

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 347 Florida Inland Navigation District
SPONSOR(S): Representative Bean
TIED BILLS: **IDEN./SIM. BILLS:** SB 1298 (i)

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|--|------------------|---------------|-----------------------|
| 1) <u>Local Government & Veterans' Affairs</u> | <u>19 Y, 0 N</u> | <u>Morris</u> | <u>Cutchins</u> |
| 2) <u>Transportation</u> | <u>21 Y, 0 N</u> | <u>Pugh</u> | <u>Miller</u> |
| 3) <u>Finance and Tax</u> | <u></u> | <u>Monroe</u> | <u>Diez-Arguelles</u> |
| 4) <u></u> | <u></u> | <u></u> | <u></u> |
| 5) <u></u> | <u></u> | <u></u> | <u></u> |

SUMMARY ANALYSIS

The Florida Inland Navigation District is an independent special taxing district that manages the Atlantic Intracoastal Waterway from Duval County to Miami-Dade County.

HB 347 extends the territorial boundaries and authority of the district northward to encompass a 12th county, Nassau County. The addition of Nassau County to the district is subject to a referendum for the approval of the levy of ad valorem taxation by a majority vote of the qualified electors of Nassau County. Subsequently, the Governor has the authority to appoint a commissioner to the district, from Nassau County, so each of the 12 counties within the district has representation. No two commissioners may reside in the same county.

HB 347 also revises language relating to the district in regards to Dade County, in order to reflect the county's name change to Miami-Dade County.

The bill raises no apparent constitutional or other legal issues, nor does it have a fiscal impact to the state.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

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DATE: March 12, 2004

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

Lower Taxes

Upon voter approval of a referendum, property owners in Nassau County will be subject to the Board of Commissioners' taxing authority pursuant to s. 374.986, F.S. The current millage rate across the 11 counties in the district is 0.0385 mill.

B. EFFECT OF PROPOSED CHANGES:

Background on the Florida Inland Navigation District

Attempts to connect and improve Florida's east coast intracoastal waterway began in 1883 by the private Florida Coast Line Canal and Transportation Company, which had the state's permission to connect the navigable waters of the St. Johns River through the Indian River and on through Lake Worth into the waters of Biscayne Bay. The Legislature in 1927 created in statute the Florida Inland Navigation District to take over from the bankrupted company and deepen and widen the old canal. A major widening occurred during the 1940s in response to World War II. Over the decades, the depth and width of the intracoastal waterway has been further enlarged, and its spoil used for beach renourishment and other fill projects.

Currently, the Florida Inland Navigation District (District) is comprised of 11 Atlantic coast Florida counties, specifically Duval, St. Johns, Flagler, Volusia, Brevard, St. Lucie, Martin, Indian River, Palm Beach, Broward, and Miami-Dade counties. The District is governed by 11 commissioners, one from each member county. No two commissioners can reside in the same county.

The District's primary mission is to perform the functions of the "local sponsor" of the Atlantic Intracoastal Waterway project in Florida, a state/federal navigation project. In this capacity the District provides all lands required for the navigation project including rights-of-way and lands for the management of materials removed from the waterway channel during dredging activities.

The District also provides funding assistance to its member local governments to develop waterway improvement projects such as access channels, boat ramps, public marinas, fishing piers, boardwalks, waterfront parks, and environmental enhancement/restoration.

Section 374.986(2) F.S., allows the District to annually assess and levy ad valorem taxes, which is currently at a uniform rate of 0.0385 mill across the 11 counties. The District is funded through a variety of revenue sources. Its fiscal year 2003-2004 budget is \$58.5 million, which includes \$29.9 million of projects carried over from previous years, \$17 million from ad valorem taxes, \$8 million from land sales, \$3.2 million from the federal government, and some minor miscellaneous revenue.

Effect of HB 347

HB 347 amends s. 374.982, F.S., by increasing the territorial boundaries of the district to include Nassau County. According to the District's executive director, the district and the City of Fernandina Beach have been working on this issue since 1997, when the District began spending funds in Nassau

County to maintain the waterway because of a reduction in federal dollars. The District plans to assist Nassau County with a variety of dredging and beach renourishment projects.

The county's inclusion to the District is dependent on the approval of the levy of ad valorem taxation by a majority vote of the qualified electors of Nassau County at any subsequent regular primary or general election.

The bill also amends s. 374.983, F.S., by specifying the Governor's power to appoint a commissioner from Nassau County to an initial term that coincides with the period remaining in the current terms of the commissioners from Broward, Indian River, Martin, St. Johns and Volusia Counties.

Finally, the bill revises language relating to the district in regards to Dade County, in order to reflect the county's name change to Miami-Dade County.

C. SECTION DIRECTORY:

Section 1 amends s. 374.982, F.S., by incorporating Nassau County as part of the Florida Inland Navigation District. Furthermore, all references to Dade County are updated to reflect the county's updated title, Miami-Dade County.

Section 2 amends s. 374.983, F.S., by increasing the membership of the Florida Inland Navigation District's Board of Commissioners from 11 to 12, to reflect Nassau County's addition to the district. This section also authorizes the Governor to appoint a commissioner from Nassau County for an initial term that coincides with the period remaining in the current terms of the commissioners from Broward, Indian River, Martin, St. Johns, and Volusia Counties. Subsequently, the appointed commissioner must be confirmed by the Senate.

Section 3 amends s. 374.984, F.S., to reflect the current name for Miami-Dade County.

Section 4 specifies that Nassau County will join the District, pursuant to sections 1 and 2 of this bill, only if a majority of the qualified electors of Nassau County vote in a referendum to approve the required levy of ad valorem tax. The referendum will be held in conjunction with any subsequent primary or general election. However, sections 3 and 4 of the bill take effect upon HB 347 becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Upon voter approval of a referendum, property owners in Nassau County will be subject to the District Board of Commissioners' taxing authority as specified in s. 374.986, F.S. According to information gathered by the District's executive director, the district would have collected approximately \$160,000 in 2003 had Nassau County been a member of the district.

2. Expenditures:

There could be an indeterminate, but minimal, expense to Nassau County to include on its primary or general election ballot the question of whether voters are willing to pay additional property taxes so that the county can join the Florida Inland Navigation District.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Upon voter approval of a referendum, property owners in Nassau County will be subject to the Board of Commissioners' taxing authority.

D. FISCAL COMMENTS:

On July 31 of each year, the Board shall propose an annual budget, along with a millage rate, to be levied as taxes for that year within the district. The proposed budget shall be submitted to the Department of Environmental Protection for approval.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not Applicable

C. DRAFTING ISSUES OR OTHER COMMENTS:

According to Senator Wise, sponsor of the identical bill in the Senate chamber, this bill was requested by Nassau County. The Nassau Board of County Commissioners last year passed Resolution 2003-159, which supports Nassau County's inclusion to the district.

If the referendum does not pass and Sections 1 and 2 of this bill do not take effect, there will be an inconsistency between Sections 374.982, 374.983, and 374.984, F.S., with the first two of the listed sections referring to "Dade County" and the last Section referring to "Miami-Dade County"

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES