

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Duggan offered the following:

2
3 **Amendment (with title amendment)**

4 Between lines 3265 and 3266, insert:

5 **Section 62. Subsection (2) of section 11.40, Florida**
6 **Statutes, is amended to read:**

7 11.40 Legislative Auditing Committee.—

8 (2) Following notification by the Auditor General, the
9 Department of Financial Services, the Division of Bond Finance
10 of the State Board of Administration, the Governor or his or her
11 designee, or the Commissioner of Education or his or her
12 designee of the failure of a local governmental entity, district
13 school board, charter school, or charter technical career center

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14 to comply with the applicable provisions within s. 11.45(5)-(7),
15 s. 125.0104(4)(b), s. 218.32(1), s. 218.38, or s. 218.503(3),
16 the Legislative Auditing Committee may schedule a hearing to
17 determine if the entity should be subject to further state
18 action. If the committee determines that the entity should be
19 subject to further state action, the committee shall:

20 (a) In the case of a local governmental entity or district
21 school board, direct the Department of Revenue and the
22 Department of Financial Services to withhold any funds not
23 pledged for bond debt service satisfaction which are payable to
24 such entity until the entity complies with the law. The
25 committee shall specify the date that such action must begin,
26 and the directive must be received by the Department of Revenue
27 and the Department of Financial Services 30 days before the date
28 of the distribution mandated by law. The Department of Revenue
29 and the Department of Financial Services may implement this
30 paragraph.

31 (b) In the case of a special district created by:

32 1. A special act, notify the President of the Senate, the
33 Speaker of the House of Representatives, the standing committees
34 of the Senate and the House of Representatives charged with
35 special district oversight as determined by the presiding
36 officers of each respective chamber, the legislators who
37 represent a portion of the geographical jurisdiction of the
38 special district, and the Department of Commerce that the

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39 special district has failed to comply with the law. Upon receipt
40 of notification, the Department of Commerce shall proceed
41 pursuant to s. 189.062 or s. 189.067. If the special district
42 remains in noncompliance after the process set forth in s.
43 189.0651, or if a public hearing is not held, the Legislative
44 Auditing Committee may request the department to proceed
45 pursuant to s. 189.067(3).

46 2. A local ordinance, notify the chair or equivalent of
47 the local general-purpose government pursuant to s. 189.0652 and
48 the Department of Commerce that the special district has failed
49 to comply with the law. Upon receipt of notification, the
50 department shall proceed pursuant to s. 189.062 or s. 189.067.
51 If the special district remains in noncompliance after the
52 process set forth in s. 189.0652, or if a public hearing is not
53 held, the Legislative Auditing Committee may request the
54 department to proceed pursuant to s. 189.067(3).

55 3. Any manner other than a special act or local ordinance,
56 notify the Department of Commerce that the special district has
57 failed to comply with the law. Upon receipt of notification, the
58 department shall proceed pursuant to s. 189.062 or s.
59 189.067(3).

60 (c) In the case of a charter school or charter technical
61 career center, notify the appropriate sponsoring entity, which
62 may terminate the charter pursuant to ss. 1002.33 and 1002.34.

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63 **Section 63. Paragraphs (d) through (j) of subsection (7)**
64 **of section 11.45, Florida Statutes, are redesignated as**
65 **paragraphs (e) through (k), respectively, and a new paragraph**
66 **(d) is added to that subsection to read:**

67 11.45 Definitions; duties; authorities; reports; rules.—

68 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

69 (d) During the Auditor General's review of audit reports,
70 he or she shall contact each local government which is not in
71 compliance with s. 125.0104(4)(b), and request evidence of
72 corrective action. The local government shall provide the
73 Auditor General with evidence of the initiation of corrective
74 action within 45 days after the date the corrective action is
75 requested by the Auditor General and evidence of completion of
76 corrective action within 180 days after the date the corrective
77 action is requested by the Auditor General. If the local
78 government fails to comply with the Auditor General's request or
79 is unable to take corrective action within the required
80 timeframe, the Auditor General shall notify the Legislative
81 Auditing Committee.

82 **Section 64. Section 205.046, Florida Statutes, is created**
83 **to read:**

84 205.046 Audits.—An audit of financial statements of a
85 local government which is performed by a certified public
86 accountant pursuant to s. 218.39 and submitted to the Auditor
87 General must be accompanied by an affidavit executed by the

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88 chair of the governing board of the local government, as a
89 separate document, stating that the local government has
90 complied with the provisions of s. 125.0104(4)(b) and must be
91 filed with the Auditor General or, in the event the local
92 government has not complied with s. 125.0104(4)(b), the
93 affidavit shall instead include a description of the
94 noncompliance and corrective action taken by the local
95 government to correct the noncompliance and to prevent such
96 noncompliance in the future.

