the next regularly scheduled election of governing body members occurring at least 30 days after the verification of the petition or within six months of verification.²²

If the qualified electors approve the transition, the size of the board increases to five members (if the district is governed by a three-member board) and elections for the board are held at the earlier of the next regularly scheduled general election or a special election held within six months following the referendum approving the transition and the finalization of the district urban area map.²³ If the qualified electors do not approve the transition, a new referendum may not be held for at least two years.²⁴

Within 30 days after the transition referendum, the governing body of the district must direct the district's staff to prepare and present maps describing all urban areas contained in the district.²⁵ For the purposes of this determination, an "urban area" is a contiguous, developed, and inhabited urban area within a district with a minimum density of at least:

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¹¹ See <u>s. 189.0651, F.S.</u> (oversight for special districts created by special act of the Legislature).

¹² Ss. 189.071 and 189.074, F.S.

¹³ Ss. 189.071 and 189.072, F.S.

¹⁴ See, e.g., <u>s. 190.004, F.S.</u> (Ch. 190, F.S. as "sole authorization" for creation of community development districts).

¹⁵ S. 189.016(4), F.S.

¹⁶ S. 189.016(6), F.S.

¹⁷ See, e.g., ch. 2006-354, Laws of Fla. (Argyle Fire District may impose special assessments, but has no ad valorem tax authority).

¹⁸ See e.g., ch. 2007-306, s. 6(6)(o) and (p), Laws of Fla. (authorizing Babcock Ranch Community Independent Special District to exercise eminent domain within its boundaries or outside of its boundaries, with the prior approval of the county in which the bill the property is located, for water, sewer, and transportation improvements) and s. 190.011(11), F.S. (community development districts may exercise the power of eminent domain within the boundaries of the district).

¹⁹ See, e.g., ch. 2015-202, s. 4(4)(2)(a), Laws of Fla. (election provisions for Lehigh Acres Municipal Services Improvement District).

²⁰ See s. 189.04(4), F.S. (providing an exception for special district governing board elected on a one -acre/one-vote basis); also see e.g. ch. 2007-306, s. 5, Laws of Fla. (election provisions for the Babcock Ranch Community Independent Special District).

²¹ S. <u>189.041(2)(a)1., F.S.</u>

²² S. 189.041(2)(a)2., F.S.

²³ S. 189.041(2)(a)3., F.S.

²⁴ S. 189.041(2)(a)4., F.S.

²⁵ S. 189.041(2)(b)1. F.S.

- 1.5 persons per acre, as defined by the latest census or other official population count;
- 1 single-family home per 2.5 acres, with access to improved roads; or
- 1 single-family home per 5 acres within a recorded plat subdivision.²⁶

The maps describing the urban areas must be presented to the governing body of the district within 60 days after the referendum.²⁷ The determination of urban areas is made with the assistance of local general-purpose governments and district landowners or electors may contest the accuracy of the map.²⁸ If a landowner or elector raises an objection to the map, the map is submitted to the county engineer for review.²⁹ After all objections to the map have been addressed, the governing body of the district must adopt either its initial map or the map as amended by the county engineer as the official map at a regularly scheduled meeting of the governing body held within 60 days of the presentation of the maps.³⁰ A landowner or elector may contest the accuracy of the adopted map by filing a petition in the circuit court within 30 days.³¹

After the adoption of the official map or a certification by the circuit court, the district urban area map serves as the official map for determining the extent of urban areas within the district and the composition of the board.³² The maps must be updated and readopted every five years, but may be updated sooner at the discretion of the governing body of the district.33

The percentage of the district that qualifies as an urban area determines the composition of the board, as follows:³⁴

Urban Area as Percentage of District	Number of Board Members Elected by Landowners	Number of Board Members Elected by Qualified Electors	
Less than 25%	4	1	
26%-50%	3	2	
51%-70%	2	3	
71%-90%	1	4	
More than 91%	0	5	

Governing board members elected by qualified electors serve four-year terms, except for those elected at the first election and the first landowners meeting following the referendum, who serve the following terms:35

Urban Area as Percentage of District	Terms of Board Members Elected by Landowners	Terms of Board Members Elected by Qualified Electors	
Less than 25%	1 member serving each a 1-, 2-, 3-, and 4-year term	1 member serving a 4-year term	
26%-50%	1 member serving each a 1-, 2-, and 3-year term	2 members serving a 4-year term	
51%-70%	1 member serving each a 1- and 2- year term	2 members serving a 4-year term, 1 member serving a 2-year term	
71%-90%	1 member serving a 1-year term	2 members serving a 4-year term, 2 members serving a 2-year term	
More than 91%	N/A	3 members serving a 4-year term, 2 members serving a 2-year term	

²⁶ S. 189.041(1)(b), F.S.

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²⁷ S. 189.041(2)(b)2., F.S.

