

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 1175 Martin County; Village of Indiantown
SPONSOR(S): Magar
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	13 Y, 0 N	Darden	Miller
2) Ways & Means Committee	14 Y, 0 N	Curry	Langston
3) State Affairs Committee			

SUMMARY ANALYSIS

Indiantown is well-established community located in western Martin County. The Village of Indiantown was created by a special act of the Legislature in 2017, subject to approval by residents voting in a referendum held the same year. As of the 2010 U.S Census, Indiantown has a population of 6,083.

The bill amends the charter of the Village of Indiantown to correct scrivener's errors contained in the legal description of the boundaries of the municipality. The bill also authorizes the Village to include ad valorem millage levied by Martin County municipal service taxing units to be counted toward calculating the 3 mills of required local contributions to be eligible for state-shared revenues.

According to House Rule 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. Since this bill creates an exception to general law, the provisions of House Rule 5.5(b) apply.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Village of Indiantown

Indiantown is a well-established community located in western Martin County and described by the local Chamber of Commerce as “clean, green, and high-tech.”¹ The village borders the St. Lucie Canal and is home to the world’s first hybrid solar energy facility, an advanced fiber optic network, and a thriving marine industry. According to the 2010 U.S. Census, the population of Indiantown Census Designated Place was 6,083.² Indiantown was previously incorporated from 1927 to 1933.³

In 2017, the Legislature approved the creation of a municipality, the Village of Indiantown, subject to the approval of residents voting in a referendum.⁴ The referendum was held on November 7, 2017, with 63 percent of voters approving of the creation of the Village.⁵ For the purposes of tax collection, the Village was considered created and established effective December 31, 2017.⁶

Local Government Revenue Sharing Eligibility

In any fiscal year, a unit of local government may be eligible to participate in revenue sharing beyond the minimum entitlement amount.⁷ To be eligible, the local government unit must do all of the following:

- Report to the Department of Financial Services its finances for its most recently completed fiscal year.
- Make provisions for annual post-audits of its financial accounts.
- For newly incorporated municipalities, for the taxable values for the year of incorporation as certified by the property appraiser:
 - Levy ad valorem taxes, exclusive of taxes levied for debt service or other voter-authorized special millages, to produce revenue equivalent to a millage rate of 3 mills on the dollar based on the 1973 taxable values as certified by the property appraiser, or
 - In order to produce revenue equivalent to that which would otherwise be produced by such 3-mill ad valorem tax, to have received a certain remittance from the county, collected an occupational license tax or a utility tax, levied an ad valorem tax, or received revenue from any combination of these four sources.⁸
- Certify certain information relating to its law enforcement officers,⁹ firefighters,¹⁰ and dependent special districts.¹¹

¹ BJM Consulting, Inc., Village of Indiantown Incorporation Feasibility Study (August 2016), on file with the Local, Federal & Veterans Affairs Subcommittee.

² U.S. Census Bureau, American Factfinder, <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> (last visited Mar. 8, 2019).

³ See ch. 12889, Laws of Fla. (1927) (charter for Indiantown) and ch. 16483, Laws of Fla. (1933) (abolishing the municipality of Indiantown).

⁴ Ch. 2017-195, Laws of Fla.

⁵ Martin County Supervisor of Elections, *2017 Special Referendum Election*, <http://results.enr.clarityelections.com/FL/Martin/71084/191245/en/summary.html> (last visited Mar. 8, 2019).

⁶ Ch. 2017-195, s. 1(3), Laws of Fla.

⁷ S. 218.23, F.S.

⁸ S. 218.23(1)(c), F.S.

⁹ S. 218.23(1)(d), F.S.

¹⁰ S. 218.23(1)(e), F.S.

¹¹ S. 218.23(1)(f), F.S.

- Certify, annually and within 30 days of adopting an ordinance or resolution establishing a final property tax levy (or if none is levied, no later than November 1), to the Department of Revenue that the requirements of s. 200.065, F.S., were met.¹²

The charter provides that the Village of Indiantown may participate in all revenue sharing programs of the state.¹³ It also provides that the provisions of s. 218.23, F.S., are waived for the purpose of conducting audits and financial reporting through the end of fiscal year 2018-2019, and that for purposes of complying with s. 218.23, F.S., the millage levied by a special district may be used for an indefinite period of time.

As part of the incorporation process, the Village of Indiantown conducted and submitted to the Legislature a Feasibility Study.¹⁴ According to the Study, the Village of Indiantown planned to satisfy the requirement that it pay a total local tax rate of 3 mills by levying the cumulative 3.1801 mills rate then levied by the municipal service taxing units serving the area of the municipality. An analysis of the feasibility study conducted by the Department of Revenue noted that the (then) proposed charter stated the Village is eligible to participate in all shared revenue programs effective January 1, 2018, but that funds cannot be disbursed until after the election and first meeting of the Village Council.¹⁵

Village of Indiantown Corporate Boundaries

The Village of Indiantown charter sets forth boundaries for the newly incorporated area.¹⁶

Proposed Changes

The bill amends s. 3 of the charter for the Village of Indiantown to correct the territorial boundaries of the Village, reducing the size of the municipality from 9,397.5 acres to 9,073 acres. The boundaries as described in the initial charter contained scrivener's errors.

