

# FLORIDA HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

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

<b>BILL #:</b> <a href="#">CS/HB 4081</a> <b>TITLE:</b> Eastpoint Water and Sewer District, Franklin County <b>SPONSOR(S):</b> Shoaf	<b>COMPANION BILL:</b> None <b>LINKED BILLS:</b> None <b>RELATED BILLS:</b> None
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**FINAL HOUSE FLOOR ACTION:** 110 Y's 0 N's      **GOVERNOR'S ACTION:** Pending

## SUMMARY

### **Effect of the Bill:**

The bill expands the boundaries of the Eastpoint Water and Sewer District to include additional areas in the unincorporated area of Franklin County known as Eastpoint. The bill expands the territory of the District to include all of St. George Island, effective after the District acquires the water utility serving St. George Island. The bill gives the District the power to inspect septic tanks within the District.

The Eastpoint expansion is subject to approval by the qualified electors of the proposed annexation area voting in a referendum to be held at the 2026 general election. The St. George Island expansion is subject to approval by the qualified electors of the proposed annexation area voting in a separate referendum to be held after the District acquires the water utility serving St. George Island.

### **Fiscal or Economic Impact:**

The Economic Impact Statement for the bill states District revenues will increase \$35,000 for the first fiscal year after the bill takes effect and \$55,000 for the second fiscal year.

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## ANALYSIS

### **EFFECT OF THE BILL:**

The bill expands the boundaries of the [Eastpoint Water and Sewer District](#) (District), an independent [special district](#) in Franklin County, to include additional areas in the unincorporated area of Franklin County known as Eastpoint, subject to approval by the qualified electors of the proposed annexation area voting in a referendum to be held at the 2026 general election. (Sections [1](#) and [4](#))

The bill expands the territory of the District to include all of St. George Island, subject to approval by the qualified electors of the proposed annexation area voting in a separate referendum to be held at the first general election after the District reaches an irrevocable agreement to acquire the water utility serving St. George Island. However, if the acquisition occurs within 120 days before a general election, the referendum will be held at the second general election after the acquisition. (Sections [2](#) and [5](#))

The bill gives the District the power to inspect [septic tanks](#) within the District to ensure they are compliant with applicable permits and to provide penalties for violations. (Section [3](#))

The bill provides ballot language for the referendums and requires the referendums to be held in accordance with the Florida Election Code. (Sections [4](#) and [5](#))

The bill provides that the amendments to the District charter will have full effect once they are approved in their respective referendums. (Section [6](#))

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law, except as otherwise provided in the bill. (Section [7](#))

**STORAGE NAME:** h4081z.IAS

**DATE:** 3/26/2026

**FISCAL OR ECONOMIC IMPACT:****LOCAL GOVERNMENT:**

The Economic Impact Statement for the bill states District revenues will increase \$35,000 for the first fiscal year after the bill takes effect and \$55,000 for the second fiscal year due to an increase in ad-valorem tax revenue in the District's expanded service boundaries relative to service surcharges currently collected by the District in those areas.

**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.<sup>1</sup> Special districts are created by general law, special act, local ordinance, or rule of the Governor and Cabinet.<sup>2</sup> 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.<sup>3</sup> Special districts are funded through the imposition of ad valorem taxes, fees, or charges on the users of those services as authorized by law.<sup>4</sup>

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.<sup>5</sup>

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.<sup>6</sup>

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

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

<sup>2</sup> See ss. [189.02\(1\)](#), [189.031\(3\)](#), and [190.005\(1\)](#), F.S. See generally [s. 189.012\(6\)](#), F.S.

<sup>3</sup> Intergovernmental Affairs Subcommittee, *Local Government Formation Manual*, p. 56 (last visited Feb. 11, 2026).

<sup>4</sup> 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).

<sup>5</sup> [S. 189.012\(2\)](#), F.S.

<sup>6</sup> [S. 189.012\(3\)](#), F.S.

<sup>7</sup> [S. 189.01](#), F.S., 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).

<sup>8</sup> See ss. [189.02](#) (creation of dependent special districts) and [189.031](#), F.S. (creation of independent special districts).

<sup>9</sup> See [s. 189.0311](#), F.S. (charter requirements for independent special districts).

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

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

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.<sup>17</sup>

### **Eastpoint Water and Sewer District**

The Eastpoint Water and Sewer District (District) is an independent special district in Franklin County created by special act in 1967 and re-codified in 2023.<sup>18</sup> The District’s purpose is to acquire, operate, and maintain water and sewer systems serving the unincorporated areas of Franklin County and other customers as determined by the District.<sup>19</sup> The District is governed by a five-member board of supervisors (Board) made up of qualified electors appointed by the Governor to serve four-year terms.<sup>20</sup> The Board is authorized to set, revise, and collect rates and charges for water furnished, sewer systems, and garbage collection.<sup>21</sup> The rates and charges must:

- Pay the cost of operating and maintaining waterworks, sewage, and trash facilities of the District;
- Pay debt on outstanding bonds; and
- Provide for reserve funds.<sup>22</sup>

