

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 Finance and Tax Committee

BILL: CS/SB 146
INTRODUCER: Finance and Tax Committee and Senator Rich
SUBJECT: Senior Services/Independent Special Districts
DATE: March 16, 2010 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wolfgang	Yeatman	CA	Fav/1 amendment
2.	Walsh	Walsh	CF	Favorable
3.	Fournier	McKee	FT	Fav/CS
4.			HA	
5.			WPSC	
6.				

Please see Section VIII. for Additional Information:

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|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill authorizes counties to create by ordinance an independent special district to provide senior services throughout the county. In order to levy ad valorem taxes to fund the independent special district, the county governing body must obtain approval from the majority of electors in the county voting on the question. The bill provides the membership of a governing council, powers and duties of the council, and reporting requirements.

This bill creates an undesignated section of law and directs the Legislature's Division of Statutory Revision to place the act in part V of chapter 125 of the Florida Statutes.

II. Present Situation:

Special Districts in Florida

The Florida Constitution specifically provides for four types of local governments: counties, municipalities, school districts, and special districts. The 67 counties are subdivisions of the state, and provide a variety of core services through constitutional officers (county commissioners, sheriff, tax collector, property appraiser, supervisor of elections, and clerk of the

court) pursuant to authority granted in the constitution and consistent with general law.¹ The 67 school districts are coterminous with the boundaries of the county. Each school district is governed by a school board that is responsible for the operation, control and supervision of all free public schools within the district.² Florida's more than 400 municipalities exist pursuant to charters established by law and approved by the electorate in a referendum. They possess "home rule" authority to provide traditional municipal services, to the extent consistent with their charges and not inconsistent with general law.³ The State Constitution limits the property taxing authority of each of these forms of government to a maximum of 10 mills⁴ on the assessed value of real and tangible personal property.⁵

Section 189.403(1), F.S., provides that a special district is "a local unit of special purpose, as opposed to general-purpose, government, within a limited boundary, created by general law, special act, local ordinance, or by rule of the Governor and Cabinet." Special districts are limited-purpose units of local government. Their property tax millage is limited by general law and subject to referendum approval by the affected electorate.⁶ Special districts are subject to the same restrictions on credit,⁷ bonding,⁸ elections,⁹ public records and meetings,¹⁰ as are counties, municipalities, and school districts.¹¹

Special districts are either dependent or independent districts. Special districts operate within a limited geographical area and have a governing board with policy-making powers. A special district does not include: a school district, community college, municipal service taxing or benefit unit (MSTU/MSBU), or a board providing electrical service that is a political subdivision of a municipality or part of a municipality.

All special districts serve a public purpose and are to be held accountable to the public, local general-purpose governments, and state agencies. Special districts are subject to financial reporting requirements, which are an essential element of the law.

For financial reporting and other purposes, special districts are classified as either dependent or independent. A district is usually dependent if a single county or single municipality:

- has an identical governing board,
- appoints the governing board,
- may remove governing board members at will during unexpired terms,
- approves the budget, or
- may veto the budget.

¹ Art. VIII, § 1, Fla. Const.

² Art. IX, § 4(a), Fla. Const.

³ Art. VIII, § 2 Fla. Const.

⁴ A "mill" is equal to \$1 for each \$1,000 of assessed value.

⁵ Art. VII, § 9, Fla. Const.

⁶ Art. VII, § 9, Fla. Const.

⁷ Art. VII, § 10, Fla. Const.

⁸ Art. VII, § 12, Fla. Const.

⁹ Art. VI, § 6, Fla. Const.

¹⁰ Art. I, § 24, Fla. Const.

¹¹ Art. VII, § 8, Fla. Const.

Otherwise, the district is an independent district. Independent districts can sometimes occupy multiple counties. Florida currently has 1,011 independent districts and 614 dependent districts. Special districts include the five water management districts, community development districts, community redevelopment districts, drainage and water control districts, housing authorities, fire control and rescue, and soil and water conservation districts,¹² as well as districts that provide a variety of governmental services pertaining to airports, the arts, beach restoration, expressways and bridges, health care, housing, juvenile welfare, libraries, mosquito control, and transportation.

Children's Services District

Section 125.901, F.S., authorizes counties to create by ordinance an independent or dependent special district to provide funding for preventative, development, treatment, and rehabilitative services for children throughout the county. Upon approval by the electors in the county, the district may annually levy ad valorem taxes, not to exceed 0.5 mills. In addition, this section provides a governing board for the district, the powers and functions of the board, requires each board to identify and assess the needs of the children in the county served by the board, requires the board to provide an annual written report to the governing body of the county, provides for the preparation of a budget and the filing of a financial report with the governing body of the county, and provides for dissolution of the district. There are 10 Children's Services Districts in the state.¹³

Health Care District

Section 154.331, F.S., authorizes counties to create, by ordinance, an independent or dependent special district to provide funding for indigent and other health and mental health care services throughout the county. Upon approval by the electors in the county, the district may annually levy ad valorem taxes, not to exceed 0.5 mills. In addition, this section creates an appointed governing board for the special district, specifies the powers and functions of the board, requires the board to prepare a budget and to prepare and file financial reports with the governing body of the county, and provides for dissolution of the district. There are 6 Health Care Districts in the state.¹⁴

III. Effect of Proposed Changes:

This committee substitute authorizes counties to create by ordinance an independent district to provide funding for seniors' services throughout the county. These provisions are modeled on similar statutory provisions for Children's Services Districts and Health Care Districts.

