

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2650

SPONSOR: Senator Campbell

SUBJECT: The Cities of Deerfield Beach and Pompano, Broward County

DATE: March 30, 1999 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CA</u>	<u>Favorable</u>
2.	_____	_____	<u>RC</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill provides for the annexation of properties by the cities of Deerfield Beach and Pompano Beach.

This bill creates a new special law.

II. Present Situation:

Florida Annexation Law

Under Article VIII, Section 2(c), of the Florida Constitution, the Legislature is authorized to annex by special act, and to establish by general law a procedure for local annexations in all Florida counties.

The Legislature established local annexation procedures in 1974, with the creation of chapter 171, F.S., the "Municipal Annexation or Contraction Act." This act establishes alternative procedures for adjusting municipal boundaries locally through annexation or contraction, and sets forth criteria for determining when local annexations or deannexations may take place. This law only addresses annexation of unincorporated property into a municipality and deannexation of municipal property into an unincorporated area.

Requirements for Annexation

Before local annexation procedures may begin, the governing body of the annexing municipality must prepare a report containing the city's plans for providing urban services to the proposed area to be annexed. A copy of the report must be filed with the board of county commissioners. This report must include appropriate maps, timetables, and financing methodologies. It must certify that the area proposed to be annexed is appropriate for annexation because it meets the following standards and requirements:

- The area to be annexed must be an unincorporated area that is contiguous to the boundary of the annexing municipality. This means that a substantial part of the boundary of the area to be annexed has a common boundary with the municipality. The specified exceptions are where the area is separated from the city's boundary by a publicly owned county park, right-of-way, or body of water.
- The area to be annexed must be reasonably compact.
- No part of the area to be annexed may fall within the boundary of another municipality.
- The majority of the land to be annexed must be developed for urban purposes. Urban purposes are defined as:
 - having a population of at least two persons per acre;
 - if 60 percent of the subdivided lots are one acre or less, having a density of one person per acre;
 - having at least 60 percent of the subdivided lots used for urban purposes; or
 - that at least 60 percent of the total urban residential acreage is divided into lots of 5 acres or less.

Alternatively, if the proposed area is not developed for urban purposes, it can either border at least 60 percent of a developed area, or provide a necessary bridge between two urban areas.

Annexed areas are declared to be subject to taxation (and existing indebtedness) for the current year on the effective date of the annexation, unless the annexation takes place following the tax levy for that year. In the case of municipal contractions, the city and county must agree on the transfer of indebtedness or property--the amount to be assumed, its fair value, and the manner of transfer and financing.

Immediately upon being annexed, an area is subject to all laws, ordinances, and regulations applicable to other city residents. An exception is that applicable county land use and zoning regulations continue in effect until the area is rezoned by the annexing municipality. Also, the county land use plan, and zoning or subdivision regulations of the unincorporated area will remain in effect (after the annexation has been approved) until the annexing municipality adopts a local comprehensive plan amendment to include the new area. In contractions, excluded territory is immediately subject to laws, ordinances, and regulations in effect in the county.

Voluntary Annexation

If the property owners of a particular unincorporated area desire annexation into a contiguous municipality, they can initiate voluntary annexation proceedings. The following procedures govern *voluntary annexations* in every county, except those counties with charters providing an exclusive method for municipal annexation:

- Submission to the municipal governing body of a petition seeking the annexation, signed by all property owners in the area proposed to be annexed;

- Adoption of an ordinance by the governing body of the annexing municipality to annex the property after publication of notice at least once a week for 2 consecutive weeks, setting forth the proposed ordinance in full; and
- A restriction against the creation of enclaves.

Involuntary Annexation

A municipality may annex property where the property owners have not petitioned for annexation. This process is called *involuntary annexation*. In general, the requirements for an involuntary annexation are:

- Adoption of an annexing ordinance by the governing body of the annexation of one "reasonably compact" area;
- Submittal of the ordinance to a vote of the registered electors of the area proposed to be annexed once the ordinance has been adopted by the governing body; and
- Submittal of the ordinance to a separate vote of the registered electors of the annexing municipality and of the area proposed to be annexed. This dual referendum is required if the proposed ordinance would cause the total area annexed by a municipality during any one calendar year period to cumulatively exceed more than 5 percent of the total land area of the municipality, or cumulatively to exceed more than 5 percent of the municipal population. (Broward County is exempt from this provision. See Broward County Annexations below for details)

If there is a majority vote in favor of annexation in the area proposed to be annexed, and a majority in favor in cases where a referendum must be held in the annexing city, the area becomes a part of the city. If, however, there is a majority vote against annexation in either the annexing municipality or the area proposed to be annexed, the annexation does not happen. That area cannot be made the subject of another annexation proposal for 2 years from the date of the referendum.

Judicial Review of Annexations or Contractions

Affected persons who believe they will suffer material injury because of the failure of the city to comply with annexation or contraction laws as they apply to their property can appeal the ordinance. They may file a petition with the circuit court seeking the court's review. If the appeal is won, the person is entitled to reasonable costs and attorney's fees.

Broward County Annexations

Broward County is located on Florida's South Atlantic coast and consists of nearly 1,200 square miles and a population of approximately 1.3 million residents. Broward County currently contains 29 municipalities, the majority of which achieved their current corporate boundaries through a multitude of annexations.