Additionally, the Board is authorized to levy an ad valorem tax of up to five mills.<sup>23</sup> For Fiscal Year (FY) 2023-2024, the total final budget of the District was \$1,625,655.50.<sup>24</sup> For that same FY, the District levied an ad valorem tax of 3.75 mills, an increase from the 3.25 mills levied the previous year.<sup>25</sup> Those receiving services outside of the district boundaries are charged an additional 25 percent surcharge on rates and fees.<sup>26</sup> In its most recent financial statement, the District reported \$2,935,153 in total bond debt and notes payable outstanding as of September 30, 2024.<sup>27</sup>

The District may expend its funds only to provide the services and exercise the powers authorized in the charter.<sup>28</sup> The District currently serves approximately 1,550 residential, commercial, and industrial customers.<sup>29</sup> The District operates and maintains two wells, a distribution system, and a sewer plant that processes 300,000 gallons per day.

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

<sup>12</sup> Ss. [189.071](#) and [189.074, F.S.](#)

<sup>13</sup> Ss. [189.071](#) and [189.072, F.S.](#)

<sup>14</sup> See, e.g., [s. 190.004, F.S.](#) (Ch. 190, F.S. as “sole authorization” for creation of community development districts).

<sup>15</sup> [S. 189.016\(4\), F.S.](#)

<sup>16</sup> [S. 189.016\(6\), F.S.](#)

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

<sup>18</sup> Chs. 67-1399 and [2023-7, Laws of Fla.](#)

<sup>19</sup> [Ch. 2023-7, s. 4, Laws of Fla.](#)

<sup>20</sup> [Ch. 2023-7, s. 5, Laws of Fla.](#)

<sup>21</sup> [Ch. 2023-7, s. 10, Laws of Fla.](#)

<sup>22</sup> *Id.*

<sup>23</sup> [Ch. 2023-7, s. 8\(13\), Laws of Fla.](#)

<sup>24</sup> Eastpoint Water and Sewer District, [EWSD Budget Information](#), “Final Budget 2023-2024” (last visited Feb. 11, 2026).

<sup>25</sup> *Id.*

<sup>26</sup> Eastpoint Water and Sewer District, [Water/Sewer User Agreement](#), Oct. 10, 2024 (last visited Feb. 11, 2026).

<sup>27</sup> Eastpoint Water and Sewer District, [Financial Statements, Sept. 30, 2024](#), p. 7 (last visited Feb. 11, 2026).

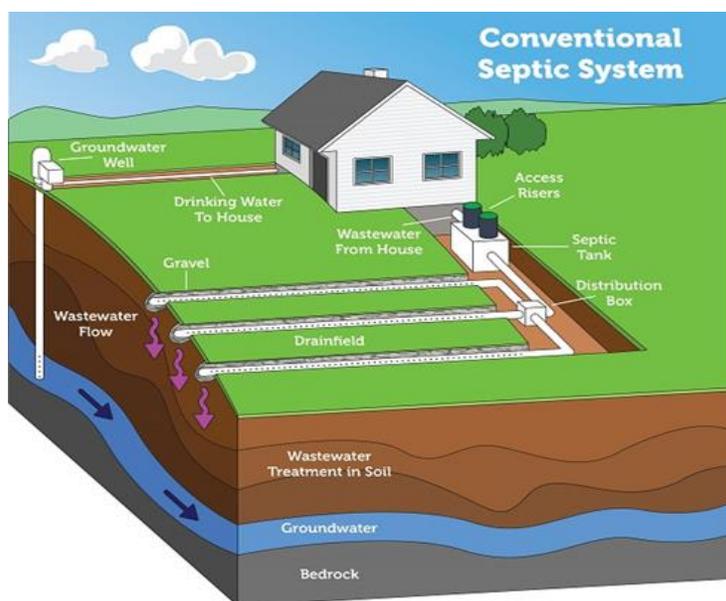
<sup>28</sup> See *Halifax Hospital Medical Center v. State of Fla., et al.*, 278 So. 3d 545, 547 (Fla. 2019).

<sup>29</sup> Eastpoint Water and Sewer District, [Home](#) (last visited Feb. 11, 2026).

## Septic Systems

A method utilized to treat domestic wastewater is through an onsite sewage treatment and disposal system (OSTDS). There are an estimated 2.6 million OSTDS in Florida, which represents 12 percent of the OSTDS in the United States.<sup>30</sup> These 2.6 million OSTDS, commonly referred to as “septic systems,” provide wastewater disposal for 30 percent of the state’s population.<sup>31</sup>

An OSTDS generally consists of two basic parts: the septic tank and the drainfield.<sup>32</sup> Waste from toilets, sinks, washing machines, and showers flow through a pipe into the septic tank, where anaerobic bacteria break the solids into a liquid form. The liquid portion of the wastewater flows into the drainfield, which is generally a series of perforated pipes or panels surrounded by lightweight materials such as gravel or styrofoam. The drainfield provides a secondary treatment where aerobic bacteria continue deactivating the germs and it also filters the wastewater as gravity draws the water down through the layers of soil.<sup>33</sup>



