

STORAGE NAME: h2181.ca

DATE: April 16, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
ANALYSIS**

BILL #: HB 2181 (PCB CA 99-02a)

RELATING TO: Special Districts/Community Development Districts

SPONSOR(S): House Committee on Community Affairs and Rep. Gay

COMPANION BILL(S): CS/SB 2456 (s)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY AFFAIRS YEAS 8 NAYS 0
- (2) REAL PROPERTY & PROBATE
- (3) FINANCE & TAXATION
- (4)
- (5)

I. SUMMARY:

The bill amends existing law governing special districts and community development districts (CDDs). The bill clarifies that a petition by the governing body of an existing special district for reestablishment as a CDD must contain information specified in the Florida Statutes and that the petition is not subject to the \$15,000 filing fee.

After August 1, 2000, all newly elected or appointed members of district boards must complete at least 6 hours of education within the first calendar year of election or appointment. The bill provides for certain courses. The bill places certain requirements on the board member for taking and completing the courses. The bill provides an arrangement for payment of fees, if any, for the courses and removes any responsibility from the Department of Community Affairs (DCA), either directly or indirectly, for the cost of the education program. Certain exceptions to the education requirements apply.

The bill allows the board of supervisors to keep the record book of proceedings within the boundaries of a development of regional impact (DRI) or a Florida Quality Development (FQD), or where there is a combination of a DRI or a FQD, that includes the district; and to maintain an office within the boundaries of a DRI or a FQD, that includes the district. The bill provides that the filing of the petition for expansion or contraction by the district board of supervisors constitutes consent of the landowners within the district whose land *is not* proposed to be added or removed from the district. The bill broadens the express powers section to include the power to establish, operate, and maintain buses, trolleys, transit shelters, ridesharing facilities and service, parking improvements, and related signage; provides that the district also has power to establish, operate, and maintain conservation areas, mitigation areas, and wildlife habitat.

The bill specifies that benefit special assessments, maintenance special assessments, and special assessments are non-ad valorem assessments that constitute a lien on the property assessed. The bill establishes that liens be co-equal with liens of state, county, municipal, and school board taxes. The non-ad valorem assessments are collected by the tax collector.

District assessments are to be paid in no more than 30 yearly installments. The bill requires that any board seeking to construct or improve a public building, structure, or other public works comply with the bidding procedures of section 255.20, F.S. The bill requires that the district not only adopt rules, but policies and procedures for applying competitive bidding procedures.

The bill allows districts, initially established by county or municipal ordinance, to petition to amend their boundaries up to a cumulative total of 50 percent of the land in the initial district or a total of 500 acres. The district must include a statement, at the *initial* sale, disclosing that the CDD may impose and levy taxes and assessments on the property. A CDD must record in the property records a notice of establishment within 20 days after the effective date of the rule or ordinance establishing the district. CDDs in existence on the effective date of this act must record a notice of establishment within 90 days.

The bill amends the provision contained in section 190.049, F.S., that was enacted in accordance with the provisions of Art. III, subsection 11(a)21, Florida Constitution, preventing the creation of certain independent special districts by special law or general law of local application. Under the provisions of Art. III, subsection 11(a)21, Florida Constitution, this section must receive a vote of three-fifths of the membership of each house of the Legislature in order to pass.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Creation of The Uniform Community Development District Act of 1980

Chapter 190, Florida Statutes, is the "Uniform Community Development District Act of 1980." In adopting the act the Legislature expressed its concern that there was a need for uniform procedures in state law to authorize the establishment of community development districts (CDDs) to provide for the planning, management, and financing of capital infrastructure.

A series of events that occurred during the 1970s culminated in the decision by all involved parties to develop and pass the 1980 Community Development District Act. In the early 1970s developers wishing to undertake large-scale, community-type development began bringing to the Legislature proposed local bills establishing independent special districts with extensive local government type powers. A problem soon arose in that there was no conformity among the local bills. In the months preceding the 1975 Legislative Session, this general uneasiness among policy makers resulted in a joint effort by the Legislature, the Governor, and major developers to create a statutory framework through which this kind of encompassing development could proceed. The result was the adoption of the "New Communities Act of 1975", chapter 163, part V, F.S.