The bill also authorizes the Village to include ad valorem millage levied by Martin County municipal service taxing units to be counted toward calculating the 3 mills of required local contributions to be eligible for state-shared revenues.

B. SECTION DIRECTORY:

Section 1: Amends s.3 of ch. 2017-195, Laws of Fla., relating to the territorial boundaries of the Village of Indiantown.

Section 2: Amends s. 11 of ch. 2017-195, Laws of Fla., relating to state-shared revenues.

Section 3: Provides that the bill shall take effect upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes ☒ No ☐

IF YES, WHEN? January 27, 2019

¹² S. 218.23(1), F.S.

¹³ Ch. 2017-195, s. 11(8), F.S.

¹⁴ BJM Consulting, Inc., Village of Indiantown Incorporation Feasibility Study (August 2016), on file with the Local, Federal & Veterans Affairs Subcommittee.

¹⁵ DOR Memorandum on Proposed Incorporation – Village of Indiantown (December 2, 2016), on file with the Local, Federal & Veterans Affairs Subcommittee.

¹⁶ Ch. 2017-195, s. 3, Laws of Fla.

WHERE? The *Stuart News*, a daily newspaper of general circulation published in Martin County, Florida.

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:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

According to House Rule 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. Since this bill creates an exception to general law, the provisions of House Rule 5.5(b) apply.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

HOUSE OF REPRESENTATIVES
2019 - 2020 LOCAL BILL CERTIFICATION FORM

BILL #: _____
SPONSOR(S): MaryLynn Magar
RELATING TO: Village of Indiantown
[Indicate Area Affected (City, County, or Special District) and Subject]
NAME OF DELEGATION: Martin County Delegation
CONTACT PERSON: Ann Bolduc
PHONE NO.: 772-545-3481 **E-Mail:** ann.bolduc@myfloridahouse.gov

- I. House local bill policy requires the following steps must occur before a committee or subcommittee of the House considers a local bill:**
(1) The members of the local legislative delegation must certify that the purpose of the bill cannot be accomplished at the local level;
(2) The legislative delegation must hold a public hearing in the area affected for the purpose of considering the local bill issue(s);
(3) The bill must be approved by a majority of the legislative delegation, or a higher threshold if so required by the rules of the delegation, at the public hearing or at a subsequent delegation meeting; and
(4) An Economic Impact Statement for local bills must be prepared at the local level and filed with the Clerk of the House. Under House policy, a local bill will not be considered by a committee or subcommittee without an Economic Impact Statement.

- (1) Does the delegation certify the purpose of the bill cannot be accomplished by ordinance of a local governing body without the legal need for a referendum?

YES ☒ NO ☐

Brief Explanation as to why the purpose of the bill cannot be accomplished at the local level:

- (2) Did the delegation conduct a public hearing on the subject of the bill?

YES ☒ NO ☐

Date hearing held: January 15, 2019

Location: Indian River State College - Martin County Delegation Meeting

- (3) Was this bill formally approved by a majority of the delegation members?

YES ☐ NO ☐ UNANIMOUSLY APPROVED ☒

- (4) Was an Economic Impact Statement prepared at the local level and filed with the Clerk of the House?

YES ☒ NO ☐

- II. Article III, Section 10 of the State Constitution prohibits passage of any special act unless notice of intention to seek enactment of the bill has been published as provided by general law (s. 11.02, F. S.) or**

the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.

Has this constitutional notice requirement been met?

Notice published: YES ☒ NO ☐ DATE 1-27-19

Where? TC Palm County Martin / St Lucie

Referendum in lieu of publication: YES ☐ NO ☒

Date of Referendum

III. Article VII, section 9(b) of the State Constitution prohibits passage of any bill creating a special taxing district, or changing the authorized millage rate for an existing special taxing district, unless the bill subjects the taxing provision to approval by referendum vote of the electors in the area affected.

(1) Does the bill create a special district and authorize the district to impose an ad valorem tax?

YES ☐ NO ☒

(2) Does this bill change the authorized ad valorem millage rate for an existing special district?

YES ☐ NO ☒

If the answer to question (1) or (2) is YES, does the bill require voter approval of the ad valorem tax provision(s)?

YES ☐ NO ☒

Please file this completed, original form with the Clerk of the House.


