



Journal of the Senate

Number 4—Special Session

Friday, November 30, 1979

The Senate was called to order by the President at 4:00 p.m.
A quorum present—40:

Mr. President	Gordon	Maxwell	Spicola
Anderson	Gorman	McClain	Steinberg
Barron	Grizzle	McKnight	Stuart
Carlucci	Hair	Myers	Thomas
Chamberlin	Henderson	Neal	Tobiassen
Childers, D.	Hill	Peterson	Trask
Childers, W. D.	Holloway	Poole	Vogt
Dunn	Jenne	Scarborough	Ware
Fechtel	Johnston	Scott	Williamson
Frank	MacKay	Skinner	Winn

REPORTS OF COMMITTEES

The Committee on Transportation recommends the following pass: HB 31-C with 2 amendments

The bill was placed on the calendar.

The Committee on Rules and Calendar submits the following bill to be placed on the Special Order Calendar for Friday, November 30, 1979: HB 31-C

Respectfully submitted,
Dempsey J. Barron, Chairman

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The Honorable Philip D. Lewis, President

I am directed to inform the Senate that the House of Representatives has concurred in Senate Amendments and passed HB 35-C, as amended.

Allen Morris, Clerk

The Honorable Philip D. Lewis, President

I am directed to inform the Senate that the House of Representatives has admitted for introduction by the required Constitutional two-thirds vote of the membership and passed SB 29-C and SB 26-C.

Allen Morris, Clerk

The Honorable Philip D. Lewis, President

I am directed to inform the Senate that the House of Representatives has passed SB 28-C.

Allen Morris, Clerk

The bills contained in the above messages were ordered enrolled.

The Honorable Philip D. Lewis, President

I am directed to inform the Senate that the Speaker of the House of Representatives has appointed Representatives Martin, Gustafson and Mica as Conferees on the part of the House on SB 18-C.

Allen Morris, Clerk

The Honorable Philip D. Lewis, President

I am directed to inform the Senate that the House of Representatives has amended Senate Amendments 1 and 2, concurred in same as amended and passed HB 16-C as amended and requests the concurrence of the Senate.

Allen Morris, Clerk

By the Committee on Finance & Taxation and Representative Thompson and others—

HB 16-C—A bill to be entitled An act relating to tax sales; amending s. 197.072(1), Florida Statutes; providing that, if applicable, notice of taxes shall include the fact that back taxes are unpaid; adding new subsection (2) to s. 197.116, Florida Statutes; providing that tax certificates with less than \$100 of delinquent taxes on homestead property shall be issued to the county, providing that tax certificates representing \$100 or more of delinquent taxes shall be sold at public auction in accordance with this chapter, and providing restrictions with respect to obtaining tax deeds thereon; amending ss. 197.062(3) and 197.141(1), Florida Statutes, relating to advertisement of property with delinquent taxes and transferability of tax sale certificates, providing an exception with respect to such tax certificates; amending s. 197.256, Florida Statutes; providing a clear notice of pending sale; providing for notice to owner through personal service by sheriff, providing that notice be posted in a conspicuous place on the property by the sheriff of county where property is located; providing an exception; providing that nothing in chapter 197 shall be construed to prevent the tax collector or other public official from giving additional notice beyond minimum requirements; amending ss. 197.151(2) and 197.156(1), Florida Statutes, relating to redemption of tax sale certificates belonging to the county and those sold to purchasers other than the county; and s. 197.266(1), Florida Statutes, relating to sale at public auction; providing for payment of costs incurred for said personal service; providing an effective date.

House Amendment 1 to Senate Amendment 1—On page 3, lines 18-21, strike all of lines 18-21 and insert: *Issued. Provided, however, that when the tax certificates and accrued interest thereon represent an amount of \$100 or more, the provisions of s. 197.241(3) shall be invoked.*

Section 4. Subsection (1) of section 197.141, Florida Statutes, is amended to read:

197.141 Tax sale certificate transferable by endorsement.—

(1) All tax sale certificates issued, whether to the county, a municipality, or an individual, *except those certificates described in s. 197.116(2)*, shall be transferable by endorsement at any time before they are redeemed or a tax deed is executed thereunder.

and renumber the following sections accordingly.

House Amendment 2 to Senate Amendment 1—On page 8, line 17, strike "conspicuous place on the property" and insert: *conspicuous place on the residence*

House Amendment 3 to Senate Amendment 1—On page 2, lines 11-25, strike all of Section 1 and insert: *new Section 1. to read:*

Section 1. Section 197.062, Florida Statutes, 1978 Supplement, is amended to read:

197.062 Advertisement of real or personal property with delinquent taxes.—

(1) The board of county commissioners shall, whenever legal advertisements are required, select and advertise ~~as provided in chapter 50~~ *in a newspaper of paid general circulation in the county. Such advertisements shall appear in a newspaper that is published at least 5 days a week unless the only newspaper of general circulation in the county is published less than 5 days a week. The newspaper shall be one of general interest and readership in the community, and not one of limited subject matter.* The office of the tax collector

shall pay all newspaper charges, and the proportionate cost of the advertisements shall be added to the delinquent taxes when they are collected.

