

FLORIDA HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

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BILL #: [CS/CS/HB 4103](#)

TITLE: Apalachicola Water and Sewer District, Franklin County

SPONSOR(S): Shoaf

COMPANION BILL: None

LINKED BILLS: None

RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 107 Y's 0 N's

GOVERNOR'S ACTION: Pending

SUMMARY

Effect of the Bill:

The bill creates the Apalachicola Water and Sewer District (District), an independent special district in Franklin County, to provide water and sewer services to customers who currently receive such services from the City of Apalachicola. The bill provides a charter for the District, including establishing a five-member governing board consisting of three members appointed by the Governor, one member appointed by the Franklin County Board of County Commissioners, and one member appointed by the City of Apalachicola City Commission, all of whom must be residents and water and sewer customers of the District.

The bill transfers all assets and liabilities of the City of Apalachicola related to providing water and sewer services to the District, and requires the city and the District to enter into an interlocal agreement to effectuate the transfer.

Fiscal or Economic Impact:

The Economic Impact Statement submitted for the bill estimates approximately \$500,000 in expenses related to creating the new district.

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ANALYSIS

EFFECT OF THE BILL:

The bill creates the Apalachicola Water and Sewer District (District), an independent [special district](#) in Franklin County, to provide water and sewer services to the customers currently served by the City of Apalachicola's water and sewer utility. (Sections [1](#) and [2](#))

The bill provides a charter for the District containing all terms required for the [creation of a special district](#). (Section [2](#))

The bill establishes a five-member governing board (Board) for the District, with three members appointed by the Governor, one member appointed by the Franklin County Board of County Commissioners, and one member appointed by the City of Apalachicola City Commission. All members of the Board must be both legal residents and water and sewer customers of the District. Members of the Board serve four-year terms, except that the members appointed by Franklin County and the City of Apalachicola may be removed by the governing bodies of those local governments. The bill requires the Board conduct monthly meetings. Members of the Board serve without compensation, but may be reimbursed for travel and per diem expenses as provided by general law. (Section [2](#))

The bill provides that the Board has the power to:

- Construct, maintain, and operate a water and sewer system to provide water within the boundaries of the District or to properties outside the District subject to agreements with property owners.
- Issue water revenue certificates of the District, payable from revenues derived from operating the water and sewer system.

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DATE: 3/30/2026

- Fix and collect rates and charges for water and sewer services provided by the District, including connection fees.
- Acquire real and personal property necessary to construct or operate water and sewer systems.
- Enter into contracts with private parties or interlocal agreements with governmental entities to purchase, construct, operate, or maintain the District's water system.
- Exercise the power of eminent domain within the District, pursuant to general law, excluding properties owned by governmental entities.
- Make and enter contracts and agreements to perform the duties and execute the powers of the District, including the sale of the system or the disposal of sewage, and to enter into necessary agreements to issue bonds.
- Exercise jurisdiction, control, and supervision over the District's water and sewer systems.
- Enter properties located within the District, or pursuant to an agreement with a property owner or an interlocal agreement, to conduct necessary surveys, borings, soundings, and examinations.
- Construct and operate water mains, laterals, conduits, pipelines, pumping stations, lift stations, valves, force mains, laterals, pressure lines, mains, and other necessary components, along streets and other public places in the District or any other area subject to an agreement between the District and the property owner.
- Restrain, enjoin, or otherwise prevent public and private entities from discharging sewage and refuse into the waters of the District in manner that inhibits the District's exercise of its powers.
- Accept federal loans and grants, including any necessary provisions to receive such loans or grants.
- Do all acts and things necessary or convenient to carry out the powers expressly granted in the charter. (Section [2](#))

The water and sewer rates set by the District must be sufficient to:

- Pay the cost of maintaining, repairing, and operating District's water and sewer systems, including reserves.
- Pay the principal of, and the interest on, all outstanding revenue bonds of the District.
- Provide a margin of safety for making such payments and providing such reserves. (Section [2](#))

The District has no authority to levy ad valorem taxes and all funds of the District must be used for the operation of the water and sewer system. (Section [2](#))

The bill provides that any resolution authorizing the issuance of bonds by the District or any trust agreement securing the bonds may include the following terms:

- The District may disconnect water and sewer service for non-payment after 30 days and enforce payment in court.
- The District may charge a deposit to users of the water and sewer system. (Section [2](#))

The bill provides that the District must use the procedures provided by general law for bond issuance, budget preparation, planning, and conducting any required elections. (Section [2](#))

The bill provides that the City of Apalachicola may not incur any additional obligations or indebtedness related to the operation of its water and sewer utility, other than expenses incurred in the ordinary course of business, and must avoid wasting its assets. (Section [3](#))

The bill requires the City of Apalachicola to enter into an interlocal agreement by the latter of July 1, 2026, or 30 days after the Governor makes initial appointments to the District's governing board. The interlocal agreement must include provisions concerning:

- An assessment of all assets currently held by the city for providing water and sewer service.
- Cooperation in meeting regulatory and permitting requirements for the transfer of the water and sewer utility.
- The transition of assets and liabilities from the city to the District.