²⁸ Ss. 189.041(1)(b) and (2)(b)3., F.S.

²⁹ S. <u>189.041(2)(b)3., F.S.</u>

³⁰ S. <u>189.041(2)(b)4., F.S.</u>

³¹ S. <u>189.041(2)(b)5., F.S.</u>

³² S. <u>189.041(2)(b)6., F.S.</u>

³³ S. 189.041(2)(b)8., F.S.

³⁴ S. 189.041(3)(a), F.S.

³⁵ S. 189.041(3)(b), F.S.

Annual landowners' meetings continue as long as at least one member of the board is elected on a one-acre/one-vote basis.³⁶ There is no requirement for a majority of the acreage of the district to be represented by either an owner or an owner's proxy at the landowners meeting.³⁷ Landowner meetings must be held in the month preceding the month of the election of governing body members by electors.³⁸

West Village Improvement District

The West Villages Improvement District (District) is an independent special district created by special act in 2004 that covers 12,444 acres within the City of North Port and unincorporated Sarasota County.³⁹ The District's purpose is to ensure timely, cost-effective, and high-quality implementation of infrastructure for the District.⁴⁰ The District has the authority to plan, finance, construct, operate, and maintain public infrastructure within Wellen Park. The District also has the authority to levy non-ad valorem assessments and collect other rates, fees, rentals, fares, or other charges for property, facilities, and services made available to residents of the district, but does not have ad valorem taxing power.⁴¹ The District has the power to borrow money and issue bonds to be repaid by the collection of levies, fees, penalties, charges, fares, and assessments or revenues of the district.⁴² In Fiscal Year 2022-23, the most recent covered by a completed annual financial report, the District expended \$45.6 million and earned \$55.6 million in revenues.⁴³

A five-member board of supervisors (board), elected to serve four-year terms, governs the District.⁴⁴ Currently, four members of the board are elected by landowners in the District, voting on a one acre/one vote basis, and one member is popularly elected pursuant to a general election process conducted by the Supervisor of Elections.⁴⁵

Local Bill Forms

The Florida Constitution prohibits the passage of any special act unless a notice of intention to seek enactment of the bill has been published as provided by general law or the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.⁴⁶ A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website⁴⁷ at least 30 days prior to the introduction of the local bill in the House or Senate.⁴⁸ The bill was noticed in the Herald-Tribune on January 18, 2025.

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement Form be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.⁴⁹ Under the policy, a committee or subcommittee may not consider a local bill unless these forms have been filed. Additionally, a Local Bill Amendment Form must be submitted before the consideration of any substantive amendment to a local bill.⁵⁰ The following forms have been submitted for the bill:

- Local Bill Certification Form
- Economic Impact Statement Form
- Local Bill Amendment Form

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³⁶ S. 189.041(3)(c)1., F.S.

³⁷ S. 189.041(3)(c)2., F.S.

³⁸ S. 189.041(3)(c)3., F.S.

³⁹ West Villages Improvement District, *About the District* (last visited Mar. 22, 2025).

⁴⁰ *Id*

⁴¹ Ch. 2004-456, s. 3(2)(q), Laws of Fla. (No rates, fares, charges, or fees shall be established until after a public hearing of the board at the district at which all affected persons shall be given an opportunity to be heard).

⁴² Ch. 2004-456, ss. 3(2)(t) and 10, Laws of Fla.

⁴³ Dept. of Financial Services, <u>West Villages Improvement District Fiscal Year 2022-23 Annual Financial Report</u> (last visited Mar. 22, 2025).

⁴⁴ *Id.*

⁴⁵ West Villages Improvement District, <u>Board of Supervisors</u> (last visited Mar. 22, 2025). See also ch. 2004-456, s. 4, Laws of Fla.

⁴⁶ Art. III, s. 10, Fla. Const.

⁴⁷ S. <u>50.0311(2), F.S.</u>

⁴⁸ S. <u>11.02</u>, <u>F.S.</u> If there is no newspaper circulated throughout or published in the county and no publicly accessible website has been designated, notice must be posted for at least 30 days in at least three public places in the county, one of which must be at the courthouse.

⁴⁹ Intergovernmental Affairs Subcommittee, *Local Bill Policies and Procedures Manual*, p. 11 (last visited Mar. 22, 2025).

⁵⁰ Intergovernmental Affairs Subcommittee, *Local Bill Policies and Procedures Manual*, p. 12 (last visited Mar. 26. 2025).

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COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<u>Intergovernmental Affairs</u> <u>Subcommittee</u>	13 Y, 0 N, As CS	3/26/2025	Darden	Jones
THE CHANGES ADOPTED BY THE COMMITTEE:	 Lowers thresholds of qualified electors residing in the district associated with the number of board members elected by qualified electors. 			
Government Operations Subcommittee	16 Y, 0 N	4/1/2025	Toliver	Toliver
State Affairs Committee				

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.

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