(2) Within 45 days after the personal property taxes become delinquent, the tax collector shall advertise a list of the names of delinquent personal property taxpayers and the amount of tax due by each. The advertisement shall include a notice that all personal property taxes are now drawing interest at the rate of 18 percent per year and that, unless the delinquent taxes are paid, warrants will be issued thereon pursuant to s. 197.086 and the tax collector will apply to the circuit court for an order directing levy upon and seizure of the personal property of the taxpayer for the unpaid taxes.

(3) The tax collector shall advertise once each week for 4 weeks and shall sell tax certificate, *except as provided in s. 197.116(2)*, on all real property with taxes due on or before June 1 of each year. He shall make a list of such properties specifying the amount due on each parcel, including interest at the rate of 18 percent per year from April 1 to the date of sale, provided that the minimum charge for any taxes redeemed prior to the sale of a tax certificate shall be 3 percent regardless of the time of redemption, with the cost of advertising and expense of sale in the same order in which the lands were assessed.

(4) All advertisements shall be in the form prescribed by the Department of Revenue.

House Amendment 1 to Senate Amendment 2—On page 1, line 14, insert: amending s. 197.141(1), providing an exception to the transfer of tax sale certificates;

House Amendment 2 to Senate Amendment 2—On page 1, line 3, strike "(3)"

Senator Scarborough presiding

On motions by Senator Thomas, the Senate concurred in the House Amendments to the Senate amendments to HB 16-C. The bill as amended passed and the action of the Senate was certified to the House. The vote on passage was:

Yeas—39

Anderson	Gorman	McClain	Steinberg
Barron	Grizzle	McKnight	Stuart
Carlucci	Hair	Myers	Thomas
Chamberlin	Henderson	Neal	Tobiassen
Childers, D.	Hill	Peterson	Trask
Childers, W. D.	Holloway	Poole	Vogt
Dunn	Jenne	Scarborough	Ware
Fechtcl	Johnston	Scott	Williamson
Frank	MacKay	Skinner	Winn
Gordon	Maxwell	Spicola	

Nays—None

On motions by Senator Trask, by two-thirds vote HB 17-C was withdrawn from the Committee on Ways and Means and by two-thirds vote placed on the special order calendar.

SPECIAL ORDER

HB 17-C—A bill to be entitled An act relating to ad valorem taxes; amending s. 197.013, Florida Statutes; providing for payment of installments; providing for postage; providing for distribution of taxes; providing for notice; providing an effective date.

—was read the second time by title. On motion by Senator Trask, by two-thirds vote HB 17-C was read the third time by title, passed and certified to the House. The vote on passage was:

Yeas—39

Anderson	Childers, W. D.	Gorman	Holloway
Barron	Dunn	Grizzle	Jenne
Carlucci	Fechtcl	Hair	Johnston
Chamberlin	Frank	Henderson	MacKay
Childers, D.	Gordon	Hill	Maxwell

McClain	Poole	Steinberg	Vogt
McKnight	Scarborough	Stuart	Ware
Myers	Scott	Thomas	Williamson
Neal	Skinner	Tobiassen	Winn
Peterson	Spicola	Trask	

Nays—None

HB 31-C—A bill to be entitled An act relating to the Florida Transportation Code; adding subsections (3) and (4) to s. 337.34, Florida Statutes, providing legislative intent: authorizing the Department of Transportation to utilize certain funds for the Accelerated Construction of Interstate Program; providing for adjustments in certain contracts; providing an effective date.

—was read the second time by title.

The President presiding

The Committee on Transportation offered the following amendment which was moved by Senator Holloway:

Amendment 1—Strike on page 1, lines 25 through and including line 31; page 2, lines 1 through and including line 5 and insert: (a) *Have released, and use funds appropriated from General Revenue for the 1979 Special Appropriation Program, as appropriated in item 7D, Section 3, Chapter 79-212, Laws of Florida, prior to utilization of funds appropriated from the ACI Revolving Trust Fund also for the 1979 Special Appropriation Program.*

(b) *Maximize interstate contractual lettings by utilizing on a cash basis any remaining balance in the ACI Revolving Trust Fund.*

Senator Holloway moved the following amendment to Amendment 1 which was adopted:

Amendment 1A—On page 1, line 8, insert after the word "cash": *flow*

Amendment 1 as amended was adopted.

The Committee on Transportation offered the following amendment which was moved by Senator Holloway and adopted:

Amendment 2—On page 1 in title, strike all of line 8.