In 1996, the Broward County Legislative Delegation, in cooperation with the Broward County Commission, created the Ad Hoc Committee on Annexation Policy. The delegation charged the committee with the responsibility of developing and recommending policy to the Broward Legislative Delegation regarding the terms under which it would consider future annexations. The committee recommended that annexation of all the remaining unincorporated areas of Broward County should be encouraged to occur by the year 2010 and unincorporated areas remaining after 2010 will be subject to required annexation by the Florida Legislature.

The 1996 Florida Legislature adopted a special act (chapter 96-542, L.O.F.) which exempts Broward County from s. 171.0413, F.S., which requires a referendum of the electors of an annexing municipality where the total area annexed by a municipality during a calendar year cumulatively exceeds more than 5 percent of the total land area of the municipality or cumulatively exceeds more than 5 percent of the municipal population.

In addition, the special act requires that any annexation of unincorporated property within Broward County proposed to be accomplished pursuant to general law first must be considered at a public hearing conducted by the Broward County Legislative Delegation, pursuant to its adopted rules. The annexation is not effective until the first day of October following adjournment of the next regular legislative session following the accomplishment of all procedures necessary for annexation.

Annexations may also occur by special act of the Legislature. The Broward County Legislative Delegation sponsors several local bills each year to accomplish some annexations.

Revenue Sharing

Sections 218.20 - 218.26, F.S., is known as the Florida Revenue Sharing Act of 1972. The current structure of the revenue sharing program consists of three revenue sources for municipalities and two revenue sources for counties. The Municipal Revenue Sharing Trust Fund includes a portion of net cigarette tax collections, the one-cent municipal fuel tax collections, and a portion of the state alternative fuel user decal fee collections. The County Revenue Sharing Trust Fund include portions of net cigarette tax collections and net intangible tax collections.

Population is one component in the distribution formula for these state shared revenues. As a result, municipalities annexing property increase their share of state shared revenues relative to other cities. Likewise, a county's share of state shared revenues decreases, relative to other counties, when its unincorporated population decreases due to annexations.

Section 218.26(3)(a), F.S., requires the Department of Revenue to compute the apportionment factors for state shared revenues once a year, prior to July 25. This computation must be based on information submitted and certified to the department prior to June 1 of each year.

III. Effect of Proposed Changes:

Section 1 provides, that upon the effective date of this act, the Broward County Commission must have completed a study to determine the effects of annexing area 1, which is described in the bill, into Deerfield Beach. The commission must print and distribute the study to area 1 residents

before the September 7, 1999 election to approve or disprove the annexation. Mail ballot is prohibited.

If approved by a majority of voters in area 1, the annexation is effective on September 15, 1999. However, the present land use designation and zoning remains and until changed by a majority vote of the full governing body of Deerfield Beach. In addition, the land use and zoning regulation affecting the Broward County Work Release Facility may not be modified without the consent of the Broward County Board of County Commissioners.

All public roads and public rights-of-way within the annexed area are to be transferred from Broward County to Deerfield Beach, with exceptions.

Section 2 provides, that upon the effective date of this act, the Broward County Commission must have completed a study to determine the effects of annexing area 2, which is described in the bill, into Pompano Beach. The commission must print and distribute the study to area 2 residents before the September 7, 1999 election to approve or disprove the annexation. Mail ballot is prohibited.

If approved by a majority of voters in area 2, the annexation is effective on September 15, 1999. However, the present land use designation and zoning remains and until changed by a majority vote of the full governing body of Pompano Beach. All public roads and public rights-of-way within the annexed area are to be transferred from Broward County to Pompano Beach, with exceptions.

Section 3 provides that the calculation of population for the cities of Deerfield Beach and Pompano Beach, beginning with FY 1999, include residents added as a result of annexations made pursuant to this act, notwithstanding s. 186.901, and 218.26, F.S. This will result in additional distribution of state-shared revenues for FY 1999 to these cities. This could also result in additional revenues from other state and federal programs.

Section 4 provides that the City of Pompano Beach will extend and enlarge the corporate limits to include certain properties, and prohibits any governmental entity from taking any action to limit the ability of the City of Pompano Beach to receive anticipated utility taxes, utility franchises fees, or other franchise fees.

Section 5 provides that, subsequent to the effective date of this act, no annexation by any municipality is effective in the areas described in the act.

Section 6 provides this act takes effect only upon its approval by a majority vote of those qualified electors residing in those areas as described in sections 1 and 2, respectively, voting in a referendum election to be called by the Broward County Board of County Commissioners, to be held on September 7, 1999. Section 6 takes effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

As a result of the calculation of population specified in this bill, and contingent upon voter approval of the provisions in this act, the cities of Deerfield Beach and Pompano Beach will receive state-shared revenues they would not ordinarily qualify for in FY 1999. In addition, Broward County will receive less state-shared revenues for the same year. This method of calculating population could also result in Deerfield Beach and Pompano Beach qualifying for additional state and federal funds for FY 1999.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Notice of this special act was published January 31, 1999 in The Miami Herald. There is a referendum required, scheduled for September 7, 1999. The Local Bill Certification and Economic Impact Statement have been filed and are attached.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