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### *Onsite Sewage Program*

The Onsite Sewage Program (Program) helps ensure that OSTDS are properly designed, constructed, and maintained to help protect Florida’s groundwater resources. The Florida Clean Waterways Act, enacted in 2020, addressed a number of environmental issues relating to the maintenance and improvement of water quality in Florida. The Clean Waterways Act provided for the transfer of the Program from the Department of Health (DOH) to the Department of Environmental Protection (DEP), effective July 1, 2021.<sup>35</sup> To help effectuate this transfer, the Act required DOH and DEP to enter into an interagency agreement to address all agency cooperation for a period of not less than five years after the transfer.<sup>36</sup> DOH and DEP entered into this agreement on June 29, 2021.<sup>37</sup>

<sup>30</sup> Florida Dept. of Environmental Protection, [Onsite Sewage Program](#) (last visited Feb. 11, 2026).

<sup>31</sup> *Id.*

<sup>32</sup> Florida Dept. of Health, [Septic System Information and Care](#) (last visited Feb. 11, 2026); United States Environmental Protection Agency, [Types of Septic Systems](#) (last visited Feb. 11, 2026).

<sup>33</sup> *Id.*

<sup>34</sup> U.S. Environmental Protection Agency, [Types of Septic Systems](#) (last visited Feb. 11, 2026).

<sup>35</sup> [Ch. 2020-150, s. 2, Laws of Fla.](#)

<sup>36</sup> *Id.*

<sup>37</sup> Florida Dept. of Environmental Protection and Florida Dept. of Health, [Interagency Agreement between Florida Department of Environmental Protection and Florida Department of Health in Compliance with Florida’s Clean Waterways Act for Transfer of the Onsite Sewage Program](#), p. 5 (Jun. 30, 2021), (last visited Feb. 11, 2026).

Under this agreement, DEP has the primary powers and duties of the Program, and the county health departments implement the OSTDS program under the direction of DEP.<sup>38</sup> The county health departments continue to handle permitting and inspection of OSTDS until they are fully transferred to DEP.<sup>39</sup> In the event of an alleged violation of OSTDS laws, county health departments are responsible for conducting an inspection to gather information regarding the allegations.<sup>40</sup>

Until OSTDS permitting in all Florida counties is administered by DEP, applicants apply for permits and services in two separate ways, depending on which county they are located in.<sup>41</sup> This transition is beginning with counties in Northwest Florida.<sup>42</sup> The balance of the counties will be transferred between July 2025 through December 2026.<sup>43</sup> In these Northwest Florida counties (and eventually state-wide), a proposed applicant must apply for a construction permit with DEP before beginning construction on an OSTDS with needed forms and documentation. A site inspector then assesses soil, topography, and other conditions to determine the property's suitability for OSTDS installation. On the other hand, the remaining counties have their permits issued by DOH's Environmental Public Health Program through local county health departments. To apply, a prospective applicant applies with the same form, site plan, and documentation. Beyond the regulating body, the other differences may include different fees and more stringent standards than DEP.<sup>44</sup>

### 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.<sup>45</sup> A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website<sup>46</sup> at least 30 days prior to the introduction of the local bill in the House or Senate.<sup>47</sup> The bill was noticed in the [Apalachicola Times on Dec. 4, 2025](#). The annexation provisions of the bill will take effect only upon their approval by the electors of the proposed annexation areas voting in referendums held November 3, 2026 and after the District acquires the water utility serving St. George Island.

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.<sup>48</sup> Under the policy, a committee or subcommittee may not consider a local bill unless these forms have been filed. The following forms have been submitted for the bill:

- [Local Bill Certification Form](#)
- [Economic Impact Statement Form](#)

<sup>38</sup> *Id.* at 11.

<sup>39</sup> *Id.* at 11; Florida Dept. of Environmental Protection, [Onsite Sewage Program](#) (last visited Feb. 11, 2026).

<sup>40</sup> Florida Dept. of Environmental Protection and Florida Dept. of Health, [Interagency Agreement between Florida Department of Environmental Protection and Florida Department of Health in Compliance with Florida's Clean Waterways Act for Transfer of the Onsite Sewage Program](#), p. 11 (Jun. 30, 2021), (last visited Feb. 11, 2026).

<sup>41</sup> *Id.*; [Onsite Sewage FAQ – Permitting](#) (last visited Feb. 11, 2026).

<sup>42</sup> These counties are Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Marion, Okaloosa, Santa Rosa, Wakulla, Walton, and Washington. See Department of Environmental Protection, [Onsite Sewage FAQ – Permitting](#) (last visited Feb. 11, 2026).

<sup>43</sup> Florida Dept. of Environmental Protection, [Onsite Sewage FAQ – Permitting](#) (last visited Feb. 11, 2026).

<sup>44</sup> *Id.*

<sup>45</sup> [Art. III, s. 10, Fla. Const.](#)

<sup>46</sup> [S. 50.0311\(2\), F.S.](#)

<sup>47</sup> [S. 11.02, F.S.](#) 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.

<sup>48</sup> Intergovernmental Affairs Subcommittee, [Local Bill Policies and Procedures Manual](#), p. 11 (last visited Feb. 11, 2026).