On motion by Senator Holloway, by two-thirds vote HB 31-C as amended was read the third time by title, passed and certified to the House. The vote on passage was:

Yeas—38

Mr. President	Gorman	McClain	Stuart
Anderson	Grizzle	McKnight	Thomas
Barron	Hair	Neal	Tobiassen
Carlucci	Henderson	Peterson	Trask
Chamberlin	Hill	Poole	Vogt
Childers, D.	Holloway	Scarborough	Ware
Childers, W. D.	Jenne	Scott	Williamson
Dunn	Johnston	Skinner	Winn
Frank	MacKay	Spicola	
Gordon	Maxwell	Steinberg	

Nays—None

Votes after roll call:

Yea—Fechtcl, Myers

On motion by Senator Barron, the rules were waived and the Senate reverted to—

MESSAGES FROM THE GOVERNOR

By direction of the President the following amendment to the Proclamation of November 21 was read:

PROCLAMATION

State of Florida
Executive Department
Tallahassee

(Fourth Amendment to Proclamation Dated November 21, 1979)

TO THE HONORABLE MEMBERS OF THE FLORIDA SENATE AND THE HOUSE OF REPRESENTATIVES:

WHEREAS, on the 21st day of November 1979, a Proclamation of the Governor was issued convening a special session of the Florida Legislature commencing on the 27th day of November 1979, and

WHEREAS, on the 27th day of November 1979, a Proclamation was issued amending the Proclamation of November 21, 1979, as amended, and

WHEREAS, on the 28th day of November 1979, a Proclamation was issued further amending the Proclamation of November 21, 1979, as amended, and

WHEREAS, on the 28th day of November 1979, a Proclamation was issued again amending the Proclamation of November 21, 1979, as amended, and

WHEREAS, it is necessary and in the best interest of the State to further amend the Proclamation of the Governor of November 21, 1979, as amended, in order to extend the period of the call of the special session for the sole purpose of considering tax reform,

NOW THEREFORE, I, BOB GRAHAM, Governor of the State of Florida, in obedience to my constitutional duty and by virtue of the power and authority vested in me by Article III, Section 3(c)(1), Florida Constitution, do hereby proclaim as follows:

Section 1

That Section 1 of the Proclamation of November 21, 1979 is amended to read:

1. That the Legislature of the State of Florida be and is hereby convened in special session pursuant to Article III, Section 3(c)(1), Florida Constitution, at the Capitol, Tallahassee, Florida, commencing at 2:00 p.m. on Tuesday, November 27, 1979, and extending through noon, Tuesday, December 4, 1979.

Section 2

That the Legislature is convened in this extended special session for the sole purpose of considering the matters described in paragraphs 1(a) through (h) and 2 of Section 2 of the Proclamation dated November 21, 1979, as amended.

Section 3

Except as amended by this Proclamation and the Proclamations dated November 27, 1979, November 28, 1979, and November 28, 1979, the Proclamation of the Governor dated November 21, 1979 is ratified and confirmed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Florida to be affixed at Tallahassee, the Capitol, this 30th day of November, 1979.

BOB GRAHAM
Governor



ATTEST:
GEORGE FIRESTONE
Secretary of State

By direction of the President the following conference committee report was read:

CONFERENCE COMMITTEE REPORT ON SB 18-C

The Honorable Philip D. Lewis
President of the Senate

November 30, 1979

The Honorable J. Hyatt Brown
Speaker, House of Representatives

Dear Sirs:

Your Conference Committee on the disagreeing votes of the two Houses on the House amendments to Senate Bill 18-C same being:

An act relating to governmental auditing; amending s. 11.45 (1)-(4), (8), Florida Statutes, as amended; providing definitions; replacing references to postaudits with references to financial audits; providing for establishment of an auditor selection committee in noncharter counties and providing duties thereof with respect to selection of qualified auditors to audit county agencies; creating the County Government Audit Trust Fund in the Department of Banking and Finance; providing circumstances for reimbursement of county agencies for certain costs of auditing; providing an appropriation; providing an effective date.

having met, and after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

1. That the House recede from its amendments 1 and 2.
2. That the Senate and the House of Representatives adopt the Conference Committee amendments attached hereto, and by reference made a part of this report.

Sidney Martin, Chairman
Tom Gustafson
John L. Mica

Edgar M. Dunn, Jr.
Harry A. Johnston, II
George Stuart, Jr.

Managers on the part of the
House of Representatives

Managers on the part of the
Senate

Conference Committee Amendment 1—On page 1, line 20, strike everything after the enacting clause and insert: Section 1. Subsections (1), (2), (3), (4), and (8) of section 11.45, Florida Statutes, as amended by chapter 79-183, Laws of Florida, are amended to read:

11.45 Definitions; duties; audits; reports.—

(1) As used in this section The following words and phrases have the following meanings unless a different meaning is required by the context:

(a) "Performance audit" means an examination of the effectiveness of administration and its efficiency and adequacy in terms of the program of the state agency authorized by law to be performed.

(b) "Political subdivision" means a separate agency or unit of local government created or established by law and includes, but is not limited to, the following and the officers thereof: authority, board, branch, bureau, city, commission, consolidated government, county, department, district, institution, metropolitan government, municipality, office, officer, public corporation, town, or village.

(c) "Financial audit" means an examination of financial statements in order to express an opinion on the fairness with which they present financial position, results of operations, and changes in financial position in conformity with generally accepted government accounting principles and an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements. "Postaudit" means an audit made at some point after the completion of a transaction or a group of transactions.

(d) "State agency" means a separate agency or unit of state government created or established by law and includes, but is not limited to, the following and the officers thereof: authority, board, branch, bureau, commission, department, division, institution, office, officer, or public corporation, as the case may be, except any such agency or unit within the legislative branch of state government.

