

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Community Affairs Committee

BILL: CS/ SB 2710

INTRODUCER: Community Affairs Committee and Senator Aronberg

SUBJECT: Special Districts

DATE: April 17, 2008 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Molloy	Yeatman	CA	Fav/CS
2.			GO	
3.			TA	
4.				
5.				
6.				

I. Summary:

The committee substitute (bill) revises the authority for a city to levy and collect special assessments against benefited property by providing that the city may levy the assessment with the approval of a majority of the affected property owners who actually vote to approve the assessment. Cities are authorized to approve in a resolution to declare special assessment that the vote will be by the tax folio number or by the total square footage of the affected properties. Special districts are authorized to be treated the same as a city to purchase SUNCOM services, and are authorized to purchase commodities and contractual services from purchasing agreements made by other special districts, municipalities, or counties.

The bill provides that special recreation districts created for the exclusive use of a condominium and whose land was purchased by financing through bonds will be dissolved not later than 60 days after the bonds are paid in full. The provision may be retroactively applied and existing special recreation districts that have paid off acquisition bonds in full are dissolved by September 1, 2008. The bill abolishes the Pinellas Sports Authority, the Tri-County Hospital Authority, the Eagle Bay Sub-Drainage District, the Bay County Bridge Authority, and the North Sumter County Hospital District.

The bill amends ss. 170.01 and 189.403, Florida Statutes, and creates ss. 189.4221 and 418.27, Florida Statutes.

II. Present Situation:

Supplemental method of making local improvements – chapter 170, F.S.

Subsection (3) of s. 170.01, F.S., provides that any city may levy and collect special assessments against property benefited for the purposes of stabilizing and improving retail business districts, wholesale business districts, or nationally recognized historic districts so long as the majority of the affected property owners approve the special assessment. The special assessment may be used for promotion, marketing, management, and other similar services in the districts.

Section 170.02, F.S., provides that special assessments against benefited property must be assessed upon the property in proportion to the benefits that will be derived. The benefits must be determined and prorated according to the foot frontage of the property benefits, or by such other method as the city's governing body may decide.

Section 170.08, F.S., provides that the city governing body must notice a meeting to take testimony from the affected property owners as to the propriety and advisability of making improvements and funding such improvements through a special assessment. After taking public testimony, the governing body may decide to impose the special assessment.

Uniform Special District Accountability Act – chapter 189, F.S.

Pursuant to s. 189.403, F.S., a special district is a local unit of special purpose within a limited boundary and created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.¹ The purposes of the special district are implemented by specialized functions and related prescribed powers. For purposes of ad valorem tax exemptions, special districts are treated the same as municipalities. However, chapter 189 does not contain provisions governing the purchase of commodities and contractual services by special districts.

State procurement of personal property and services

Subsection (12) of s. 287.012, F.S., provides that an "eligible user" is any person or entity authorized by the Department of Management Services pursuant to rule to purchase commodities and contractual services from state term contracts or to use the online procurement system. Section 287.056, F.S., provides that eligible users may purchase commodities and contractual services from purchasing agreements established and state term contracts procured by the department pursuant to general law. General law contains various requirements related to competitive bids, competitive sealed proposals, and exemptions from competitive-solicitation requirements based on the type or cost of the commodities or services being purchased.²

Rule 60A-1.005, Florida Administrative Code, as adopted by the department, defines an "eligible user" as "all governmental agencies as defined in s. 163.3164." Section 163.3164, F.S., includes

¹ Pursuant to subsection (1) of s. 189.403, F.S., school districts, community college districts, special improvement districts within the reservations set aside for the Seminole and Miccosukee Tribes, a municipal service taxing or benefit unit, or a board providing electrical service that is part of a city or part of a political subdivision of a city are not considered special districts.

² See s. 287.057, F.S., relating to the procurement of commodities or contractual services.

school boards or other special districts in the definition of "governmental agencies." Under the state procurement system, special districts may purchase commodities and contractual services from state purchasing agreements.