Delegation Chair (Original Signature)

1-29-19
Date

MaryLynn Magar
Printed Name of Delegation Chair

**HOUSE OF REPRESENTATIVES
2018 ECONOMIC IMPACT STATEMENT FORM**

****Read all instructions carefully.****

House local bill policy requires that no local bill will be considered by a committee or a subcommittee without an Economic Impact Statement. This form must be prepared by an individual who is qualified to establish fiscal data and impacts and has personal knowledge of the information given (for example, a chief financial officer of a particular local government). Please submit this completed, original form to the Local, Federal & Veterans Affairs Subcommittee as soon as possible after a bill is filed. Additional pages may be attached as necessary.

BILL #:

SPONSOR(S): Rep. MaryLynn Magar

RELATING TO: Village of Indiantown - Correction of Legal Description and other Language

[Indicate Area Affected (City, County or Special District) and Subject]

I. REVENUES:

These figures are new revenues that would not exist but for the passage of the bill. The term "revenue" contemplates, but is not limited to, taxes, fees and special assessments. For example, license plate fees may be a revenue source. If the bill will add or remove property or individuals from the tax base, include this information as well.

	<u>FY 18-19</u>	<u>FY 19-20</u>
Revenue decrease due to bill:	\$ <u>0</u>	\$ <u>0</u>
Revenue increase due to bill:	\$ <u>0</u>	\$ <u>0</u>

II. COST:

Include all costs, both direct and indirect, including start-up costs. If the bill repeals the existence of a certain entity, state the related costs, such as satisfying liabilities and distributing assets.

Expenditures for Implementation, Administration and Enforcement:

	<u>FY 18-19</u>	<u>FY 19-20</u>
	\$ <u>0</u>	\$ <u>0</u>

Please include explanations and calculations regarding how each dollar figure was determined in reaching total cost.

The bill only corrects scrivener's and drafting errors in the
special act creating the Village, and as such will not increase
or decrease revenues, nor will the bill create additional costs.

III. FUNDING SOURCE(S):

State the specific sources from which funding will be received, for example, license plate fees, state funds, borrowed funds, or special assessments.

If certain funding changes are anticipated to occur beyond the following two fiscal years, explain the change and at what rate taxes, fees or assessments will be collected in those years.

	<u>FY 18-19</u>	<u>FY 19-20</u>
Local:	\$ <u>0</u>	\$ <u>0</u>
State:	\$ <u>0</u>	\$ <u>0</u>
Federal:	\$ <u>0</u>	\$ <u>0</u>

IV. ECONOMIC IMPACT:

Potential Advantages:

Include all possible outcomes linked to the bill, such as increased efficiencies, and positive or negative changes to tax revenue. If an act is being repealed or an entity dissolved, include the increased or decreased efficiencies caused thereby.

Include specific figures for anticipated job growth.

1. Advantages to Individuals: Increased certainty for Village residents and property owners that the Village is on a sound legal footing.
2. Advantages to Businesses: Increased certainty for Village businesses that the Village is on a sound legal footing.
3. Advantages to Government: The Village's avoidance of potential litigation due to scrivener's and drafting errors in the Village charter; increased legal certainty for Village and County government.

Potential Disadvantages:

Include all possible outcomes linked to the bill, such as inefficiencies, shortages, or market changes anticipated.

Include reduced business opportunities, such as reduced access to capital or training.

State any decreases in tax revenue as a result of the bill.

1. Disadvantages to Individuals: None.

2. Disadvantages to Businesses:

None.

3. Disadvantages to Government:

None.

V. DESCRIBE THE POTENTIAL IMPACT OF THE BILL ON PRESENT GOVERNMENTAL SERVICES:

By correcting scrivener's and drafting errors in the special act creating the Village of Indiantown, the bill could avoid the cost to taxpayers of unnecessary potential litigation resulting from such errors.

VI. SPECIFIC DATA USED IN REACHING ESTIMATES:

Include the type(s) and source(s) of data used, percentages, dollar figures, all assumptions made, history of the industry/issue affected by the bill, and any audits. In the experience of the undersigned Village Attorney, a board certified local government attorney, errors within a municipal charter can be a basis for litigation that is costly to the taxpayers, and correction of scrivener's and drafting errors in the special act creating the Village could mitigate such risk for the taxpayers.

VII. CERTIFICATION BY PREPARER

I hereby certify I am qualified to establish fiscal data and impacts and have personal knowledge of the information given. I have reviewed all available financial information applicable to the substance of the above-stated local bill and confirm the foregoing Economic Impact Statement is a true and accurate estimate of the economic impact of the bill.

PREPARED BY:


[Must be signed by Preparer]

Print preparer's name:

Wade C. Vose

12/11/2018

Date

TITLE (such as Executive Director, Actuary, Chief Accountant, or Budget Director):

Village Attorney

REPRESENTING:

Village of Indiantown

PHONE:

772-600-4845

E-MAIL ADDRESS:

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