(e) "County agency," for the exclusive purposes of this section, means a board of county commissioners or other legislative and governing body of a county however styled, including that of a consolidated or metropolitan government, a Clerk of the Circuit Court, a separate or ex officio clerk of the county court, a sheriff, a property appraiser, a tax collector, a supervisor of elections, or any and other officer officers in whom any portion of the fiscal duties of the above are may under law be separately placed from time to time. Each county agency is a local governmental entity for purposes of subparagraph (3)(a)3.

(2) The Auditor General shall make financial audits ~~post-audits~~ and performance audits of public records and perform related duties as prescribed by law or concurrent resolution of the Legislature. He shall perform his duties independently but under the general policies established by the Legislative Auditing Committee.

(3)(a)1. The Auditor General shall annually make financial audits ~~post-audits~~ and performance audits of the accounts and records of all state agencies, as defined in this section, and make financial audits ~~post-audits~~ of the accounts and records of all district school boards and district boards of trustees of community colleges, as defined in this section.

2. The Auditor General may at any time make financial audits ~~post-audits~~ and performance audits of the accounts and records of all governmental entities created pursuant to law. The ~~post-audits~~ and performance audits referred to in this subparagraph shall be made whenever determined by the Auditor General, whenever directed by the Legislative Auditing Committee, or whenever otherwise required by law or concurrent resolution.

3. Each local governmental entity created pursuant to law, for which entity a financial audit ~~post-audit~~ was not performed pursuant to subparagraph 1. or subparagraph 2., except a municipality with an annual budget of less than \$100,000, shall require that an annual financial audit ~~post-audit~~ of its accounts and records be completed, within 6 months after the end of its respective fiscal year, by an independent certified public accountant retained by it and paid from its public funds. The county audit shall be a single report. The governing body of a county shall be responsible for selecting an independent certified public accountant to audit the county agencies of the county according to the following procedure:

a. In each noncharter county, an Auditor Selection Committee shall be established consisting of the county officers elected pursuant to Article VIII, section 1(d), Florida Constitution, and one member of the Board of County Commissioners or its designee.

b. The committee shall publicly announce, in a uniform and consistent manner, each occasion when auditing services are required to be purchased. Public notice shall include a general description of the audit and shall indicate how interested certified public accountants can apply for consideration.

c. The committee shall encourage firms engaged in the lawful practice of public accounting who desire to provide professional services to submit annually a statement of qualifications and performance data.

d. Any certified public accountant desiring to provide auditing services must first be qualified pursuant to law. The committee shall make a finding that the firm or individual to be employed is fully qualified to render the required service. Among the factors to be considered in making this finding are the capabilities, adequacy of personnel, past record, and experience of the firm or individual.

e. The committee shall adopt procedures for the evaluation of professional services, including, but not limited to, capabilities, adequacy of personnel, past record and experience, and such other factors as may be determined by the committee to be applicable to its particular requirements.

f. The public shall not be excluded from the proceedings under this subparagraph.

g. The committee shall evaluate current statements of qualifications and performance data on file with the committee, together with those that may be submitted by other firms regarding the proposed audit and shall conduct discussions with, and may require public presentations by, no

less than three firms, regarding their qualifications, approach to the audit, and ability to furnish the required service.

h. The committee shall select no less than three firms deemed to be most highly qualified to perform the required services after considering such factors as the ability of professional personnel, past performance, willingness to meet time and budget requirements, location, recent, current, and projected work loads of the firms, and the volume of work previously awarded to the firm by the agency, with the object of effecting an equitable distribution of contracts among qualified firms, provided such distribution does not violate the principle of selection of the most highly qualified firms. If less than three firms desire to perform the services, the committee shall recommend such firms as it determines to be qualified.

i. Nothing in this subparagraph shall be construed to prohibit contracts for a period in excess of 1 year.

j. The Board of County Commissioners shall simultaneously negotiate with the recommended firms for auditing services at compensation which the board determines is fair, competitive, and reasonable. The board shall also negotiate on the scope and quality of services. In making such determination the board shall conduct a detailed analysis of the cost of the professional services required in addition to considering their scope and complexity. For contracts over \$50,000, the board shall require the firm receiving the award to execute a truth-in-negotiation certificate stating that the rates of compensation and other factual unit costs supporting the compensation are accurate, complete, and current at the time of contracting. Such certificate shall also contain a description and disclosure of any understanding that places a limit on current or future years' audit contract fees, including any arrangements under which fixed limits on fees will not be subject to reconsideration if unexpected accounting or auditing issues are encountered. Such certificate shall also contain a description of any services rendered by the certified public accountant or firm of certified public accountants at rates or terms that are not customary. Any auditing service contract under which such a certificate is required shall contain a provision that the original contract price and any additions thereto shall be adjusted to exclude any significant sums by which the board determines the contract price was increased due to inaccurate or incomplete factual unit costs. All such contract adjustments shall be made within 1 year following the end of the contract. This subparagraph shall apply to audits covering the 1978-1979 fiscal year, and the procedure in this subparagraph may be used by any county for subsequent audits.

k. Should the board be unable to negotiate a satisfactory contract with any of the selected firms, the committee shall select additional firms and the board shall continue negotiations in accordance with this subsection until an agreement is reached.

l. At the conclusion of the audit field work, the independent certified public accountant shall discuss with the head of each county agency and the chairman of the board of county commissioners or his designee, all of the auditor's comments which will be included in the report containing the auditor's comments for the areas within their responsibility. If the officer is not available to discuss the auditor's comments, their discussion is presumed when the comments are delivered in writing to his office.

m. The officer's written statement of explanation or rebuttal concerning the auditor's comments, including corrective action to be taken, shall be filed with the governing body of the county and with the Auditor General within 20 days of the delivery of the financial audit report.

n. The Auditor General, in consultation with the Board of Accountancy, shall adopt rules for the form and conduct of county audits.

o. If there is a conflict between this subparagraph and s. 473.317, this subparagraph shall prevail.

4. Any financial audit ~~post-audit~~ required to be performed under subparagraph 3. shall be submitted to the Auditor General no later than 7 months after the end of the fiscal year of the governmental entity. If the Auditor General does not receive the financial audit ~~post-audit~~ within such period, he shall notify the Legislative Auditing Committee that such gov-

ernmental entity has not complied with this subparagraph. Following notification of failure to submit the required audits, the Legislative Auditing Committee may:

a. In the case of a city or county, notify the Department of Revenue and the Department of Banking and Finance that the local unit of government has failed to comply. Upon notification, the department shall withhold any funds payable to such governmental entity until the required *financial audit postaudit* is received by the Auditor General.

b. In the case of a special district, notify the Department of Community Affairs that the special district has failed to provide the required audits. Upon notification, the department shall proceed pursuant to ss. 189.008 and 189.009.

5. The Auditor General, in consultation with the Board of Accountancy, shall review all audits completed for local units of government by an independent certified public accountant.

(b) The *Legislature Auditing Committee* may authorize and direct the Auditor General to make a *financial audit postaudit* the affairs of any municipality or independent agency or authority of any municipality within the state, and the committee shall direct him to make such *audit postaudit* whenever petitioned to do so by at least 20 percent of the electors of any municipality. The supervisor of elections of the county in which the municipality is located shall certify whether or not the petition contains the signatures of at least 20 percent of the electors of the municipality. The expenses of such *audit postaudit* shall be paid by the said municipality and, in the event the municipality fails to pay the cost of the audit, the Department of Revenue shall, upon certification of the Auditor General, withhold from that portion of the municipal financial assistance trust fund for municipalities which is derived from the cigarette tax imposed under chapter 210, and which is distributable to said municipality, a sum sufficient to pay the cost of the audit, and shall deposit said sum in the General Revenue Fund of the state.

(c) The Auditor General shall exercise any power and duty which by any law, general or otherwise, is now vested in the state auditor or the legislative auditor. The Auditor General shall make an annual *financial audit postaudit* of accounts and records of any other public body or political subdivision when required by law or concurrent resolution to do so.

(d) The Auditor General shall at least every 2 years make a performance audit of the local government financial reporting system required by this subsection; ss. 23.0115, 165.091, and 189.001-189.009; and part VII of chapter 112 and part III of chapter 218. The performance audit shall analyze each component of the reporting system separately and analyze the reporting system as a whole. The purpose of such an *audit audits* is to determine the efficiency and effectiveness of the reporting system in monitoring and evaluating the financial conditions of local governments and to make recommendations to the local governments, the Governor, and the Legislature as to how the reporting system can be improved and how program costs can be reduced.

(4) Each ~~such~~ audit required or authorized by this section, when practicable, shall be made and completed within not more than 12 months following the end of each fiscal year of the state agency or political subdivision, if an annual audit, or at such lesser time which may be provided by law or concurrent resolution or directed by the Legislative Auditing Committee. When the Auditor General is required by law to make a *financial audit postaudit* of the whole or a portion of a fiscal year of a political subdivision and his current workload of audits of state agencies and political subdivisions is so great that it is not practicable within the required time to perform such *audit postaudit* and also to make *financial audits of postaudit* that political subdivision as to any other period not previously *audited postaudited* by him, then in his discretion he may temporarily or indefinitely postpone his *audits postaudit* of such other period or any portion thereof unless otherwise directed by the committee.

(8) If the Auditor General discovers any errors, unusual practices, or any other discrepancies in connection with his *audits audit or postaudit* of a state agency or state officer, the Auditor General shall, as soon as practicable, notify in writing the President of the Senate and the Speaker of the House of Representatives, respectively, who, in turn, shall promptly thereafter forward a copy thereof to the chairmen of the respective legislative committees, which in the judgment of the

President of the Senate and the Speaker of the House of Representatives, respectively, are substantially concerned with the functions of the involved state agency or state officer. Thereafter, and in no event later than the 10th day of the next succeeding legislative session, the person in charge of the involved state agency, or the involved state officer, as the case may be, shall explain in writing to the chairmen of the said respective legislative committees and to the Legislative Auditing Committee the reasons or justifications for such errors, unusual practices, or discrepancies and the corrective measures, if any, taken by the agency.

