

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 1611
SPONSOR(S): Gibson, H.
TIED BILLS:

Lake County

IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Urban & Local Affairs</u>	<u>7 Y, 0 N</u>	<u>Fudge</u>	<u>Kruse</u>
2) <u>Government Efficiency & Accountability Council</u>	<u>10 Y, 0 N</u>	<u>Fudge</u>	<u>Cooper</u>
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

The School Board of Lake County has the authority to issue certificates of indebtedness in the aggregate principal sum of \$1,500,000 in coupon form. The certificates can be sold at public sale at such price or prices, but not less than 95% of the principal amount. The principal and interest on the certificates is paid from the portion of racetrack funds and jai alai fronton funds accruing annually to Lake County under chapters 550 and 551, F.S, and allocated to the Board pursuant to law.

This bill increases the aggregate principal amount for certificates of indebtedness issued by the School Board of Lake County from \$1,500,000 to \$3,500,000.

This bill is effective upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any House Principles.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

The School Board of Lake County has the authority to issue certificates of indebtedness in the aggregate principal sum of \$1,500,000 in coupon form. The certificates can be sold at public sale at such price or prices, but not less than 95% of the principal amount. The principal and interest on the certificates is paid from the portion of racetrack funds and jai alai fronton funds accruing annually to Lake County under chapters 550 and 551, F.S., and allocated to the Board pursuant to law.¹

In 2000, the Legislature repealed portions of s. 550.135, F.S., which provided for distribution of moneys from the Pari-mutuel Wagering Trust Fund.² Instead, the Legislature required that if a local or special law required that any moneys accruing to a county in FY 99-00 under the then existing provisions of s. 550.135, F.S., be paid directly to the district school board, such payment would continue until the local or special law is amended or repealed.³ The Legislature indicated that it was not the intent to adversely affect the rights of holders of debt instruments issued prior to July 1, 2000. The school board currently receives \$148,833.32 annually.

Effect of Proposed Changes

This bill increases the aggregate principal amount for certificates of indebtedness from \$1,500,000 to \$3,500,000 and authorizes the certificates to be issued in registered form. In general, registration allows the issuer to maintain records of the owners of the debt instrument and to pay any principal or interest to the registered owner. This bill also authorizes sale of the certificates to be by private sale and removes the requirement that the price be no less than 95% of the principal amount.

C. SECTION DIRECTORY:

Section 1: Increases the aggregate principal amount of certificates of indebtedness, authorizes certificates to be issued in registered form, and removes the sales price limitation.

Section 2: Provides an effective date of upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? February 10, 2007.

WHERE? In *The Daily Commercial*, a daily newspaper published in Lake County.

¹ 78-547, L.O.F.

² See ch. 2000-354, L.O.F.

³ See s. 212.20(6)(d)7.a., F.S.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

No statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

None.