Section 1, subsection (1), defines "senior" as a person at least 60 years of age.

Subsection (2) provides the following:

- Each county is authorized to create an independent special district by ordinance to provide county-wide funding for senior services.

¹² DEPARTMENT OF COMMUNITY AFFAIRS, OFFICIAL LIST OF SPECIAL DISTRICTS ONLINE, available at, www.floridaspecialdistricts.org.

¹³ <http://www.floridaspecialdistricts.org/OfficialList/index.cfm>

¹⁴ <http://www.floridaspecialdistricts.org/OfficialList/index.cfm>

- The boundaries of the special district are coterminous with the boundaries of the county in which the district is created.
- The county governing body must by referendum obtain the approval of a majority of the electors voting on the issue to levy ad valorem taxes not to exceed 0.5 mills of assessed value of all properties subject to ad valorem taxation within the county.
- The independent special district shall levy and fix millage as provided in s. 200.065, F.S.
- The special district is required to maintain the same fiscal year as the county.
- The special district must file all required financial or compliance reports under part III of chapter 218, F.S.¹⁵
- The district must comply with the provisions of s. 189.415, F.S., relating to public facilities reports; the provisions of s. 189.417, F.S., relating to meeting notices; and the provisions of s. 189.418, F.S., relating to reports, budgets, and audits.
- The special district may be dissolved by a special act of the Legislature, by ordinance adopted by the county governing body subject to the approval of the electorate, and by the dissolution provisions of s. 189.4042, F.S.
- Prior to dissolution, the county must obligate itself to assume the debts, liabilities, contracts, and outstanding obligations of the special district within the total millage available to the county for all county and municipal purposes.
- A county is not prohibited from exercising such power as provided by general law or by a special law to provide or fund services for seniors.

Subsection (3) provides that the district will be governed by a ten-member council consisting of:

- Four permanent positions:
 - the executive director of the area agency on aging or a designee who is a director of senior programs in the county;
 - the county director of social services or a designee who is a director of elderly services;
 - the director of the Department of Children and Families' Adult Services Program or a designee; and
 - the Department of Health's statewide services administrator or a senior administrator of the county health department.
- Two members appointed for two-year terms by a majority of the county governing body, one representing the board of county commissioners and one who is the county representative of the Florida League of Cities.
- Four members appointed by the Governor and representing the cultural diversity of the county's population. One of these members must be at least 60 years of age. All appointees must have been county residents during the previous 24 months.
 - The county governing body must submit three names to the Governor for each vacancy, and the Governor must make a selection within 45 days of receipt of the names or request a new list of candidates.
 - Appointees serve 4-year terms and may be reappointed for one additional term.
 - Initial appointments are staggered.

¹⁵ Part III, chapter 218, F.S., requires independent special districts to file an annual financial report with the Department of Financial Services no later than April 30. In addition, any special district with revenues and expenditures between \$50,000 and \$100,000 must undergo a financial audit of its accounts and records within a 12 month period after the end of the fiscal year. The audit must be performed by an independent certified public accountant and is conducted only if the special district has not been subject to an audit conducted by the Auditor General within the two preceding fiscal years.

- The Governor may remove his or her appointee for cause or upon the written petition of the county governing body. Upon resignation, death, or removal of a member appointed by the Governor, the vacancy shall be filled using the same method as the original appointment and for the unexpired length of the term.
- Council members may not receive compensation for services.

Subsection (4) provides that the council must:

- Elect a chair, a vice chair, and other officers deemed necessary immediately after all council members are appointed.
- Immediately after members are appointed and officers are elected, identify and assess the needs of seniors within the county and submit a written report to the county governing body that describes:
 - The activities, services, and opportunities that will be provided to seniors.
 - The manner in which services will be provided, including a description of arrangements and agreements which will be made with community organizations, state and local education agencies, federal agencies, public assistance agencies, the court system, guardianship groups, and other applicable public and private agencies and organizations.
 - The anticipated schedule for providing services.
 - Special outreach efforts which will be taken to provide services to seniors who are at-risk, abused, neglected, or ailing.
 - How the council will seek and obtain funding for unmet needs.
 - The strategy for interagency coordination to maximize existing human and fiscal resources.
- Provide training and orientation for new council members.
- Develop and adopt bylaws and rules for the council's guidance, operation, governance and maintenance which are consistent with other relevant laws and ordinances.
- Provide an annual written report to the county governing body by January 1 containing:
 - Information on the effectiveness of the council's activities, services, and programs.
 - A detailed, anticipated budget for continuation of services, activities, and programs.
 - A list of all sources of funding.
 - Procedures used to identify at-risk or special needs seniors who need additional or continued services, and how those additional or continued services will be provided.
 - A description of how the council's objectives and activities are consistent with the goals of the act.
 - Detailed information on programs, services, and activities available to seniors.
 - Information on programs, services, and activities that should be continued, eliminated, or added to the council's responsibilities.
- Maintain minutes of each meeting, including a record of all votes cast, and make the minutes of the meetings available to any person who asks.