The New Communities Act of 1975 was intended to provide for a uniform method of creation of independent new community districts. However, because of several exceptions contained in the act, developers were able to circumvent the requirements of the act. For this reason, the Legislature adopted the "Uniform Community Development District Act of 1980," in order to provide an exclusive and uniform method of creating CDDs.

Specifically, the Uniform Community Development District Act allows developers to create independent special districts with a broad range of governmental powers as a means of financing various types of infrastructure and delivering "urban community services" for planned developments. The districts are intended to benefit the taxpayers of counties and municipalities in which the districts are located by shifting the burden of paying for infrastructure to those buying land in the districts. However, CDDs do not have the power of a local government to adopt a comprehensive plan, building code, or land development code.

Pursuant to Chapter 190, establishment of a CDD can proceed in one of two ways.

- Pursuant to subsection 190.005(1), F.S., CDDs larger than 1,000 acres must be established by rule, adopted pursuant to chapter 120, F.S., of the Florida Land and Water Adjudicatory Commission (FLAWAC).
- Pursuant to subsection 190.005(2), F.S., a county or municipality can establish a CDD by passage of a local ordinance adopted by the county commission, if it encompasses less than 1,000 acres.

Either establishment process entails the preparation of detailed studies displaying:

- Legal description of the CDD's proposed boundaries;
- Permission from 100 percent of the landowners within the proposed CDD's boundaries;
- Identification of the members of the initial landowners board;
- A detailed map of the proposed CDD displaying existing water mains, sewer interceptors, and outfalls;
- The type, cost, construction, timetable, and financing method for required infrastructure;
- Information concerning how the CDD will interact with the future land use element of affected local comprehensive plans; and
- An economic impact statement.

The act also requires the petitioner to pay a filing fee of \$15,000. This fee is to be paid to the county and to each municipality whose boundaries are contiguous with or contain some portion of the land within the district. Finally, the act requires a local public hearing on the petition pursuant to paragraph (c) of subsection 190.005(1), F.S, and paragraph (b) of subsection 190.005(2).

Creation of a CDD by Special Act

Article III, section 11(a)(21) of the Florida Constitution, prohibits the enactment of special laws or general laws of local application in certain specified subject areas. Paragraph (21) of subsection (a) of section 11 provides that the Legislature may, by general law with a three-fifths vote of the membership of each house, provide additional subject matters to this prohibition. In 1984, the Legislature opted to prohibit special laws or general laws of local application creating independent special districts with two or more of the special powers available to CDDs in section 190.012, F.S. [See s.190.049, F.S.; 84-360, Laws of Florida]

According to the 1991 bill analysis of HB 2029, which amended several sections of chapter 190, F.S., the Legislature emphasized its policy of not wanting to create CDDs through the passage of individual special acts, by including the specific prohibition contained in section 190.049, F.S. That section states, "there shall be no special law or general law of local application creating an independent special district which has the powers enumerated in two or more of the paragraphs contained in section 190.012 [special powers provision]." Therefore, the Legislature may not by special act create a CDD if it were granted two or more of the enumerated powers. However, the Legislature may create a CDD with a single specific power by special act. Subsequent Legislatures may amend that enabling legislation, adding to the powers of the CDD.

Powers of the CDD

CDDs have limited authority and may only exercise those powers that are expressly granted to them by law or those that are necessarily implied because they are essential to carry into effect those powers granted. Thus, CDDs are authorized to accomplish special, limited purposes and do not possess the broader home rule powers that municipalities and counties have in Florida.

Section 190.011, F.S., grants the general corporate powers that CDDs may exercise. The section provides districts shall have and boards may exercise the following powers:

- Sue and be sued in the name of the district;
- Make and execute contracts;
- Apply for coverage of its employees under the state retirement system;
- Borrow money and accept gifts;
- Maintain an office within the county in which the district is located;
- Acquire, purchase, or dispose of easements, dedications, or reservations;
- Assess and impose ad valorem taxes;
- Adopt administrative rules for the district;
- Levy special assessments pursuant to chapter 170, F.S.; and
- Exercise all of the powers necessary, convenient, incidental, or proper in connection with any powers, duties, or purposes authorized by the act.

Section 190.012, F.S., makes provision for *special* powers of CDDs. The section provides that the district shall have and the board may exercise any or all of the following special powers relating to public improvements and community facilities:

- Finance, fund, plan, establish, acquire, construct, reconstruct, enlarge or extend, equip, operate, and maintain systems and facilities for the following infrastructures:
 - water management;
 - water supply, sewer, and wastewater management;
 - bridges or culverts;
 - district roads; and
 - any project when required by the local government pursuant to section 380.06, FS., or 380.61, F.S.
- After the board has obtained consent of the local government(s) within the jurisdiction, the district may plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain additional systems and facilities for:
 - parks and facilities for indoor and outdoor recreation, cultural, and educational uses
 - fire prevention and control

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- school buildings and related structures
- control and elimination of mosquitoes and the like
- security such as guardhouses, fences, electronic intrusion systems, and patrol cars
- waste collection and disposal

Special Assessments

Special assessments exist when a local government requires property owners in a specified area to pay for local improvements, because they benefit most from such improvements. Counties and municipalities may levy special assessments pursuant to their constitutional home rule powers. Special purpose local governments, such as CDDs, are authorized to levy special assessments by the statutes governing their creation or establishment. As established by case law, two requirements exist for the imposition of special assessments:

- The property assessed must derive a special benefit from the improvement or service provided; and
- The assessment must be fairly and reasonably apportioned among properties that receive the special benefit.

Special assessment liens are not co-equal to state, county, or city tax liens unless explicitly stated so in the law. Therefore, absent statutory authority to the contrary, lien priorities are determined by the chronological order in which they are perfected and recorded in the official records of the appropriate county in order to be effective against subsequent purchasers for value without notice.

Section 197.3631, F.S., authorizes local governments to collect non-ad valorem assessments by one of two methods -- either the uniform method set forth in ss. 197.3632 and 197.3635, F.S., or "any alternative method which is authorized by law." The uniform non-ad-valorem collection process is a favored method because the special assessments are collected in the same manner as ad valorem taxes, and no specific enforcement action is required by the governmental unit that imposes the assessment. As an alternative method, local governments may collect and enforce special assessments by hiring and paying for its own employees or collection agents.

Termination, Contraction, or Expansion of a District

Currently if a CDD wants to contract or expand its boundaries, the board must petition the local government pursuant to section 190.046, F.S. In all cases written consent of all the landowners whose land is to be added or deleted is required. The petitions to amend are limited to 10 percent more than the district's original size, and all petitions are limited to a cumulative maximum of 250 acres. Under paragraph (g) of subsection 190.046(1), F.S., a petition to amend the boundaries of the district which exceed 250 acres is considered a petition to establish a new district.

B. EFFECT OF PROPOSED CHANGES:

This bill amends several sections of chapter 189, F.S., and revises numerous sections of chapter 190, F.S., known as the "Uniform Community Development District Act of 1980."

The significant changes to chapter 189, F.S., are as follows:

- Provides that CDDs established after July 1, 1980, pursuant to chapter 190, F.S., are deemed to comply with the requirements of subsection 189.404(3), F.S.
- Requires that after August 1, 2000, all newly elected or appointed members of district boards complete at least 6 hours of education within the first calendar year of election or appointment; specifies that the education courses should focus on code for public officers, public meetings and records requirements, public finance, and parliamentary procedures; requires the member to file a course completion statement within 30 days of completing the education program; provides that districts that can not pay the annual fee under section 189.427, F.S., will not be required to pay a fee for the education program; provides that the Department of Community Affairs (DCA) shall not bear, directly or indirectly, the cost of the program. These requirements do not apply to special district governing board members who are also elected governing board members of local general-purpose governments, members of the judiciary, or nonvoting appointees. Board

members of water management districts, created pursuant to chapter 373, F.S., and CDDs, created pursuant to chapter 190, F.S., are also exempt from these provisions.

- Adds assistance with the annual conference education program to the duties and responsibilities of DCA's Special District Information Program.