97 **Section 65. Paragraph (a) of subsection (2) of section**
98 **215.97, Florida Statutes, is amended to read:**

99 215.97 Florida Single Audit Act.—

100 (2) As used in this section, the term:

101 (a) "Audit threshold" means the threshold amount used to
102 determine when a state single audit or project-specific audit of
103 a nonstate entity shall be conducted in accordance with this
104 section. Each nonstate entity that expends a total amount of
105 state financial assistance equal to or in excess of \$750,000 in
106 any fiscal year of such nonstate entity shall be required to
107 have a state single audit or a project-specific audit for such
108 fiscal year in accordance with the requirements of this section.
109 After consulting with the Executive Office of the Governor, the
110 Department of Financial Services, and all state awarding
111 agencies, the Auditor General shall periodically review the
112 threshold amount for requiring audits under this section and may

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113 recommend any appropriate statutory change to revise the
114 threshold amount in the annual report submitted to the
115 Legislature pursuant to s. 11.45(7)(i) ~~s. 11.45(7)(h)~~.

116 **Section 66. Paragraph (e) of subsection (1) of section**
117 **218.32, Florida Statutes, is amended to read:**

118 218.32 Annual financial reports; local governmental
119 entities.—

120 (1)

121 (e)1. Each local governmental entity that is not required
122 to provide for an audit under s. 218.39 must submit the annual
123 financial report to the department no later than 9 months after
124 the end of the fiscal year. The department shall consult with
125 the Auditor General in the development of the format of annual
126 financial reports submitted pursuant to this paragraph. The
127 format must include balance sheet information used by the
128 Auditor General pursuant to s. 11.45(7)(g) ~~s. 11.45(7)(f)~~. The
129 department must forward the financial information contained
130 within the annual financial reports to the Auditor General in
131 electronic form. This paragraph does not apply to housing
132 authorities created under chapter 421.

133 2. The annual financial report filed by a dependent
134 special district or an independent special district shall
135 specify separately:

136 a. The total number of district employees compensated in
137 the last pay period of the district's fiscal year being

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138 reported.

139 b. The total number of independent contractors to whom
140 nonemployee compensation was paid in the last month of the
141 district's fiscal year being reported.

142 c. All compensation earned by or awarded to employees,
143 whether paid or accrued, regardless of contingency.

144 d. All compensation earned by or awarded to nonemployee
145 independent contractors, whether paid or accrued, regardless of
146 contingency.

147 e. Each construction project with a total cost of at least
148 \$65,000 approved by the district that is scheduled to begin on
149 or after October 1 of the fiscal year being reported, together
150 with the total expenditures for such project.

151 3. The annual financial report of a dependent special
152 district or an independent special district amending a final
153 adopted budget under s. 189.016(6) must include a budget
154 variance report based on the budget adopted under s. 189.016(4)
155 before the beginning of the fiscal year being reported.

156 4. The annual financial report of an independent special
157 district that imposes ad valorem taxes shall include the millage
158 rate or rates imposed by the district, the total amount of ad
159 valorem taxes collected by or on behalf of the district, and the
160 total amount of outstanding bonds issued by the district and the
161 terms of such bonds.

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162 5. The annual financial report of an independent special
 163 district that imposes non-ad valorem special assessments shall
 164 include the rate or rates of such assessments imposed by the
 165 district, the total amount of special assessments collected by
 166 or on behalf of the district, and the total amount of
 167 outstanding bonds issued by the district and the terms of such
 168 bonds.

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T I T L E A M E N D M E N T

173 Remove line 137 and insert:
 174 expiration; amending s. 11.40, F.S.; conforming a
 175 provision to changes made by the act; amending s.
 176 11.45, F.S.; requiring the Auditor General to contact
 177 certain local governments; requiring such local
 178 governments to provide specified evidence within a
 179 certain time period; requiring notification to the
 180 Legislative Auditing Committee in specified
 181 circumstances; creating s. 205.046, F.S.; requiring
 182 that a specified document be filed with a certain
 183 audit; providing requirements for such document;
 184 amending ss. 215.97 and 218.32, F.S.; conforming
 185 cross-references; providing effective dates.

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