Subsection (4) also provides that the council may:

- Provide and maintain in the county the preventative, developmental, treatment, and rehabilitative services for seniors which the council deems are necessary.
- Allocate and provide funds to other county agencies that operate for the benefit of seniors.
- Collect information and statistical data and conduct research and assessments that are helpful in determining the needs of seniors in the county.

- Consult and coordinate with other agencies to prevent the duplication of services.
- Seek grants from state, federal, and local agencies and accept donations.
- Lease or buy real estate, equipment, or personal property and construct buildings as needed to perform the business of the council. Purchases may not be made or buildings constructed unless paid for with cash on hand or secured by funds deposited in a financial institution.
- Employ, pay, and provide benefits for any part-time or full-time personnel necessary for the district to perform its duties.
- Enter into a cooperative agreement with another council to share administrative costs, and to seek grants, accept donations, or jointly fund programs serving multicounty areas. Each district must adequately account for separate and joint funds.

Subsection (5) provides that with respect to the council budget, the council must:

- On or before July 1 of each year, prepare a tentative annual written budget of the district's expected income and expenditures, including a contingency fund.
- Compute a proposed millage rate not to exceed 0.5 mills of assessed value necessary to fund the tentative budget.
- Prior to adopting a final budget, comply with s. 200.065, F.S., relating to the method for fixing millage, and fix the final millage rate by resolution of the council.
- After the district budget is certified and delivered to the county governing body, the budget may not be changed or modified by the governing body or any other authority.
- As soon after collection as is reasonably practicable, all taxes collected must be paid directly to the district by the county's revenue-collection entity.
- All moneys received by the district must be deposited into qualified public depositories, as defined in s. 280.02, F.S.,¹⁶ with separate and distinguishable accounts established specifically for the council.
 - Funds may only be withdrawn by checks signed by the council chair and countersigned by one other council member or by a chief executive officer authorized by the council.
 - Upon taking office, the chair and the other person authorized to sign checks must each file a surety bond in the sum of at least \$1,000 for each \$1 million, or portion thereof, of the district's annual budget, which shall be conditioned upon the faithful discharge of duties. The district may pay the bond premium. Other council members may not be required to give bond.
 - Funds of the district may only be expended by check, except expenditures from a petty cash account that may not exceed \$100. All petty cash expenditures must be recorded. With the exception of petty cash expenditures, funds of the district may not be expended without prior approval of the council.
- The council must file quarterly financial reports, within 10 days from the end of the quarter, reporting on the council's:

¹⁶ Section 280.02(26), F.S., defines "qualified public depository" as any bank, savings bank, or savings association that:

- (a) Is organized and exists under the laws of the United States, the laws of this state or any other state or territory of the United States.
- (b) Has its principal place of business in this state or has a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in this state.
- (c) Has deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. s. 1811 et seq.
- (d) Has procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits.
- (e) Meets all the requirements of this chapter.
- (f) Has been designated by the Chief Financial Officer as a qualified public depository.

- Total receipts and expenditures for the quarter.
- Total funds on hand, total funds invested, and total funds deposited.
- Total administrative costs for the quarter.
- The council may not require any service provider to provide matching funds.
- Funds collected under the act may not be used as a substitute for existing resources used to fund senior services.

Section 2 directs the Division of Statutory Revision to place the provisions of the act in part V of chapter 125, Florida Statutes, and to appropriately retitle that part.

Section 3 provides that the act will take effect July 1, 2010.

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:

This bill authorizes counties to create independent special districts by ordinance with the authority to levy ad valorem taxes to raise revenue to provide senior services.

B. Private Sector Impact:

Property owners living within a county that establishes a senior services district will pay additional property taxes. Seniors living in a county that establishes such a district may receive increased services.

C. Government Sector Impact:

Subject to approval by a majority of the voters, any county may create a senior services district with authority to levy ad valorem taxes up to 0.5 mill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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 Finance and Tax Committee on March 16, 2010:

The committee substitute clarifies the process by which a county governing board must obtain approval by a majority of the voters to establish an independent senior services district with authority to levy property taxes up to 0.5 mills.

- B. **Amendments:**

None

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