- Membership of district employees in the Florida Retirement System.
- Any other terms and conditions mutually agreed to by the parties. (Section [3](#))

The bill provides that, if the City of Apalachicola and the District do not enter into an interlocal agreement by the above deadline, the District has the sole authority to make all determinations necessary to effectuate the transfer of water and sewer service and such determinations are binding on both the city and the District. (Section [3](#))

The bill transfers all real and personal property owned, possessed, or controlled by the City of Apalachicola for the purposes of providing water and sewer systems, as well as any assets, contracts, obligations, and liabilities for such purposes, from the City of Apalachicola to the District on December 1, 2026. All contracts and obligations of the City of Apalachicola for water and sewer systems existing on the effective date of the bill remain in full force and effect, and the bill does not affect the validity of such contracts or obligations. The bill provides that current employees of the City of Apalachicola that operate the city’s water and sewer service become employees of the District pursuant to the interlocal agreement or other determination of responsibilities made pursuant to the bill, but requires the District to ensure that all employees continue to be members of the Florida Retirement System. (Section [4](#))

Subject to the Governor’s veto powers, the effective date of this bill is upon becoming a law, except as otherwise provided. (Section [5](#))

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The Economic Impact Statement submitted for the bill estimates approximately \$500,000 in expenses related to creating the new District.

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

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 Feb. 9, 2026).

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).

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 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 supervision,¹¹ merger,¹² and dissolution¹³ 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

[Formation and Charter of an Independent Special District](#)

With the exception of community development districts (CDDs),¹⁸ the charter for any new independent special district must include the minimum elements required by ch. 189, F.S.¹⁹ Special laws or general laws of local application relating to any special district may not:

- Create a special district with a district charter that does not conform to certain minimum requirements;²⁰
- Exempt district elections from the requirements of [s. 189.04, F.S.](#);²¹
- Exempt a district from the requirements for bond referenda in [s. 189.042, F.S.](#);²²
- Exempt a district from certain requirements relating to²³ issuing bonds if no referendum is required,²⁴ requiring special district reports on public facilities,²⁵ notice and reports of special district public meetings,²⁶ or required reports, budgets, and audits;²⁷ or

⁵ [S. 189.012\(2\), F.S.](#)

⁶ [S. 189.012\(3\), F.S.](#)

⁷ [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).

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

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

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

¹¹ See [s. 189.0651, F.S.](#) (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., [s. 190.004, F.S.](#) (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 [S. 189.0311, F.S.](#) See [s. 190.004, F.S.](#) (providing that ch. 190, F.S., governs the functions and powers of independent CDDs).

¹⁹ [S. 189.031\(1\)](#) and [\(3\), F.S.](#)

²⁰ [S. 189.031\(2\)\(a\), F.S.](#)

²¹ [S. 189.031\(2\)\(b\), F.S.](#)

²² [S. 189.031\(2\)\(c\), F.S.](#)

- Create a district for which a statement documenting specific required matters is not submitted to the Legislature. The statement must include:
 - The purpose of the proposed district;
 - The authority of the proposed district;
 - An explanation of why the district is the best alternative; and
 - A resolution or official statement from the local general-government jurisdiction where the proposed district will be located stating the proposed district is consistent with approved local government plans and the local government does not object to creation of the district.²⁸

The charter of a newly created district must state whether it is dependent or independent.²⁹ The charters of independent special districts must address and include the:

- Purpose of the district;
- Powers and duties of the district concerning ad valorem taxation, debt issuance, budget preparation and approval, liens, the use of tax deeds and tax certificates for non-ad valorem assessments, and contractual agreements;
- Method by which the district is established and for amending the district's charter;
- Membership, organization, maximum compensation, and administrative duties of the district's governing body;
- Applicable financial disclosure, noticing, and reporting requirements;
- Procedures and requirements for issuing bonds, if a district has authority to issue bonds;
- Procedures for conducting required elections and referenda, as well as the qualifications for electors;
- Methods of financing the district;
- Maximum millage rate the district may levy, if the district is authorized to levy ad valorem taxes;
- Methods used by the district for collecting non-ad valorem assessments, fees, or service charges;
- Planning requirements for the district; and
- Geographic boundaries of the district.³⁰

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.³¹ A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website³² at least 30 days prior to the introduction of the local bill in the House or Senate.³³ The bill was noticed on the [publicly accessible website of Franklin County on January 8, 2026](#).

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

²³ [S. 189.031\(2\)\(d\), F.S.](#)

²⁴ [S. 189.051, F.S.](#)

²⁵ [S. 189.08, F.S.](#)

²⁶ [S. 189.015, F.S.](#)

²⁷ [S. 189.016, F.S.](#)

²⁸ [S. 189.031\(2\)\(e\), F.S.](#)

²⁹ [S. 189.031\(5\), F.S.](#)

³⁰ [S. 189.031\(3\), F.S.](#)

³¹ [Art. III, s. 10, Fla. Const.](#)

³² [S. 50.0311\(2\), F.S.](#)

³³ [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.

possible.³⁴ 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](#)

³⁴ Intergovernmental Affairs Subcommittee, *Local Bill Policies and Procedures Manual*, p. 11 (last visited Feb. 9, 2026).