Section 2. There is hereby created in the Department of Community Affairs the County Government Audit Trust Fund for the purpose of reimbursing counties for costs incurred in having audits required by s. 11.45, Florida Statutes, made by independent certified public accountants with respect to the 1978-1979 fiscal year. Any county which desires such reimbursement shall apply therefor to the Department of Community Affairs on forms furnished by the department, including certification of audit costs, no later than September 30, 1980, and the Secretary of the department shall, no later than November 30, 1980, issue a warrant to reimburse such county from such trust fund for any reasonable costs properly connected with the making of such audit. If the total cost of all county audits certified to the Department of Community Affairs exceeds the amount deposited in the County Government Audit Trust Fund, the distribution to each county shall be reduced by the same percentage as the total cost for all county audits exceeds the total appropriation. This section is repealed on September 30, 1981.

Section 3. All agencies, other than state agencies as defined herein, and all district school boards and district boards of trustees of community colleges shall have the power to have a performance audit or financial audit of their accounts and records by an independent certified public accountant retained by them and paid from their public funds.

Section 4. Paragraph (b) of subsection (1) of section 218.32, Florida Statutes, is amended to read:

218.32. Financial reporting; units of local government.—

(1)

(b) Each unit of local government shall submit a copy of a financial report covering its operations during the preceding fiscal year within 180 days after the close of the fiscal year. The financial report shall be consistent with the standards established by the United States Bureau of the Census and shall contain such information and be in such form as may be required by the department to adequately assess the financial conditions of the unit of local government. The information in the financial report submitted to the department shall, ~~except for municipalities with annual budgets of less than \$100,000, shall be completed by the chief financial officer of the unit of local government or by a certified public accountant retained by the unit of local government and paid from its public funds. The chief financial officer or the certified public accountant shall review the financial information contained within the report and report any material differences to the department certify that the report has been completed in accordance with instructions provided by the department and is produced from the audited financial statements required by s. 11.45(3).~~

Section 5. The financial audit, required by s. 11.45(3)(a)3., Florida Statutes, to be performed by counties for the 1978-1979 fiscal year shall be submitted to the Auditor General no later than September 30, 1980.

Section 6. The procedures under s. 11.45(3)(a)3.a.-k., Florida Statutes, shall not apply to audit agreements or contracts entered into prior to the effective date of this act.

Section 7. The sum of \$6,700,000 is hereby appropriated from the General Revenue Fund to the County Government Audit Trust Fund. The sum of \$6,700,000 is hereby appropriated from the County Government Audit Trust Fund to the Department of Community Affairs for the fiscal period of July 1, 1980-June 30, 1981 for disbursement pursuant to section 2 of this act.

Section 8. The sum of \$5,000 is hereby appropriated from the General Revenue Fund to the Department of Community Affairs for the fiscal year July 1, 1980-June 30, 1981 for the purpose of administering this act.

Section 9. This act shall take effect upon becoming a law.

Conference Committee Amendment 2—On page 1, strike the title and insert: A bill to be entitled An act relating to governmental auditing; amending s. 11.45(1)-(4), (8), Florida Statutes, as amended; providing definitions; replacing references to postaudits with references to financial audits; providing for establishment of an auditor selection committee in noncharter counties and providing duties thereof with respect to selection of qualified auditors to audit county agencies; creating the County Government Audit Trust Fund in the Department of Community Affairs; providing circumstances for reimbursement of county agencies for certain costs of auditing; amending s. 218.32(1)(b), Florida Statutes, providing for completion and review of the financial report; providing an appropriation; providing an effective date.

On motion by Senator Johnston, Rule 13.6, which provides in part, "...each report shall include a statement sufficiently explicit to inform the Senate of the effect of the report on the measure to which it relates." was waived.

Senator Scarborough presiding

On motion by Senator Johnston, Rule 13.6 was waived and the report of the Conference Committee on SB 18-C was read the second time.

On motion by Senator Johnston the Conference Committee Report was adopted, and SB 18-C passed as recommended and the action of the Senate was certified to the House.

Yeas—32

Anderson	Gorman	McClain	Stuart
Barron	Hair	McKnight	Thomas
Carlucci	Henderson	Neal	Tobiassen
Childers, D.	Holloway	Peterson	Trask
Childers, W. D.	Jenne	Scarborough	Vogt
Dunn	Johnston	Scott	Ware
Frank	MacKay	Spicola	Williamson
Gordon	Maxwell	Steinberg	Winn

Nays—1

Skinner

Votes after roll call:

Yea—Grizzle, Myers

On motion by Senator Johnston, the rules were waived and the Senate reverted to—

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The Honorable Philip D. Lewis, President

I am directed to inform the Senate that the House of Representatives has passed with amendments, by the required Constitutional three-fifths vote of the membership of the House—

By the Committee on Ways and Means and Senator Gordon (by request)—

CS for SJR 25-C—A joint resolution proposing a revision of Article VII of the State Constitution relating to finance and taxation.