The significant changes to chapter 190, F.S., are as follows:

- Clarifies that a petition by the governing body of an existing special district for reestablishment as a CDD must contain information specified in paragraph (a) of subsection 190.005(1), F.S., and that the petition is not subject to the \$15,000 filing fee.
- Allows the board of supervisors to keep the record book of proceedings within the boundaries of a development of regional impact or a Florida Quality Development, or within a combination of the boundaries of a development of regional impact or a Florida Quality Development, that includes the district.
- Allows the board of supervisors to maintain an office within the boundaries of a development of regional impact or a Florida Quality Development, or where there is a combination of a development of regional impact and a Florida Quality Development, which includes the district.
- Provides that meetings pursuant to section 189.417(3), F. S., may be held at the office of a development of regional impact or Florida Quality Development or at the office where there is a combination of a development of regional impact or Florida Quality Development.
- Provides that the filing of the petition for expansion or contraction by the district board of supervisors constitutes consent of the landowners within the district whose land is not proposed to be added or removed from the district.
- Provides that subsequent to the initial election of the board of supervisors, election dates are established by the Board and noticed pursuant to section 190.006(2)(a), F.S.
- Broadens the express powers section to include the power to establish, operate, and maintain buses, trolleys, transit shelters, ridesharing facilities and service, parking improvements, and related signage; provides that the district also has power to establish, operate, and maintain conservation areas, mitigation areas, and wildlife habitats.
- Specifies that benefit special assessments, maintenance special assessments, and special assessments are non-ad valorem assessments and constitute a lien on the property assessed; specifies that the lien shall be co-equal with the lien of state, county, municipal, and school board taxes; allows the non-ad valorem assessments to be collected by the tax collector.
- Provides that the board may use the procedures under chapter 170 or chapter 197, F.S., for levying and collecting district assessments.
- Allows district assessments to be paid in no more than 30 yearly installments.
- Requires that any board seeking to construct or improve a public building, structure, or other public works comply with the bidding procedures of section 255.20, F.S; requires that the district not only adopt rules, but policies and procedures for applying competitive bidding procedures.
- Allows districts initially established by county or municipal ordinance to petition to amend their boundaries up to a cumulative total of 50 percent of the land in the initial district or a total of 500 acres.
- Requires that each contract for the initial sale of a parcel of real property and each contract for the initial sale of a residential unit within the district include a disclosure that states the CDD may impose and levy taxes and assessments on the property.
- Requires a CDD created under the act to record in the property records a notice of establishment within 20 days after the effective date of the rule or ordinance establishing the district; requires

that CDDs in existence on the effective date of this act must record a notice of establishment within 90 days.

- Provides that pursuant to section 11(a)(21), Article III of the State Constitution, no special law or general law of local application may create an independent special district that has the powers enumerated in two or more paragraphs of section 190.012, F.S., unless the district is created pursuant to the provisions of section 189.404, F.S.; provides that this section shall take effect upon becoming law, if passed by three-fifths vote of the membership in each house.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

The bill requires that after August 1, 2000, all newly elected or appointed members of district boards complete at least 6 hours of education specifically directed toward elected officials' duties within the first calendar year of election or appointment. The program courses will be given at the annual conference by the Association for Special Districts, or its successor.

By allowing for creation of CDD's through legislative special act or general law of local application, pursuant to the provisions of section 189.404, F.S., the Legislature may see an increase in the filing of special laws or general laws of local application for this purpose.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

An agency or program is not eliminated or reduced.

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

Indeterminate.

(2) what is the cost of such responsibility at the new level/agency?

Not applicable.

(3) how is the new agency accountable to the people governed?

Not applicable.

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

Indeterminate. The provisions of Section 13, relating to termination, contraction or expansion of districts created initially by county or municipal ordinance may indirectly affect special assessments or fees charged by a district, either positively or negatively.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

Indeterminate. See 2.b. above.

- e. Does the bill authorize any fee or tax increase by any local government?

See 2.b. above.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

The education requirement costs associated with section 2 of the bill will be paid by the individual district boards, unless the district qualifies for a zero fee under section 189.427, F.S.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

The bill does not purport to provide services to families or children.

- (1) Who evaluates the family's needs?

Not applicable.

- (2) Who makes the decisions?

Not applicable.

(3) Are private alternatives permitted?

Not applicable.

(4) Are families required to participate in a program?

Not applicable.

(5) Are families penalized for not participating in a program?

Not applicable.

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

The bill does not create or change a program providing services to families and children.

(1) parents and guardians?

Not applicable.

(2) service providers?

Not applicable.

(3) government employees/agencies?

Not applicable.

D. STATUTE(S) AFFECTED:

Sections 189.4031, 189.405, 189.412, 190.004, 190.005, 190.006, 190.009, 190.011, 190.012, 190.021, 190.022, 190.033, 190.046, 190.048, 190.049, Florida Statutes.

E. SECTION-BY-SECTION ANALYSIS:

Section 1 -- Amends subsection 189.4031(2), F.S.; provides that CDDs established after July 1, 1980, pursuant to chapter 190, F.S., are deemed to contain the information required in subsection 189.404(3), F.S.

Section 2 -- Inserts a new subsection (5) to section 189.405, F.S.; requires that all newly elected or appointed members of district boards after August 1, 2000, complete at least six hours of elected officials education within the first calendar year of election or appointment; requires Florida Association of Special Districts, with assistance from DCA, to conduct courses on code of ethics for public officers and employees, public meetings and public records requirements, public finance, and parliamentary procedure at their annual conference; provides that DCA will not bear any associated costs with the education program; requires each member to file with the district clerk or secretary a course completion statement within 30 days of completing the course; provides that any member who fails to demonstrate compliance within the first calendar year of appointment is not entitled to vote on district matters until the requirement is satisfied; provides that districts which can not pay the annual fee under section 189.427, F.S., will not be required to pay a fee for the education program; provides that the requirements do not extend to those members who are also elected governing board members of local general-purpose governments, members of the judiciary, or non-voting appointees. The provisions of this section do not apply to board members of CDD's or water management districts.

Section 3 -- Amends subsection 189.412(7), F.S.; adds that the Special District Information Program will provide assistance with the annual conference sponsored by the Florida Association of Special Districts.

Section 4 -- Creates subsection (4) of section 190.004, F.S.; provides clarifying language relating to the establishment of a district; provides that the exclusive charter for a CDD is the uniform CDD charter as set forth in ss 190.006 through 190.041, F.S.

Section 5 -- Amends subsection 190.005(3), F.S.; provides clarifying language relating to the establishment of a district; clarifies that a petition by the governing body of an existing special district for reestablishment as a CDD must contain the information specified in paragraph (a) of subsection 190.005(1), F.S.; clarifies that said petition is not subject to the filing fee of \$15,000 set forth in paragraph (b) of subsection 190.005(1), F.S.

Section 6 -- Amends subsection 190.006(7), F.S.; provides that after the initial date of subsequent elections, election of supervisors shall be on a date established by the board, and noticed pursuant to current law; permits the board of supervisors to keep the record book of proceedings within the boundaries of a development of regional impact or a Florida Quality Development, or within a combination of the boundaries of a development of regional impact or a Florida Quality Development, that includes the district.

Section 7 -- Amends subsection 190.009(1), F.S.; specifies that it is the *initial* purchaser to whom the residential developer must disclose the information relating to public financing and maintenance of improvements.

Section 8 -- Amends subsection 190.011(6), F.S.; provides that the district and the board of supervisors may maintain an office within the boundaries of a development of regional impact or a Florida Quality Development, or a combination of a development of regional impact and a Florida Quality Development, which includes the district; provides that meetings pursuant to section 189.417(3), F. S., may be held at the office of a development of regional impact or Florida Quality Development or at the office where there may be a combination of a development of regional impact or Florida Quality Development.

Section 9 -- Amends subsection 190.012(1), F.S.; provides that the district has the power to establish, operate, and maintain buses, trolleys, transit shelters, ridesharing facilities and service, parking improvements, and related signage; provides that the district also has power to establish, operate, and maintain conservation areas, mitigation areas, and wildlife habitats.

Section 10 -- Adds subsections (8) and (9) to section 190.021, F.S.; provides that benefit special assessments, maintenance special assessments, and special assessments are non-ad valorem assessments and constitute a lien on the property assessed; specifies that the lien shall be co-equal with the lien of state, county, municipal, and school board taxes; allows the non-ad valorem assessments to be collected by the tax collector.

Section 11 -- Amends section 190.022, F.S.; provides that the board may use the procedures under chapter 170 or chapter 197, F.S., for levying and collecting district assessments; allows district assessments to be paid in no more than 30 yearly installments rather than the current 20 yearly instalments.

Section 12 -- Amends subsections (1) and (3) of section 190.033, F.S.; requires that any board seeking to construct or improve a public building, structure, or other public works comply with the bidding procedures of section 255.20, F.S., and other applicable general law; requires that contracts for maintenance services for any district facility or project that exceeds the amount provided in category four of section 287.017, F.S. (\$60,000), is subject to competitive bidding requirements; requires the district to adopt rules, policies, or procedures establishing competitive bidding procedures for maintenance services; provides that contracts for other services are not subject to the competitive bidding process unless the district adopts a rule, policy, or procedure applying competitive bidding procedures to said contracts.

Section 13 -- Amends section 190.046(1), F.S.; provides that the board may file a petition for expansion or contraction of a CDD; states that the petition constitutes consent of the landowners

within the district other than the landowners whose land is proposed to be added or removed from the district; states that in districts established by administrative rule, petitions to amend the boundaries of the district are limited to a cumulative total of no more than 10 percent of the land in the initial district; provides, however, that in districts initially established by county or municipal ordinance, petitions to amend the boundaries of those districts are limited to a cumulative total of 50 percent of land in the initial district or a total of 500 acres.

Section 14 -- Amends section 190.048, F.S.; requires that each contract for the initial sale of a parcel of real property and each contract for the initial sale of a residential unit within the district include a disclosure statement that states the CDD may impose and levy taxes and assessments on the property.

Section 15 -- Creates section 190.0485, F.S.; requires a CDD created under this act to record in the property records a notice of establishment within 30 days after the effective date of the rule or ordinance establishing the district; requires that the notice include a legal description of the district and a copy of the disclosure statements specified in section 190.048, F.S.

Section 16 -- Requires each CDD in existence on the effective date of this act to record a notice of establishment within 90 days after section 190.0485, F.S., is created.

Section 17 -- Amends section 190.049, F.S.; provides that pursuant to section 11(a)(21), Article III of the State Constitution, no special law or general law of local application may create an independent special district that has the powers enumerated in two or more paragraphs of section 190.012, unless the district is created pursuant to the provisions of section 189.404, F.S.; provides that this section shall take effect upon becoming law, if passed by three-fifths vote of the membership in each house.

Section 18 -- Provides an effective date upon becoming law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Indeterminate. *See fiscal comments.*

3. Long Run Effects Other Than Normal Growth:

None.

C. **DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

1. Direct Private Sector Costs:

The landowners within a CDD bear the direct costs associated with:

- The financing of infrastructure constructed, acquired, or renovated by the developer; and
- The operation and maintenance of infrastructure provided by the developer.

The actual amount may depend on the size of the CDD and the number of landowners within a CDD. Furthermore, the landowners direct cost may change if the CDD's boundaries are expanded or contracted. This bill allows CDDs under 1,000 acres to amend the boundaries of their district to a cumulative total of 50 percent of the land in the initial district or a total of 500 acres. Under current law they may only do so up to 10 percent or a total of 250 acres. Those districts established by administrative rule are not effected.

In addition, the broadening of district purposes under paragraphs (d) and (e) of subsection 190.012(1), F.S., might affect fees or assessments of districts choosing the exercise those powers.

2. Direct Private Sector Benefits:

Two private sector groups directly benefit from the establishment or expansion of a CDD:

- Developers who establish a CDD have access to a broad range of revenue sources to fund construction, purchase, renovation, operation, and maintenance of their district facilities. This allows developers to fund the types and quality of infrastructure and amenities that will attract residents, commercial businesses, and industry to their development.
- Landowners within a CDD will also benefit, because infrastructure necessary to service the residents, businesses, and industry located within the CDD may be provided in a more timely fashion and operate more efficiently.

3. Effects on Competition, Private Enterprise and Employment Markets:

Indeterminate.

D. **FISCAL COMMENTS:**

The requirement of the education program for newly elected or appointed members of district boards after August 1, 2000, may create a fiscal impact on local governments. The individual districts or the Association of Special Districts will bear the cost of educating the individual members at the annual conference.

The new education program will not create a fiscal impact on a state agency. The language of the bill specifically provides that DCA will not bear any costs, directly or indirectly, associated with the program.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

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A. **APPLICABILITY OF THE MANDATES PROVISION:**

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. **REDUCTION OF REVENUE RAISING AUTHORITY:**

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. **REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:**

This bill does not reduce the percentage of a state tax with counties or municipalities.

V. **COMMENTS:**

None.

VI. **AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:**

None.

VII. **SIGNATURES:**

COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Staff Director:

Aimee Diaz

Joan Highsmith-Smith