

# 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 2648

SPONSOR: Senator King

SUBJECT: Flagler Estates Road and Water Control District, St. Johns and Flagler Counties, an independent special district.

DATE: April 9, 2000

REVISED: \_\_\_\_\_

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

## I. Summary:

The bill requires the Flagler Estates Road and Water Control District (district) to conduct an independent feasibility study, to reduce its assessment rate by 20 percent beginning with the 2000-01 tax year. The bill also requires the district to enter into discussions with St. Johns and Flagler Counties with respect to the provision of services and facilities for the district.

The bill has provisions for reducing assessments further and dissolution of lands from the district if an agreement cannot be reached.

The bill prevents revenue loss from being imposed on landowners in the St. Johns County portion of the district without public hearings.

Revenues for the district are expected to decrease by \$23,200 for fiscal year 2000-01 and \$41,760 for fiscal year 2001-02 according to the Economic Impact Statement.

This bill creates undesignated sections of the Florida Statutes.

## II. Present Situation:

The district is an independent special district composed of nearly 6,500 individual lots in St. Johns and Flagler Counties. The district is a chapter 298, F.S., water control district created by circuit court degree in 1971 as the Sixteen Mile Creek Water Control District. The name of the district was changed to the Flagler Estates Road and Water Control District by chapter 87-502, Laws of Florida. The district has the authority to issue special assessments and levy revenue bonds.

The owners of the property in the Flagler County portion of the district are restricted in their ability to build on their property due to restricted access, a lack of infrastructure provided by the district, and the inability of the county to provide necessary services such as schools. The owners

and residents of this property are charged the same assessment for services by the district as the St. Johns' residents even though they cannot feasibly build on their property.

### **III. Effect of Proposed Changes:**

The bill requires the district to conduct an independent feasibility study to determine the current effectiveness of the district in providing services to landowners.

The bill provides that the district must reduce its assessment rate by 20 percent, beginning with the 2000-01 tax year.

The bill requires that the district shall enter into discussions with St. Johns and Flagler Counties with the goal of taking action that would lead to the facilitation of development by owners of property within the Flagler portion of the district.

The bill provides that in the event that the district and Flagler County are unable to reach an agreement, the assessment to Flagler County landowners shall be reduced an additional 20 percent for the 2001-02 tax year and shall continue to be reduced by 20 percent in each subsequent tax year until January 1, 2004, when the assessment for Flagler County landowners will be reduced to zero.

If no agreement can be reached and the level of assessment on properties located within the district reaches zero, the lands shall be dissolved from the district, Flagler County shall assume title to all real property of the district that is located in Flagler County, and the county shall assume all debts owed by the district with respect to property or interest so transferred.

The bill also provides that the burden of attendant revenue loss may not be imposed upon the landowners in the St. Johns County portion of the district without justification in the feasibility study, which is required by the bill, and public hearings.

The bill is effective upon becoming a 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:**

According to the Economic Impact Statement (EIS) and the provisions of the bill, the tax burden on Flagler County landowners of the district is reduced. Revenues for the district are expected to decrease by \$23,200 for fiscal year 2000-01 and \$41,760 for fiscal year 2001-02 according to the EIS.

**B. Private Sector Impact:**

The bill will result in a decrease in the special assessments paid by Flagler County residents of the district. In contrast, the decrease in special assessments imposed on the Flagler County residents of the district may require the assessments imposed on residents of St. Johns who live in the district to pay increased special assessment.

**C. Government Sector Impact:**

Revenues for the district are expected to decrease by \$23,200 for fiscal year 2000-01 and \$41,760 for fiscal year 2001-02 according to the EIS.

**VI. Technical Deficiencies:**

The bill should amend the charter of the district as created by circuit court decree and amended by chapter 87-502. The bill does not cross-reference either the charter or subsequent special acts amending the charter.

**VII. Related Issues:**

Chapter 298, F.S., water control districts are authorized by s. 298.47, F.S., to issue bonds not to exceed 90 percent of the total amount of the non-ad valorem assessments. As the bill requires the district to reduce the assessment rate for Flagler County by 20% for the 2001-2001 tax year and 20% for each subsequent tax year until January 1, 2004. To the extent these revenues are pledged against outstanding bonds, the district will have to raise the assessment imposed on the remaining landowners of the district. However, Section 2 of the bill prohibits the district from raising the assessment imposed upon the landowners of the St. Johns portion of the district without first conducting a feasibility and holding public hearing.

Section 5 of the bill creates a provision that attempts to dissolve the Flagler County portion of the district if no agreement is reached between the district and Flagler and St. Johns County and the level of assessment on properties located in the portions of the district in Flagler County reaches zero. It is unclear whether the works of the district or the debt associated with portion of the district located in Flagler County can readily be apportioned, if bonds were issued to finance construction of district-wide works.

**VIII. Amendments:**

None.

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

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