—and requests the concurrence of the Senate.

Allen Morris, Clerk

House Amendment 1—On page 2, line 18, strike section 3, 4, 6, 8 and insert:

ARTICLE VII

FINANCE AND TAXATION

SECTION 3. Taxes; exemptions.—

(a) All property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the

municipality, may be required by general law to make payment to the taxing unit in which the property is located. Such portions of property as are used predominately for educational, literary, scientific, religious or charitable purposes may be exempted by general law from taxation.

(b) There shall be exempt from taxation, cumulatively, to every head of a family household whether married or single, residing in this state, household goods and personal effects to the value fixed by general law, not less than one thousand dollars, and to every widow or widower or person who is blind or totally and permanently disabled, property to the value fixed by general law not less than five hundred dollars.

(c) Pursuant to general law and subject to conditions specified therein, a county or municipality may, for the purpose of its respective tax levy, and upon approval of a majority of the electors residing therein, grant a community redevelopment ad valorem exemption for improvements to real property within a slum or blighted area designated for redevelopment pursuant to a plan adopted by the county or municipality. The amount of such exemption shall be established by general law. The period of time for which such exemption may be granted shall not exceed twenty-five years.

(d) Pursuant to general law and subject to conditions specified therein, a county or municipality may, for the purpose of its respective tax levy, and upon approval of a majority of the electors residing therein, grant an economic development ad valorem exemption for additions of tangible personal property and new improvements to real property used by a new business or added tangible personal property and added improvements to real property used by an expanded existing business. The limits on the amount of such exemption shall be specified by general law. The period of time for which such exemption may be granted to a new business or expanded existing business shall not exceed ten years. The authority to grant such exemption shall expire ten years from the date of approval by the electors and may be renewable for periods of not more than ten years per renewal as provided by general law.

(e) By general law and subject to conditions specified therein, an energy conservation ad valorem exemption may be granted for improvements to real property and tangible personal property used for energy conservation purposes. The amount of such exemption and the period of time for which such exemption may be granted shall be specified by general law. This exemption may be granted in the form of an ad valorem tax credit.

(f) By general law and subject to conditions specified therein, historic property may be granted an ad valorem tax exemption. The amount of said exemption shall be set by general law at a specified percentage of the just value of the property.

SECTION 4. Taxation; assessments.—By general law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation, provided:

(a) Agricultural land or land used exclusively for non-commercial recreational purposes may be classified by general law and assessed solely on the basis of character or use.

(b) Pursuant to general law tangible personal property held for sale as stock in trade and livestock may be valued for taxation at a specified percentage of its value, may be classified for tax purposes, or may be exempted from taxation.

(c) By general law enacted by the affirmative vote of two-thirds of the membership of each house of the legislature, all other property may be assessed at a uniform proportion of its just valuation or improvements to real property and tangible personal property may be assessed at a proportion of its just valuation. Provided, however, that upon adoption of a proportion less than 100 percent, the value of all millage caps imposed pursuant to section 9 herein, all millage caps authorized by special acts or a vote of the electors, and all exempt amounts authorized as a fixed dollar amount pursuant to section 6 herein, are hereby adjusted by an amount necessary to maintain the same proportionate relationship between said amounts and the authorized fractional assessment rate. The legislature is hereby empowered to establish by general law adjustments less than those necessary to maintain said relationship.

SECTION 6. Homestead exemptions.—

(a) Every person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, or another legally or naturally dependent upon the owner, shall be exempt from taxation thereon, except assessments for special benefits, up to the assessed valuation of five thousand dollars, upon establishment of right thereto in the manner prescribed by law. The real estate may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years.

(b) Not more than one exemption shall be allowed any individual or family unit or with respect to any residential unit. No exemption shall exceed the value of the real estate assessable to the owner or, in case of ownership through stock or membership in a corporation, the value of the proportion which his interest in the corporation bears to the assessed value of the property.

(c) By general law and subject to conditions specified therein, the exemption may be increased up to an amount not exceeding ten thousand dollars of the assessed value of the real estate if the owner has attained age sixty-five or is totally and permanently disabled.

(d) By general law and subject to conditions specified therein, the legislature may increase the value of exemptions provided in this section to reflect inflation or changes in overall assessment levels.

SECTION 8. Aid to local governments.—State funds may be appropriated to the several counties, school districts, municipalities or special districts upon such conditions as may be provided by general law. *The relative ad valorem assessment levels of the counties, as determined by an agency designated by general law, may be used without limitation in the appropriation of state funds.*

municipal services may, to the extent authorized by law, levy additional taxes within the limits fixed for municipal purposes.

BE IT FURTHER RESOLVED that in accordance with the requirements of section 101.161, Florida Statutes, the substance of the amendments proposed herein shall appear on the ballot as follows:

Proposing to amend Sections 3, 4, 6, and 8 of Article VII of the State Constitution, relating to finance and taxation, to:

1. Extend the tax exemption for household goods and personal effects to every head of a household whether married or single residing in this state.