Special Procedures for Inactive Districts

Section 189.4044, F.S., provides that the Department of Community Affairs must declare a special district inactive by documenting that:

- The district meets one of the following criteria:
 - The registered agent of the district, the chair of the governing body of the district, or the governing body of the appropriate local general-purpose government notifies the department in writing that the district has taken no action for 2 or more years;
 - After an inquiry by the department, the registered agent of the district, the chair of the governing body of the district, or the governing body of the appropriate local general-purpose government notifies the department in writing that the district has not had a governing board, or a sufficient number of governing board members to form a quorum, for 2 or more years; or the registered agent fails to respond to the department's inquiry within 21 days; or
 - The department determines that the special district has failed to file any of the required reports.
- The department, the special district, or local general-purpose government published a notice of proposed declaration of inactive status in a newspaper of general circulation in the county or city that includes the special district, and sent a copy of such notice to the district's registered agent.
- No administrative appeals were filed within 21 days after publication of the notice of proposed declaration of inactive status.

For districts created by special act of the Legislature, the department must send a notice of the declaration of inactive status to the Speaker of the Florida House of Representatives and the President of the Florida Senate referencing each known special act creating or amending the charter. This notice is sufficient for the Legislature to abolish the special district.

III. Effect of Proposed Changes:

Section 1 amends s. 170.01, F.S., to provide that a city may levy a special assessment subject to the approval of a majority of the affected property owners who actually vote to approve the assessment. The city may determine, by resolution to declare the special assessment, that the vote of the affected property owner will be by the tax folio numbers or the total square footage of the affected properties.

Section 2 amends s. 189.403, F.S., to provide that for the purposes of purchasing SUNCOM services, a special district is treated the same as a city.

Section 3 creates s. 189.4221, F.S., to provide that special districts may purchase commodities and contractual services from the purchasing agreements of other special districts, municipalities, or counties which were procured pursuant to competitive bid requirements. The purchasing agreement of the special district, county, or municipality from which goods and services are procured must meet the procurement requirements of the special district purchasing the goods and services.

Section 4 creates s. 418.27, F.S., to provide that a special recreation district created for the exclusive use of a condominium and whose land was acquired through the financing of bonds must be administratively dissolved within 60 days of the bonds being paid in full. Not later than 30 days after the bonds have been satisfied, the special recreation district or the bonding authority must notify the city or county that created the district that the bonds have been satisfied. Not later than 30 days after the notice has been received, the special recreation district must file a notice with the county clerk and the property appraiser that the district has been dissolved. A warranty deed must be executed by the special district conveying property to the condominium association or the master association in charge of maintaining the recreational amenities.

The provision is retroactive in application and all existing special districts who have paid off acquisition bonds shall be administratively dissolved by September 1, 2008.

Sections 5 thru 9 provide for the dissolution of the Pinellas Sports Authority, the Tri-County Hospital Authority, the Eagle Bay Sub-Drainage District, the Bay County Bridge Authority, and the North Sumter County Hospital District.

Section 10 provides for severability of the provisions of the bill.

Section 11 provides that the act will take effect July 1, 2008.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

To the extent that special districts will be treated as cities for purposes of the government property ad valorem tax exemptions and the purchase of SUNCOM telephone services, special districts may see a reduction in expenses. To the extent that special districts may purchase commodities and contractual services without having to go through the competitive bid process, procurement costs for such commodities and services may be reduced.

VI. Technical Deficiencies:

None.

VII. Related Issues:

It is unclear if the Department of Community Affairs has complied with the requirements of s. 189.4044, F.S., relating to the special procedures for the dissolution of inactive districts.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by the Community Affairs Committee on April 17, 2008:

The committee substitute adds provisions relating to the authority of a municipality to levy special assessments, the treatment of a special district as a municipality for the purposes of a government property ad valorem tax exemption and the purchase of SUNCOM services; the dissolution of special recreation districts, and the dissolution of specific inactive special districts.

B. Amendments:

None.