2. Authorize the classification for taxation, or exemption therefrom, of inventory and livestock.

3. Authorize ad valorem tax assessments to be established at a uniform proportion of its just value.

4. Authorize an increase in the homestead exemption to reflect inflation or changes in overall assessment levels.

5. Provide that relative county assessment levels may be used in the appropriation of state funds to the counties.

House Amendment 2—On page 7, line 3, strike Sections 9, 16, 17 and insert:

SECTION 9. Local taxes.—

(a) Counties, school districts, and municipalities shall, and special districts may, be authorized by law to levy ad valorem taxes and may be authorized by general law to levy other taxes, for their respective purposes, except ad valorem taxes on intangible personal property and taxes prohibited by this constitution.

(b) Ad valorem taxes, exclusive of taxes levied for the payment of bonds and taxes levied for periods not longer than two years, or not longer than ten years in the case of taxes designated by a school board for capital improvements, when authorized by vote of the electors who are the owners of

freeholds therein not wholly exempt from taxation, shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, ten mills; for all municipal purposes, ten mills; for all school purposes, ten mills; for water management purposes for the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill; for water management purposes for the remaining portions of the state, 1.0 mill; and for all other independent special districts a millage authorized by law and approved by vote of the electors who are owners of freeholds therein not wholly exempt from taxation.

A county furnishing municipal services may, to the extent authorized by law, levy additional taxes within the limits fixed for municipal purposes.

SECTION 16. Revenue bonds for homeowner and renter assistance.—

(a) When authorized by law, revenue bonds may be issued without an election to finance or refinance state homeowner and renter assistance programs.

(b) The bonds shall be secured by a pledge of and shall be payable primarily from all or any part of revenues to be derived from the financing, operation or sale of such facilities, mortgage or loan payments, and any other revenues or assets that may be legally available for such purposes derived from sources other than ad valorem taxation, including revenues from other facilities, or any combination thereof (herein collectively referred to as "pledge revenues"). No state housing agency established by law shall make mortgage loans directly to any mortgagor.

(c) No bonds shall be issued unless a state fiscal agency, created by law, has made a determination that in no state fiscal year will the debt service requirements of the bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements, as defined by law.

SECTION 17. Financing of community redevelopment projects.—

(a) When provided by general law, a county or municipality, or an authority created by general or special law and governed by a county or municipality, may, upon approval of a majority of the electors residing in the municipality in which the community redevelopment area is located or in the county if the community redevelopment area is located outside of municipal boundaries, designate an area as a community redevelopment area and may:

(1) Provide for redevelopment of such area for residential, recreational, commercial, or industrial uses;

(2) Acquire by eminent domain or otherwise, for purposes of redevelopment, property located in such area provided that no authority created by general or special law and governed by a county or municipality shall have the authority to acquire any property by eminent domain;

(3) Sell or transfer property acquired in such area to any private person or public entity; and

(4) Issue revenue bonds, secured solely by a pledge of and payable from tax increments, to finance or refinance the redevelopment of such area. A tax increment shall consist of that portion of the ad valorem tax revenues of the taxing authority collected each year from property located in a designated community redevelopment area, which exceeds the tax revenues that would have been collected at the current year's millage rate had such property been assessed at its value as shown on the assessment roll in the year immediately prior to the year in which the area was designated as a community redevelopment area.

(b) Community redevelopment plans, as may be authorized by general law shall:

(1) Contain the findings and determinations of the elected governing body that the community redevelopment area is a slum or blighted area; and

(2) Contain the findings and determinations of the elected governing body that the community redevelopment agency

has a feasible method or plan to provide replacement housing for those persons temporarily or permanently displaced from housing facilities within the community redevelopment area.

BE IT FURTHER RESOLVED that in accordance with the requirements of section 101.161, Florida Statutes, the substance of the amendments proposed herein shall appear on the ballot as follows:

Proposing to amend section 9 of Article VII of the State Constitution, and to add sections 16 and 17 thereto, relating to finance and taxation, to:

1. Permit the levy of a 10-year school tax for capital improvements upon approval by the electors.
2. Authorize the issuance of revenue bonds to finance or refinance state homeowner and renter assistance programs.
3. Authorize counties and municipalities to designate community redevelopment areas and to exercise eminent domain powers and issue revenue bonds with respect thereto.

On motions by Senator Johnston, the Senate refused to concur in the House amendments and the House was requested to recede and in the event the House refused to recede a con-

ference committee was requested. The action of the Senate was certified to the House.

Conferees on CS for SJR 25-C

The President appointed Senators Gordon, Myers, Ware, W. D. Childers, Vogt, Hair and Scott as conferees on the part of the Senate.

ENROLLING REPORTS

SJR 20-C has been enrolled, signed by the required Constitutional Officers and filed with the Secretary of State on November 29, 1979.

Joe Brown, Secretary

SB 21-C has been enrolled, signed by the required Constitutional Officers and presented to the Governor on November 29, 1979.

Joe Brown, Secretary

CORRECTION AND APPROVAL OF JOURNAL

The Journal of November 29 was corrected and approved.

On motion by Senator Barron, the Senate adjourned at 4:46 p. m. to reconvene at 10:00 a. m., December 3, 1979.